



UNITED SHIPPERS LIMITED

**66th ANNUAL REPORT
2018-2019**

United Shippers Limited



BOARD OF DIRECTORS (AS ON 16th May, 2019)

MR. SEVANTILAL JIVANLAL PAREKH
MRS. SUJATA PAREKH KUMAR
MR. SUHRID SOMANI
MR. VISHNU NARAIN KHANNA
DR. SURESH PARIKH
CAPT. DINYAR P. KARAI
MR. PARAS DAKALIA
MR. BALKRISHNASABOO
MR. MANISH HOLANI

Chairman & Managing Director
Jt. Managing Director
Director
Independent Director
Independent Director
Director & C.E.O.
Director - Finance
Director - Technical
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

CANARABANK • ICICI BANK LTD. • KOTAK MAHINDRA BANK

REGISTERED OFFICE :

Prospect Chambers

3rd Floor, D. N. Road,
Fort, Mumbai-400 001.

Tel. : 91-22-6756 8400 / 401

Fax : 91-22-6756 8496

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



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NOTICE

NOTICE is hereby given that the 66th Annual General Meeting of United Shippers Limited will be held at the Registered Office of the Company at "Prospect Chambers", 3rd Floor, D. N. Road, Fort, Mumbai - 400001 on Friday on 09th, August, 2019 at 11.30 am to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended March 31, 2019 and the audited Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.
2. To declare final dividend on Equity Shares for the financial year ended 31st March, 2019.
3. To appoint a Director in place of Mr. Suhrid Somani (DIN: 00217379) who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:

4. To consider and reappoint Mrs. Sujata Parekh Kumar as Jt. Managing Director of the Company.

To consider and if thought fit, to pass with or without any modification(s) the following resolution as a Special resolution:

"RESOLVED THAT pursuant to the provisions of Section 152, 196 and 197 and other applicable provisions, if any, and 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 (hereinafter referred to as "the said Act" including any statutory modifications or any re-enactment thereof for the time being in force) the consent of the members of the Company be and is hereby accorded for reappointment of Mrs. Sujata Parekh Kumar (DIN: 00016335) as a whole time director designated as Jt. Managing Director of the Company for a period of 3 years effective from 01st June, 2019 to 31st May, 2022, not liable to retire by rotation on such remuneration and terms and conditions as set out in the explanatory statement with further liberty to the remuneration committee and/ or Board of Directors of the Company to alter and vary the said terms and conditions including remuneration so as not to exceed the limits specified in Schedule V to the Companies Act, 2013 or any other amendments thereto.

RESOLVED FURTHER THAT any member of the Board and/ or the Company Secretary, be and are hereby severally authorized to settle any question, difficulty or doubt, that may arise in giving effect to the above resolution and to do all such acts, deeds and things as it may deem necessary, proper or desirable and to sign and execute all necessary documents, applications, letter and returns for the purpose of giving effect to the

United Shippers Limited



aforesaid resolution along with filing of necessary forms and returns with the appropriate authorities.”

5. To consider and appoint Mr. Krishnagopal B. Gupta as an Independent Director.

To consider and if thought fit, to pass with or without any modification(s) the following resolution as a special resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force) Mr. Krishnagopal B. Gupta (DIN: 00997067), being qualified and eligible for appointment as an Independent Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, and who has signified his consent to act as an Independent Director of the Company and submitted a declaration that he meets the criteria for appointment of an Independent Director under the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five (5) consecutive years w.e.f. 09th July, 2019, subject to review of annual performance, and whose term of office shall not be liable to retirement by rotation.

RESOLVED FURTHER THAT any member of the Board and/ or the Company Secretary, be and are hereby severally authorized to settle any question, difficulty or doubt, that may arise in giving effect to the above resolution and to do all such acts, deeds and things as it may deem necessary, proper or desirable and to sign and execute all necessary documents, applications, letter and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary forms and returns with the appropriate authorities.”

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A Proxy form must be lodged at the Company’s registered office not less than 48 hours before the meeting. Proxies submitted on behalf of companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued on behalf of the nominating organization. Members are requested to note that a person can act as a proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

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2. The Dividend for the financial year ended March 31, 2019, as recommended by the Board, if approved at the AGM, will be paid within 30 days from the date of declaration of dividend to those members whose names appears on the register of members as on 07th August, 2019.
3. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business, is annexed hereto.
4. Members who have not encashed the dividend for the financial year 2011-12 and / or any subsequent dividends are requested to write to the company giving the necessary details and claim it from the Company.
5. Members are requested to send all communications relating to shares, change of address, names, bank details, their depository details if any, to the Company's Registrar and Share Transfer agent as per the address given in this annual report.

Place : Mumbai
Date : 09th July, 2019

By Order of the Board of Directors

Regd. Office :
Prospect Chambers
3rd Floor, D. N. Road,
Fort, Mumbai- 400 001.
CIN : U35110MH1952PLC009445

Sd/-
Nagendra Agarwal
Company Secretary & Head legal
(Mem. No. A15331)

United Shippers Limited



Explanatory Statements pursuant to the provisions of Section 102 of the Companies Act, 2013:

IN RESPECT OF ITEM NO.4:

Mrs. Sujata Parekh Kumar, was re-appointed as a Jt. Managing Director of the Company by the NRC and Board of directors in their meeting held on 05th May, 2016 for the period of 3 years commencing from 01st June 2016 to 31st May, 2019 as per the provisions of Section 196 and 197 and other applicable provisions, if any and Section II of Part II of Schedule V of the Companies Act, 2013.

The Nomination and Remuneration committee (NRC) and Board of Directors in their meeting held on 16th May, 2019 decided to reappoint her again for a period of 3 years commencing from 01st June 2019 to 31st May, 2022 as per the provisions of Section 196 and 197 and other applicable provisions, if any and Section II of Part II of Schedule V of the Companies Act, 2013. In a board meeting held on 09th July, 2019 the terms of her remuneration were revised and approved by the board.

The present proposal is to seek the member's approval for the re-appointment of and remuneration payable to Mrs. Sujata Parekh Kumar in terms of the provisions of Section 196 and 197 and other applicable provisions, if any of Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (hereinafter referred to as "the said Act" including any statutory modifications or any re-enactment thereof for the time being in force) of the Companies Act, 2013 and all other applicable provisions, if any. The terms for reappointment and remuneration are as under:

- | | | | |
|---|--------------------------|---|--|
| 1 | Period | : | 01 st June, 2019 to 31 st May, 2022 |
| 2 | Remuneration | | |
| | I Basic Salary | : | ₹ 400,000/- p.m. (₹ Four Lakhs Only) |
| | ii Commission | : | Commission shall be payable to Mrs. Sujata Parekh Kumar at the discretion of the Board of Directors as determined by them from year to year but shall not exceed twice the amount of salary drawn during the year. |
| 3 | Perquisites | : | In addition to the above, Mrs. Sujata Parekh Kumar shall be entitled to the following perquisites. |
| | I HRA | : | ₹ 40,000/- p.m. (₹ Forty Thousand Only) |
| | ii Medical Reimbursement | : | Mrs. Sujata Parekh Kumar shall be entitled to be reimbursed medical and nursing expenses actually incurred in India and abroad for herself and her family. She is also entitled for reimbursement of mediclaim policy premium for herself. |

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| | | | |
|------|--------------------------------|---|---|
| iii | Leave Travel Allowance | : | Mrs. Sujata Parekh Kumar shall be entitled for leave travel allowance as per the rules of the Company for travelling expenses incurred for herself and her family. For the purpose of this category family means spouse, dependent children and dependent parents. |
| iv | Club Fees | : | Subject to Maximum of two clubs. |
| v | Superannuation or Annuity Fund | : | Contribution to Superannuation Fund or annuity fund given as per the Company rules will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. |
| vi | Leave and Encashment of Leave | : | Leave and Encashment of leave as per the rules of the Company. |
| vii | Use of Car and Telephone | : | Company maintained car with driver for use on Company's business, telephone at residence and cellular phones provided by the Company will not be considered as perquisite. |
| viii | Gratuity | : | As per the rules of the Company. |

Mrs. Sujata Parekh Kumar shall be entitled for reimbursement of all or any expenditure actually and properly incurred for Company's Business, including boarding and lodging and it will not be considered as perquisites. She shall be entitled for reimbursement of overseas Travel Insurance premium. She shall not be entitled to any sitting fee for attending meetings of the Board of Directors or Committees thereof.

Subject to the superintendence and control of the Board of Directors of the Company, she shall be responsible for the day to day management of the Company and shall carry out such duties as may be entrusted to her by the Board of Directors.

This appointment may be terminated by either party giving to the other party one month notice in writing. Compensation of loss of office in case of any termination before 31st May, 2022 would be payable to her as per the 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 196, 197 and other applicable provisions of the Companies Act, 2013 read with the Schedule V of the Companies Act, 2013 as may be for the time being, be in force."

The Board recommends passing of special resolution set out at item no. 4 to the shareholders for their approval.

None of the Directors except Mr. Sevantilal J. Parekh and Mrs. Sujata Parekh Kumar is concerned or interested in this resolution.

United Shippers Limited



IN RESPECT OF ITEM NO. 5

As per the provisions of section 149 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors), Rules 2014 the Company needs to appoint 2 (two) independent directors to hold office for a term upto 5 (five) consecutive years on the board of a Company and they are not liable to retire by rotation. Since Mr. Vishnunarain Khanna has resigned as an Independent Director of the Company, the Company need to appoint another person as an Independent Director to replace Mr. Vishnunarain Khanna to fulfill the requirement of provisions of Section 149 of the Companies Act, 2013 read with the (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Chairman further informed the board that the Nomination and Remuneration Committee (NRC) in its meeting held on 9th July, 2019 has appointed and recommended Mr. Krishnagopal B. Gupta to be appointed as an Independent Director to replace Mr. Vishnunarain Khanna subject to the approval of shareholders in their General Meeting.

He was appointed as an Additional director by the Board in their meeting held on 09th July, 2019. The board now recommends the appointment of Mr. Krishnagopal B. Gupta as an Independent Director under section 149 of the Companies Act, 2013 to hold office for a term of 5 (five) consecutive years w.e.f. 09th July, 2019. A Notice has been received from a Member along with the deposit of requisite amount proposing Mr. Krishnagopal B. Gupta candidature for the office of Independent Director of the Company.

Mr. Krishnagopal B. Gupta is not disqualified from being appointed as a director in terms of section 164 of the act and has given his consent to act as director. He has also given a declaration under section 149(7) to the effect that he meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013. Mr. Krishnagopal B. Gupta is a qualified Company Secretary, an educationist by profession and is a chairman of a school.

In the opinion of the NRC and Board Mr. Krishnagopal B. Gupta meets the criteria of independence as provided under section 149(6) of the Companies Act, 2013 and is independent of the management of the Company.

In Compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of Mr. Krishnagopal B. Gupta as an Independent Director is now being placed before the Members for their approval.

The terms and conditions of his appointment shall be open for inspection by the members at the registered office of the Company during normal business hours on any working day.

The Board recommends passing of special resolution set out at item no. 5 to the shareholders for their approval.

None of the Directors except Mr. Krishnagopal B. Gupta or his relatives is concerned or interested in this resolution.

STATEMENT PURSUANT TO THE PROVISIONS OF PART II OF SECTION II (B) (IV) OF SCHEDULE V OF Companies ACT, 2013 IN RESPECT OF ITEM NO. 4.

I. GENERAL INFORMATION

1. Nature of Industry :

The Company is into providing of lighterage, stevedoring, chartering of coastal vessels, operating of floating crane vessels, rail, road and sea logistic services to its customers and Port management & Port infrastructure development. The lighterage, stevedoring, logistics business of the Company includes loading/ unloading of bulk cargoes from/to mother vessel and also to deliver the same to the destination of the customer depending upon their requirements either through rail or by road. The Company caters to clients operating through various public and private ports located in the west coast of India.

The Company owns a large fleet of barges, floating cranes, tugs and on-shore equipment's. The Company handles various cargoes such as Coal, Petcoke, Polypropylene Polymer, Extraction, Cement, Clinker, Sulphur, Steel Plates & Pipes, Salt, Bauxite, Mollases, Fertilizers, Sugar, Iron ore, Clean water, Aggregates, Soya bean meal, Peas etc.

- (2) Date or expected date of commencement of commercial production:

Not Applicable as the Company is already in Operations.

- (3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable.

- (4) Financial performance based on given indicators: (₹ in Lakhs)

| Particulars | For the year ended 31 st March, 2019 (audited) | For the year ended 31 st March, 2018 (audited) | For the year ended 31 st March, 2017 (audited) | For the year ended 31 st March, 2016 (audited) | For the year ended 31 st March, 2015 (audited) |
|-------------------|---|---|---|---|---|
| Total Income | 32,364.97 | 34,088.30 | 31,751.18 | 29,949.00 | 42,892.00 |
| Profit before tax | 576.18 | 1,666.46 | 4,305.22 | 1,638.00 | 10,759.00 |
| Profit after tax | 723.76 | 1,069.16 | 2,787.33 | 1,168.00 | 7,160.00 |

- (5) Foreign Investments or collaborations, if any:

United Shippers Limited is holding 100% equity share in its foreign subsidiary i.e. USL Shipping DMCEST, DUBAI and USL Lanka Logistics (Pvt.) Ltd., Sri Lanka. USL Shipping DMCEST is holding 100% equity shares in its foreign subsidiary Bulk Shipping Pte. Ltd., Singapore.

As per the shareholding pattern as on 31st March, 2019 a Foreign Company holds 547,297 shares i.e. 11.85% of the total paid up capital of the Company.

II. INFORMATION ABOUT THE APPOINTEE :

- (a) Mrs. Sujata Parekh Kumar

- (1) Background details :

Mrs. Sujata Parekh Kumar, Jt. Managing Director of United Shippers Limited, is 59 years of age. She is commerce Graduate from Mumbai University and MBA from Fairleigh Dickinson University, U.S.A.

She was appointed a Dealer on the OTC Exchange of India in October 1991, She has co founded Practical Financial Services Pvt. Ltd., (a Corporate Member of the National Stock Exchange of India and Bombay Stock Exchange) & Virtual Insurance Broking Services Private Limited (Formerly known as Shinrai Insurance Broking Services Pvt. Ltd.) (a Licenced IRDA Broker).

United Shippers Limited



(₹ in Lakhs)

(2) Past Remuneration

| Particulars | For F. Y 2018-19 | For F. Y 2017-18 | For F. Y 2016-17 |
|--|---------------------|---------------------|---------------------|
| Salary & Allowance | 59.40 | 58.75 | 58.68 |
| Company contribution to Provident fund and superannuation fund | 12.00 | 12.00 | 12.00 |
| Total | 71.40 | 70.75 | 70.68 |

(3) Recognition and Awards: NIL

(4) Job Profile and her suitability:

She has over 33 year's of experience as a working partner in associated group Companies and firms. She has strong skills in financial accounting, MIS, system development. She is guiding force and heading the cost control team of the Company due to which the Company has been able to cut down the cost in day to day business and effectively utilize the resources available with the Company.

She also actively manages the group investment portfolio in equities and debt.

Her experience in the insurance sector helps the Company get the best insurance covers available in the industry to cover the risk and liabilities of the business of the Company. She plays an important role in formulating the strategies in the business.

(5) Remuneration proposed:

The remuneration paid/proposed to be paid during the tenure of her directorship is detailed hereinabove under explanatory statement under item no.4

(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

The proposed remuneration is comparable and competitive, considering the industry, size of the Company, the managerial position and the credentials of the Jt. Managing Director.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any:

Except the remuneration and perquisites as stated above, Mrs. Sujata Parekh Kumar holds 82,181 Shares in the Company in individual capacity and 368,647 in the capacity of a trustee of Parekh Family Trust and her relation as daughter with Mr. Sevantilal J Parekh, Chairman & Managing Director of the Company and Mrs. Sarla S Parekh, member of the Company. She has no other direct or indirect pecuniary relationship with the Company.

III. OTHER INFORMATION**(1) Reasons of loss or inadequate profits:**

The main factors or decline in the revenue / profits of the Company is intense competition and reduction in price. The competitive market conditions forced the Company to reduce rates which resulted in reduced margins. These factors have contributed to a considerable decline in both revenue and profits of the Company for the last 3 years compared to previous years.

(2) Steps taken or proposed to be taken for improvement:

The Company has been making necessary efforts to improve its performance and margins by aggressively pursuing and implementing strategies, which includes optimum utilization of assets, initiatives towards cost reduction and developing operations at new ports. The results of these initiatives are likely to be felt in the coming years.

The Company has a number of plans in the pipeline which include commencing operations at other ports in India where the Company is not currently operating and also exploring the international market. The Company is also planning to diversify its business by handling products other than coal. The Company is meeting new customers and convincing the existing clients to bring more cargo at the ports where the Company is presently working.

The Company has already started working at Magdalla and Bhavnagar Ports in Gujarat and expecting to increase the handling tonnages.

(3) Expected increase in productivity and profits in measurable terms:

Although the shipping sector is witnessing a continued slowdown and challenging times with rates at all time lows, in anticipation of revival of the overall economy in future, the aforesaid plans and steps taken/to be taken by the Company are expected to improve the Company's performance resulting in enhanced profitability.

IV. DISCLOSURES:

The details of the remuneration are furnished herein above in the explanatory statement.

Place : Mumbai
Date : 09th July, 2019

By Order of the Board of Directors

Regd. Office :
Prospect Chambers
3rd Floor, D. N. Road,
Fort, Mumbai- 400 001.
CIN : U35110MH1952PLC009445

Sd/-
Nagendra Agarwal
Company Secretary & Head legal
(Mem. No. A15331)

United Shippers Limited



DIRECTORS' REPORT

To,

The Members,

Your Directors take pleasure in presenting the **Sixty Sixth Annual Report** along with the audited Balance Sheet and Profit & Loss Account for the financial year ended 31st March, 2019.

FINANCIAL RESULTS:

(₹ in Lakhs)

| Particulars | Current year 2018-19 | Previous Year 2017-18 |
|--|-------------------------|--------------------------|
| Profit before Finance Cost | 5,641.55 | 6,330.44 |
| Depreciation and amortization and Tax expenses | | |
| Less: Finance Cost, | 433.23 | 402.43 |
| Depreciation and amortization | 4,632.02 | 4,261.54 |
| Less: Profit before Tax | 576.19 | 1,666.46 |
| Less: Tax Expenses | | |
| Current Tax-MAT | 410.00 | 566.30 |
| Deferred Tax | (457.25) | 31.01 |
| Net Profit | 723.76 | 1069.16 |
| Other comprehensive income (net of Tax) | 6.04 | 1.21 |
| Total comprehensive income | 729.81 | 1070.37 |

DIVIDEND

The directors in their board meeting held on 16th May, 2019 recommended a final dividend @ 125% for the financial year 2018-19 on total share capital of 4,618,745 Equity Shares of ₹ 10/- each to the shareholders of the Company whose names appear in the Register of Members as on 07th August, 2019 subject to approval of the shareholders in their forthcoming Annual General Meeting. The aggregate outflow on account of the total dividend would be ₹ 577.34 lakhs excluding dividend tax of ₹ 94.96 lakhs.

BUSINESS PERFORMANCE AND Company AFFAIRS

Business review

The financial year March 31, 2019 ended on handling a reduced tonnage as compared to previous year. The Company handled 10.11 million MT of bulk cargo against 11.43 MT million MT in the previous year.

Company review

Share Capital

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

Financial Performance

The Company has achieved revenue from operations of ₹ 31,709.04 lakhs in the financial year 2018-19 against ₹ 33,647.60 lakhs in the previous year resulting in decreased revenue of 5.76% as compared to the previous year.

The Company has achieved a profit before tax & exceptional items of ₹ 576.21 lakhs in the financial year 2018-19 as against ₹ 1666.47 lakhs in the previous year. Profit after tax is ₹ 723.78 lakhs in the financial year 2018-19 as against ₹ 1070.37 lakhs in the previous year.

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

Consolidated Financial Statements

The consolidated financial statements have been prepared by the Company in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 2013 to the extent applicable. The audited consolidated financial statements, together with Auditors' Report, form part of this Annual Report.

The consolidated revenue for the year 2018-19 of the Company including subsidiaries is ₹ 48,780.27 lakhs as against ₹ 47,286.80 lakhs in the previous year showing an increase of 3.16%. The profit before tax & exceptional items is ₹ 987.40 lakhs as against ₹ 2290.35 lakhs in the previous year. Profit after tax is ₹ 1128.59 lakhs in the financial year 2018-19 as against ₹ 1285.52 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\$ 25.15 million (₹ 1772.59 million) against US\$ 21.15 million (₹ 1363.93 million) in the previous year and reported a profit of US\$ 0.484 million (₹ 33.87 million) as against loss of US\$ 0.24 million (₹ 15.55 million) in the previous year.
- 2) **Shakti Clearing Agency Private Limited:** During the year the Company achieved revenue from operations of ₹ 282.26 lakhs as against ₹ 262.14 lakhs in the previous year. The Company has incurred a loss of ₹ 10.98 lakhs as against profit of ₹ 06.34 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 ₹ 8.96 lakhs as against loss of ₹ 9.89 lakhs.

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 ₹ 1000/- 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.

United Shippers Limited



The said dividend was pertaining to financial year 2010-11. 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.

Fleet:

The Company has purchased shore equipment namely dumpers/ trucks, excavators pay loaders at a total price of INR 789.42 lakhs during the year. The details of other assets purchased during the year 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 2018-19, 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, 2019 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, 2019, 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 2018-19. 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.

| No. | Name of the person | Designation |
|-----|--------------------------|--|
| 1. | Mr. Sevantilal J. Parekh | Chairman & Managing Director |
| 2. | Mr. 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. Balkrishna Saboo | Whole Time Director (Director - Technical) |
| 6. | Mr. Manish Holani | Whole Time Director (Director - Commercial & Operations) |
| 7. | 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 2018-19 does not contain any qualification, reservation or adverse remark. 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 2018-19 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 2018-19.

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.

United Shippers Limited



- a) Foreign Exchange Earnings - US\$ 3,075,622.43
(INR 2126.56 lakhs)
- b) Foreign Exchange Outgo - US\$ 4,901,407.03
(INR 3428.05 lakhs)
 - Euro 28,409
(INR 23.48 lakhs)
 - GBP 424.11
(INR 0.44 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, 2019 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. The fleet employees are particularly kept in constant touch to know their difficulties and reduce dissatisfaction.

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

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

Place : Mumbai
Date : 16th May, 2019

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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 financials of all subsidiaries as on 31/03/2019

| 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 31/03/2019 is ₹ 0.412 per LKR | ₹ | in US\$ exchange rate as on 31/03/2019 is ₹ 69.1713 per US\$ |
| Share capital | 8,490,601 | 11,563,200 | 18,842,631 |
| Reserves & surplus | (1,306,293) | 28,849,439 | 1,228,599,648 |
| Total assets | 7,941,484 | 54,773,829 | 1,286,308,526 |
| Total Liabilities | 757,136 | 14,361,190 | 1,515,356,974 |
| Investments | - | | 2,242,528,635 |
| Turnover | 3,638,530 | 28,905,691 | 1,857,609,793 |
| Profit before taxation | (896,037) | (10,343,399) | 33,877,389 |
| Provision for taxation | - | 635,168 | - |
| Profit after taxation | (896,037) | (10,978,566) | 33,877,389 |
| Proposed Dividend | - | - | 57,188,776 |
| % of shareholding | 100% | 100% | 100% |

United Shippers Limited



Annexure II to the Directors' Report

Information as per section 197 of the Companies Act, 2013 for the year ended 31st March, 2019.

| Name | Age | Qualifi- | Designa- | Date of | No. of | Remune- | Last employment |
|--------------------------|-----|--------------------------|--|-----------------------|-----------------|-----------------|-------------------------------------|
| | | | | ment of employment | experi- ence | (₹ in Lakhs) | |
| Mr. Sevantilal J. Parekh | 86 | B.Com. | Chairman & Managing Director | 01-11-1990 | 64 | 68.71 | G. Claridge & Co. Ltd. |
| Mrs. Sujata Parekh Kumar | 59 | B.Com., MBA (USA) | Jt. Managing Director | 01-06-2011 | 32 | 71.40 | Parekh Integrated Services Pvt. Ltd |
| Mr. Paras Dakatia | 69 | M.Com, F.C.A. | Director Finance | 01-04-2010 | 43 | 78.90 | IFFCO Ltd. |
| Capt. Dinyar P. Karai | 64 | Inter com. | Director & CEO | 01-04-2014 | 29 | 92.40 | Halar Maritime Agency |
| Mr. Manish Holani* | 41 | B.Com, MICS, PGDBA | Director Commercial & operations | 10-04-1999 | 20 | 20.09* | - |
| Mr. Nagendra Agarwal | 49 | B.Com., LLB, ACS | Company Secretary & Head Legal | 15-09-2016 | 23 | 33.22 | - |

* Salary of Mr. Manish Holani has been shown for the part of the year as he was appointed as Director w.e.f 14th November 2018.

For and on behalf of the Board of Directors

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

Place : Mumbai
Date : 16th May, 2019

Annexure III To The Directors' Report

SECRETARIAL AUDIT REPORT

(For the Financial Year Ended on March 31, 2019)

[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 compliance 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, 2019 complied with the statutory provisions listed here under 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, 2019 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 various local authorities.

United Shippers Limited



- 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 ₹ 0.18 Lacs remaining to be spent on CSR as required under Section 135 of Companies Act, 2013.
 - ii. Due to merger of certain lending banks and financial institutions, the Index of Charges as available at website of Ministry of Corporate Affairs does not match with the Register of Charges maintained by the Company. As informed to us, 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 (Buy back 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

Siddharth Sharma
M.No. FCS 7890
COP. 8872

Place : Mumbai
Date : 16th May 2019

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.

United Shippers Limited



'ANNEXURE A' TO THE SECRETARIAL AUDIT REPORT

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

Siddharth Sharma
M.No. FCS 7890
COP. 8872

Place : Mumbai
Date : 16th May 2019

Annexure IV To The Directors' Report
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2019

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 | 11 th 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 | 3 rd 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, Iuthra 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) |

United Shippers Limited



| SN | Name and address of the Company | CIN/GLN | Holding / Subsidiary / Associate | % of shares held | Applicable Section |
|----|--|-----------------------|----------------------------------|------------------|--------------------|
| 2 | USL Shipping DMCEST Add: P.O. Box. No. 118693 605, 6th Floor, Bin Sougat Building, Salahuddin Road, Deira, Dubai, United Arab Emirates | N.A | Subsidiary | 100% | 2(87)(ii) |
| 3 | Bulk Shipping Pte.Ltd 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 | 393,454 | 3,724 | 397,178 | 8.60% | 396,688 | 490 | 397,178 | 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. | 3,081,052 | 9,000 | 3,090,052 | 66.90% | 3,081,052 | 9,000 | 3,090,052 | 66.90% | 0.00% |
| e) Banks / FI | - | - | - | 0.00% | - | - | - | 0.00% | 0.00% |
| f) Any other | 584,218 | - | 584,218 | 12.65% | 584,218 | - | 584,218 | 12.65% | 0.00% |
| Sub Total (A) (1) | 4,058,724 | 12,724 | 4,071,448 | 88.15% | 4,061,958 | 9,490 | 4,071,448 | 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) | 4,058,724 | 12,724 | 4,071,448 | 88.15% | 4,061,958 | 9,490 | 4,071,448 | 88.15% | 0.00% |

| 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 | |
| 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 ₹ 1 lakh | - | - | - | 0.00% | - | - | - | 0.00% | 0.00% |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | - | - | - | 0.00% | - | - | - | 0.00% | 0.00% |
| c) Others (specify) | | | | | | | | | |
| Foreign Body Corporate | - | 547,297 | 547,297 | 11.85% | - | 547,297 | 547,297 | 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):- | - | 547,297 | 547,297 | 11.85% | - | 547,297 | 547,297 | 11.85% | 0.00% |
| Total Public (B) | - | 547,297 | 547,297 | 11.85% | - | 547,297 | 547,297 | 11.85% | 0.00% |
| C. Shares held by Custodian for GDRs & ADRs | | | | 0.00% | | | | 0.00% | 0.00% |
| Grand Total (A+B+C) | 4,058,724 | 560,021 | 4,618,745 | 100.00% | 4,061,958 | 556,787 | 4,618,745 | 100.00% | 0.00% |

United Shippers Limited



(ii) Shareholding of Promoter

| SN | Shareholder's Name | No. of Shares 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. Surendra Somani | 50 | 0.00% | - | 0 | 0.00% | - | -100.00% |
| 2 | Mr. Rajendra Somani | 50 | 0.00% | - | 50 | 0.00% | - | 0.00% |
| 3 | Mr. Surendra Somani | 490 | 0.01% | - | 490 | 0.01% | - | 0.00% |
| 4 | Mr. Suhrid Somani | 15,817 | 0.34% | - | 15,817 | 0.34% | - | 0.00% |
| 5 | Mrs. Mridula Somani | 40,000 | 0.87% | - | 40,000 | 0.87% | - | 0.00% |
| 6 | Mr. Surendra Somani – HUF | 3,134 | 0.07% | - | 3,134 | 0.07% | - | 0.00% |
| 7 | Debonair Publication | 9,000 | 0.19% | - | 9,000 | 0.19% | - | 0.00% |
| 8 | Mrs. Jaya Somani | 2,755 | 0.06% | - | 2,755 | 0.06% | - | 0.00% |
| 9 | Mr. Suhrid Somani | 50 | 0.00% | - | 50 | 0.00% | - | 0.00% |
| 10 | Ms. Namrata Somani | 8,255 | 0.18% | - | 8,255 | 0.18% | - | 0.00% |
| 11 | Ms. Nupur Somani | 8,255 | 0.18% | - | 8,255 | 0.18% | - | 0.00% |
| 12 | Mr. Susheel Somani | 5,000 | 0.11% | - | 5,000 | 0.11% | - | 0.00% |
| 13 | Mr. Surendra Somani | 60,490 | 1.31% | - | 60,540 | 1.31% | - | 0.08% |
| 14 | Mr. Hridai Somani | 17,671 | 0.38% | - | 17,671 | 0.38% | - | 0.00% |
| 15 | Mrs. Sujata Parekh Kumar | 82,181 | 1.78% | - | 82,181 | 1.78% | - | 0.00% |
| 16 | Mr. Sevantilal J. Parekh | 36,810 | 0.80% | - | 36,810 | 0.80% | - | 0.00% |
| 17 | Mrs. Saria Sevantilal Parekh | 26,400 | 0.57% | - | 26,400 | 0.57% | - | 0.00% |
| 18 | Mr. Sevantilal J. Parekh | 36,140 | 0.78% | - | 36,140 | 0.78% | - | 0.00% |
| 19 | Uni Recyclers Pvt. Ltd. | 86,800 | 1.88% | - | 86,800 | 1.88% | - | 0.00% |
| 20 | Parekh Innovative Logistics Solutions Pvt. Ltd. (Formerly known as Morganite Trading Company Pvt. Ltd.) | 17,500 | 0.38% | - | 17,500 | 0.38% | - | 0.00% |
| 21 | Fisalcon Pvt. Ltd. | 7,200 | 0.16% | - | 7,200 | 0.16% | - | 0.00% |
| 22 | Oricon Enterprises Ltd. | 2,969,552 | 64.29% | - | 2,969,552 | 64.29% | - | 0.00% |
| 23 | Mrs. Sujata Parekh Kumar (Trust) | 368,647 | 7.98% | - | 368,647 | 7.98% | - | 0.00% |
| 24 | Mr. Sevantilal J. Parekh (Trust) | 183,321 | 3.97% | - | 183,321 | 3.97% | - | 0.00% |
| 25 | Mr. Susheel Somani | 10,000 | 0.22% | - | 10,000 | 0.22% | - | 0.00% |
| 26 | Mr. Surendra Somani | 4,570 | 0.10% | - | 4,570 | 0.10% | - | 0.00% |
| 27 | Mr. Adarsh Somani | 28,800 | 0.62% | - | 28,800 | 0.62% | - | 0.00% |
| 28 | Mr. Sevantilal J. Parekh | 10,260 | 0.22% | - | 10,260 | 0.22% | - | 0.00% |
| 29 | Mrs. Saria Sevantilal 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 |
| | Name | | | | | | |
| | At the beginning of the year | | | | 0.00% | | 0.00% |
| | Changes during the year | | | | 0.00% | | 0.00% |
| | At the end of the year | | | | 0.00% | | 0.00% |

(iv) Shareholding Pattern of top ten Shareholders :
(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% |

United Shippers Limited



(v) Shareholding of Directors and Key Managerial Personnel:

| SN | Shareholding of each Directors and each Key Managerial Personnel | 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. Sevantilal 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.

(₹ In Lakhs)

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year : | | | | |
| i) Principal Amount | 3,268.90 | | | 3,268.90 |
| ii) Interest due but not paid | 14.47 | | | 14.47 |
| iii) Interest accrued but not due | - | | | - |
| Total (i+ii+iii) | 3,283.37 | - | - | 3,283.37 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | - | - | - | - |
| * Reduction | 1,708.00 | | | 1,708.00 |
| Net Change | 1,708.00 | - | - | 1,708.00 |
| Indebtedness at the end of the financial year | | | | |
| 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 |

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 |
|-----|---|--|--|---|--|---|--------------|
| | | Mr. Sevantilal J. Parekh Chairman & Managing Director | Mrs. Sujata Parekh Kumar Jt. Managing Director | Capt. Dinyar P. Karai Director & C.E.O. | Mr. Paras Dakalia Director - Finance | Mr. Manish Holani Director Commercial & Operations | (₹/Lac) |
| 1 | Gross salary | | | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 5,885,360 | 5,939,970 | 9,240,000 | 9,741,500 | 5,064,506 | 35,871,336 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 555,200 | 513,600 | - | 32,400 | 32,400 | 1,133,600 |
| | (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 | | | | | | |
| | Total (A) | 6,440,560 | 6,453,570 | 9,240,000 | 9,773,900 | 5,096,906 | 37,004,936 |

B. Remuneration to other Directors

| SN. | Particulars of Remuneration | Name of Directors | | Total Amount |
|-----|--|-------------------------|-------------------|--------------|
| | | Mr. Vishnunarain Khanna | Dr. Suresh Parikh | (₹/Lac) |
| 1 | Independent Directors | | | |
| | Fee for attending board committee meetings | 32,000 | 32,000 | 64,000 |
| | Commission | 8,000 | 8,000 | 16,000 |
| | Others, please specify (Conveyance) | | | |
| | Total (1) | 40,000 | 40,000 | 80,000 |
| | | 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 |
| | Total (B)=(1+2) | 70,000 | 40,000 | 110,000 |
| | Total Managerial Remuneration | | | 3,71,14,936 |

United Shippers Limited



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

| SN. | Particulars of Remuneration | Name of Key Managerial Personnel | | | Total Amount (in ₹) |
|-----|---|----------------------------------|-----|--|------------------------|
| | | CEO | CFO | Mr. Nagendra Agarwal Company Secretary & Head Legal (in ₹) | |
| 1 | Gross salary | - | - | 3,315,330 | 3,315,330 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | - | 21,600 | 21,600 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - | - |
| | (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 | - | - | 3,336,930 | 3,336,930 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| 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 Punishment Compounding | | | NIL | | |
| B. DIRECTORS Penalty Punishment Compounding | | | NIL | | |
| C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding | | | NIL | | |

Corporate Governance Report

BOARD OF DIRECTORS

Changes in the composition of the Board by appointment/ reappointment

During the year Mr. Balkrishna Saboo (DIN 02526450) and Mr. Manish Holani (DIN 01857027) were appointed as Director - Technical and Director- Commercial & Operations respectively of the Company for the period of 3 (three) years commencing from 14th November, 2018. Their appointment was approved by the Nomination and Remuneration committee & Board of Directors and confirmed by the members in their extra ordinary general meeting held on 05th March, 2019 as per the provisions of Section 152, 196 and 197 and other applicable provisions if any and of Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Mrs. Sujata Parekh Kumar (DIN 00016335), Jt. Managing Director of the Company whose present term of appointment is expiring on 31st May, 2019 has been reappointed for a period of three years commencing from 01st June, 2019 to 31st May, 2022 by the Nomination and Remuneration committee & Board of Directors. Her appointment is subject to approval of the members in forthcoming Annual General Meeting.

Necessary resolution was passed and has been included in the Notice convening the ensuing Annual General Meeting.

Board & General Meetings

The names, status and attendance of the Directors at the Board Meetings during the financial year 2018-19 and at the last Annual General Meeting:

| Name of the Director | DIN | Status | No. of Board Meetings | | Attendance at the General Meetings | |
|--------------------------|----------|------------------------------------|-----------------------|----------|------------------------------------|--------------------|
| | | | Held | Attended | AGM (24/09/18) | EOGM (05/03/19) |
| 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. Vishnunarain Khanna | 00064502 | Independent Director | 6 | 4 | NO | NO |
| Mr. Paras Dakalia | 03035672 | Director - Finance | 6 | 6 | YES | YES |
| Capt. Dinyar P. Karai | 00362086 | Director & CEO | 6 | 3 | YES | YES |
| Dr. Suresh Parikh | 01419880 | Independent Director | 6 | 4 | YES | YES |
| *Mr. Balkrishna Saboo | 02526450 | Director - Technical | 6 | 2 | NO | NO |
| *Mr. Manish Holani | 01857027 | Director - Commercial & Operations | 6 | 3 | NO | YES |

*Mr. Balkrishna Saboo & Mr. Manish Holani were appointed as Director-Technical & Director - Commercial & Operations respectively of your Company w.e.f. 14/11/2018.

United Shippers Limited



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 06th February, 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 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/ 2016 to 31/05/2019 | 01/10/2018 to 30/09/2021 | 01/04/2018 to 31/03/2021 | 14/11/2018 to 13/11/2021 |
| Basic Salary | 3,000,000 | 4,800,000 | 6,000,000 | 6,000,000 | 393,647 |
| House Rent Allowance | 1,200,000 | 480,000 | 900,000 | - | 67,587 |
| Conveyance / other allowance | 39,600 | 39,600 | 300,000 | 32,400 | 15,621 |
| Leave Travel Allowance | 249,900 | 399,840 | - | - | 32,791 |
| Reimbursement of Medical Expenses / Allowance | 1,435,456 | 260,132 | - | - | 32,791 |
| Exgratia | - | - | - | 1,890,000 | 45,938 |
| Bonus | - | - | - | - | 32,791 |
| City Compensatory Allowance / Special allowance | - | - | 2,040,000 | - | 1,298,119 |
| Insurance | - | - | - | - | 3,780 |
| Club Fees | 236,000 | - | - | - | - |

| Particulars | Mr. Sevantilal J. Parekh | Mrs. Sujata Parekh Kumar | Capt. Dinyar Karai | Mr. Paras Dakalia | Mr. Manish Holani |
|----------------------|---|---|---|---|---|
| Designation | Chairman & Managing Director | Jt. Managing Director | Director & CEO | Director Finance | Director Commercial & Operations |
| 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 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). | 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 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). | 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 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). | 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 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). | 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 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 |

United Shippers Limited



Remuneration paid to Non Executive Directors

| Particulars | Mr. Suhrid Somani | Mr. Vishnunarain Khanna | Dr. Suresh Parikh |
|--|-------------------|-------------------------|-------------------|
| Sitting Fees / Conveyance | 30,000 | 40,000 | 40,000 |
| No. of Shares held | 15,867 | NIL | NIL |
| Commission to Non- Executive Directors | NIL | NIL | NIL |

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, 2019 the Audit Committee comprises of the following directors:

- | | | | |
|----|-------------------------|---|----------------------|
| 1) | Mr. Paras Dakalia | - | Director - Finance |
| 2) | Mr. Vishnunarain Khanna | - | 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 07th May, 2018, 10th August, 2018, 14th November, 2018 and 06th February, 2019. 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, 2019 the Nomination and Remuneration Committee comprises of the following directors:

- | | | | |
|----|-------------------|---|-----------------------------------|
| 1) | Mr. Suhrid Somani | - | Director |
| 2) | Mr. Vishnun | | rain Khanna -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 thrice in the year i.e. on 02nd April, 2018, 10th August, 2018 & 14th November, 2018 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 met twice during the year on 07th May, 2018 & 06th February, 2019. The composition of the CSR Committee is as follows:

- | | | | |
|----|--------------------------|---|-----------------------|
| 1) | Mrs. Sujata Parekh Kumar | - | Jt. Managing Director |
| 2) | Mr. Vishnunarain Khanna | - | 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 by the Company under Corporate Social Responsibility as per Provisions of Section 135 (1) of Companies Act 2013 for Financial Year 2018-19, was ₹ 42.18 Lakhs which includes arrears of ₹ 0.59 Lakhs of earlier years. The Company has spent ₹ 42 lakhs resulting in ₹ 0.18 lakhs lying unspent for current Financial Year. The Company has given ₹. 28.00 lakhs to Bharatiya Jain Sanghatana and ₹ 14 lakhs to Kalinga Institute of Social Science towards CSR activities in the FY 2018-19 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

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

Place: Mumbai
Date : 16th May 2019

United Shippers Limited



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

Opinion

We have audited the accompanying financial statements of UNITED SHIPPERS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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, 2019, 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 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 financial statements.

Emphasis of matter

We draw attention to note 12 of the financial statements in respect of trade receivables of ₹ 1954.34 lakhs due from Essar Power Gujarat Limited (EPGL) outstanding for more than one and half year 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 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.

United Shippers Limited



- 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.
- 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 31st, 2019 taken on record by the Board of Directors none of the directors is disqualified as on March 31st, 2019 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:

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.

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 – Refer note 36 of the 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 Regn. No. 101048W

Kaushal Mehta
Partner
Membership No. 111749

Place : Mumbai
Date : 16 May, 2019

Annexure A to the Independent Auditor's 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 program, 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 after the year-end, which in our opinion is reasonable. No material discrepancies were noted on such physical verification.
- (iii) The Company has not granted loans secured or unsecured to bodies corporate, Firms, Limited Liability Partnerships covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (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.
- (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, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, goods and service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, employees' state insurance, duty of excise, service tax, goods and service tax, cess and other material statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

- (b) According to information and explanations given to us, there were no dues of income tax, sales-tax, wealth tax, goods and service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute. Dues in

United Shippers Limited



respect of service tax which have not been deposited on account of dispute are as follows:

| Name of the Statute | Nature of dues | Amount (₹ in lakhs) | Period to which it relates | Forum where the Dispute is the pending |
|---------------------|-----------------------------------|---------------------|----------------------------|--|
| Finance Act, 1994 | Service Tax, penalty and interest | 100.64 | F.Y. 2013-14 to 2015-16 | Commissioner of Central Tax (appeals) |

*In respect of the above demand cum show cause notice, the Joint Commissioner (CGST Mumbai-South), in his adjudication order, has dropped the proceedings/demand under the said notice. The department has filed an appeal against the same.

- (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 given 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 Regn. No. 101048W

Place : Mumbai
Date : 16 May, 2019

Kaushal Mehta
Partner
Membership No. 111749

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")

We have audited the internal financial controls over financial reporting of UNITED SHIPPERS LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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.

Opinion

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 2019, 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.

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

Place : Mumbai
Date : 16 May, 2019

Kaushal Mehta
Partner
Membership No. 111749

United Shippers Limited



BALANCE SHEET AS AT 31ST MARCH, 2019

(₹ in Lakhs)

| Assets | Notes | As at 31st March 2019 ₹ | As at 31st March 2018 ₹ |
|---|-------|----------------------------------|----------------------------------|
| Non-Current Assets | | | |
| (a) Property, Plant and Equipment | 4 | 23,417.84 | 25,713.88 |
| (b) Intangible assets | 4 (a) | - | - |
| (c) Capital work-in-progress | 5 | 128.23 | 111.71 |
| (d) Intangible Assets under development | | 12.50 | 6.00 |
| (e) Financial Assets | | | |
| (i) Investments | 6 | 6,309.78 | 3,588.15 |
| (ii) Others | 7 | 353.83 | 270.04 |
| (f) Income Tax Asset | 8 | 1,368.61 | 1,004.89 |
| (g) Other non-current assets | 9 | 7.77 | - |
| Total non-current assets | | 31,598.56 | 30,694.67 |
| Current Assets | | | |
| (a) Inventories | 10 | 324.23 | 243.31 |
| (b) Financial Assets | | | |
| (i) Investments | 11 | 2,594.12 | 5,092.43 |
| (ii) Trade Receivables | 12 | 5,063.59 | 6,771.95 |
| (iii) Cash and cash equivalents | 13 | 1,664.50 | 2,034.82 |
| (iv) Loans | 14 | 1.05 | 4.54 |
| (v) Others | 15 | 0.46 | 59.44 |
| (c) Other current assets | 16 | 1,306.88 | 824.06 |
| Total current assets | | 10,954.83 | 15,030.55 |
| Total Assets | | 42,553.39 | 45,725.22 |
| EQUITY AND LIABILITIES | | | |
| | Note | As at March 31, 2019 | As at March 31, 2018 |
| Equity | | | |
| (a) Equity Share capital | 17 | 461.87 | 461.87 |
| (b) Other Equity | 18 | 33,270.11 | 33,097.12 |
| Total Equity | | 33,731.98 | 33,558.99 |
| Liabilities | | | |
| Non-current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 19 | 127.07 | 2,136.38 |
| (b) Deferred tax liabilities (Net) | 20 | 2,625.16 | 3,082.41 |
| Total non-current liabilities | | 2,752.23 | 5,218.79 |
| Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Trade Payables: | | | |
| (a) Dues to Micro and Small Enterprises | 21 | 39.38 | 72.83 |
| (b) Dues to Other Creditors | 21 | 4,327.76 | 5,294.40 |
| (ii) Other financial liabilities | 22 | 1,605.74 | 1,345.84 |
| (b) Other current liabilities | 23 | 96.30 | 234.37 |
| Total current liabilities | | 6,069.18 | 6,947.44 |
| Total Liabilities | | 8,821.41 | 12,166.23 |
| Total Equity and Liabilities | | 42,553.39 | 45,725.22 |

The accompanying notes from 1 to 48 form an integral part of these financial statements.

As per our report of even date attached

For and on behalf of the Board

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No. 101048W
Kaushal A. Mehta
Partner
M.No. 111749
Mumbai : 16th May, 2019

Nagendra Agarwal
Company Secretary
Head Legal

Paras Dakalia
Director (Finance)

S. J. Parekh
Chairman & Managing Director

66th Annual Report 2018-2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lakhs)

| | Notes | As at 31st March 2019 ₹ | As at 31st March 2018 ₹ |
|---|-------|-------------------------------|-------------------------------|
| INCOME | | | |
| Revenue from Contract with Customers | 24 | 31,709.04 | 33,647.60 |
| Other Income | 25 | 655.93 | 440.70 |
| Total Revenue | | 32,364.97 | 34,088.30 |
| EXPENSE | | | |
| Direct operating cost | 26 | 23,891.37 | 24,725.06 |
| Employee benefits expense | 27 | 1,757.82 | 2,096.42 |
| Finance Cost | 28 | 433.23 | 402.43 |
| Depreciation and Amortization | 29 | 4,632.11 | 4,261.54 |
| Other Expenses | 30 | 1,074.23 | 936.38 |
| Total Expenses | | 31,788.76 | 32,421.83 |
| Profit / (loss) before exceptional items and income tax | | 576.21 | 1,666.47 |
| Exceptional item (net of tax) | | - | - |
| Profit / (Loss) before tax | | 576.21 | 1,666.47 |
| Less: Tax expense | | | |
| Current tax | | 410.00 | 566.30 |
| Deferred Tax charge / (credit) | | (457.25) | 31.01 |
| Prior year tax adjustments | | (100.32) | - |
| Profit / (Loss) after tax for the year | | 723.78 | 1,069.16 |
| Other Comprehensive Income | | | |
| (i) remeasurement of defined benefit plans (net of taxes) | | (34.17) | 20.22 |
| (ii) Equity Instruments through OCI (net of taxes) | | 40.21 | (19.01) |
| Other comprehensive income for the year after tax | | 6.04 | 1.21 |
| Total comprehensive income for the year | | 729.82 | 1,070.37 |
| Earnings per share attributable to the equity holders of the Company during the year | | | |
| Basic earnings per share | 31 | 15.67 | 23.15 |
| Diluted earnings per share | 31 | 15.67 | 23.15 |

The accompanying notes from 1 to 48 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
Kaushal A. Mehta
Partner
M.No. 111749
Mumbai : 16th May, 2019

Nagendra Agarwal
Company Secretary
Head Legal

Paras Dakalia
Director (Finance)

S. J. Parekh
Chairman & Managing Director

For and on behalf of the Board

United Shippers Limited



CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2019 (₹ in Lakhs)

| | For the Year 31.03.2019 | For the Year 31.03.2018 |
|---|----------------------------|----------------------------|
| I CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before income tax | 576.21 | 1,666.47 |
| Depreciation and amortization expenses | 4,632.11 | 4,261.54 |
| Loss on sale of Property, Plant and Equipment (net) | 202.47 | 99.29 |
| Profit / fair value gain on sale of Investment (net) | (424.56) | (343.30) |
| Provision for expected credit loss on trade receivables | (89.91) | (16.35) |
| Non cash Processing Fees | 33.60 | 23.26 |
| Interest expenses | 399.62 | 402.43 |
| Interest Income | 150.92 | (23.61) |
| Bad Debts | 129.10 | - |
| Unrealised foreign exchange (gain)/loss (net) | 160.74 | 35.43 |
| Dividend Income | (158.18) | (145.13) |
| Operating cash flows before working capital changes | 5,612.12 | 5,960.03 |
| Changes in working capital | | |
| (Increase)/Decrease in trade receivables | 1,669.17 | 327.00 |
| (Increase)/Decrease in inventories | (80.92) | 109.66 |
| Increase/(Decrease) in trade payables | (1,117.43) | 3,457.20 |
| (Increase)/Decrease in Loans and advances | 3.49 | 28.03 |
| (Increase)/Decrease in other non-current financial assets | (63.46) | 269.83 |
| (Increase)/Decrease in other current financial assets | 58.98 | 109.84 |
| (Increase)/Decrease in other non-current assets | (7.77) | 169.76 |
| (Increase)/Decrease in other current assets | (516.98) | (97.95) |
| Increase/(Decrease) in other financial liabilities | (89.21) | (56.12) |
| Increase/(Decrease) in other current liabilities | (138.07) | 125.11 |
| Cash generated from operations | 5,329.92 | 10,402.39 |
| Taxes paid (including tax deducted at source) | (673.40) | (760.99) |
| Net cash flows generated from operating activities | 4,656.52 | 9,641.40 |
| II Cash flows from investing activities | | |
| Purchase of fixed assets including capital advances | (2,624.50) | (4,796.25) |
| Proceeds from sale of fixed assets | 85.96 | 72.53 |
| Addition of capital WIP | (16.52) | (111.71) |
| Purchase of intangible assets under development | (6.49) | (6.00) |
| Sale/(Purchase) of current investments (net) | 2,919.17 | (2,644.81) |
| Sale/(Purchase) of non current investments (net) | (2,677.73) | 1,571.04 |
| Dividend Received from other Investments | 158.18 | 145.13 |
| Interest received | (171.25) | 23.61 |
| Net cash flows (used in) investing activities | (2,333.18) | (5,746.46) |
| III Cash flows from financing activities | | |
| Taxes paid on buy back of equity shares | - | (530.34) |
| Interest paid | (351.83) | (402.43) |
| Proceeds/(Repayment) of long term borrowings | (1,785.00) | (1,122.32) |
| Dividend Paid | (461.87) | (692.81) |
| Tax on Dividend paid | (94.96) | (141.06) |
| Net cash flows (used in) financing activities | (2,693.66) | (2,888.96) |
| IV Net increase (decrease) in cash and cash equivalents | (370.32) | 1,005.98 |
| V Cash and cash equivalents at the beginning of the financial year | 2,034.82 | 1,028.84 |
| VI Cash and cash equivalents at end of the year | 1,664.50 | 2,034.82 |

Notes:

- 1 The above Statement of Cash Flow 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 and on behalf of the Board

For BATLIBOI & PUROHIT

Chartered Accountants

ICAI Firm Reg. No. 101048W

Kaushal A. Mehta

Partner

M.No. 111749

Mumbai : 16th May, 2019

Nagendra Agarwal

Company Secretary

Head Legal

Paras Dakalia

Director (Finance)

S. J. Parekh

Chairman & Managing Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

Equity Share Capital

(₹ in Lakhs)

| Particulars | Note No. | Amount |
|---------------------------------|----------|--------|
| As at April 1, 2017 | | 461.87 |
| Changes in equity share capital | | - |
| As at March 31, 2018 | 17 | 461.87 |
| Changes in equity share capital | | - |
| As at March 31, 2019 | 17 | - |

Other Equity

(₹ in Lakhs)

| | Reserves and Surplus | | | | Equity Instrument through other Comprehensive Income | Total |
|---|----------------------|----------------------------|-----------------|-------------------|--|-----------|
| | Capital Reserve | Capital Redemption Reserve | General Reserve | Retained Earnings | | |
| Balance as at April 1, 2017 | (184.24) | 865.05 | 5,913.66 | 26,204.14 | 62.01 | 32,860.62 |
| Profit for the year | | | | 1,069.16 | | 1,069.16 |
| Other Comprehensive Income for the year | | | | 20.22 | (19.01) | 1.21 |
| Transferred to retained earnings | | | | (692.81) | | (692.81) |
| Payment of Dividend | | | | (141.06) | | (141.06) |
| Tax on Dividend | | | | | | |
| Balance as at March 31, 2018 | (184.24) | 865.05 | 5,913.66 | 26,459.65 | 43.00 | 33,097.12 |
| Profit for the Year | | | | 723.78 | | 723.78 |
| 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 | 26,592.59 | 83.05 | 33,270.11 |

The accompanying notes from 1 to 48 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
Kaushal A. Mehta
 Partner
 M.No. 111749
 Mumbai : 16th May, 2019

For and on behalf of the Board

Nagendra Agarwal
 Company Secretary
 & Head Legal

Paras Dakalia
 Director (Finance)

S. J. Parekh
 Chairman & Managing Director

United Shippers Limited



Notes to the Standalone Financial Statements for the year ended March 31, 2019

(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 May 16, 2019.

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:-

On March 30, 2019, Ministry of Corporate Affairs has notified following amendments, which are effective for the periods beginning on or after April 01, 2019.

Ind AS 116 Leases:

Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The Company is currently evaluating the effect of this amendment on the financial statements.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The Company is currently evaluating the effect of this amendment on the financial statements, however in the opinion of the management, this amendment is not likely to have any material impact on the financial statements.

Amendment to Ind AS 12 – Income taxes: The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The adoption of these amendments would not have any material impact on the financial statements of the Company.

Notes to the Standalone Financial Statements for the year ended March 31, 2019

Amendment to Ind AS 19— plan amendment, curtailment or settlement: The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The adoption of these amendments will not have any material impact on the 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;
- 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 and goodwill

Business combination of entities under common control is accounted using pooling of interest method as per appendix c to Ind AS 103.

In accordance with Ind AS 101 provisions related to first time adoption, the Company has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2016. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward.

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'.

United Shippers Limited



Notes to the Standalone Financial Statements for the year ended March 31, 2019

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,
 - 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:

Notes to the Standalone Financial Statements for the year ended March 31, 2019

- (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 is depreciated until the next planned dry-docking.

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Notes to the Standalone Financial Statements for the year ended March 31, 2019

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

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

- **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

Notes to the Standalone Financial Statements for the year ended March 31, 2019

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.

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Notes to the Standalone Financial Statements for the year ended March 31, 2019

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 P&L.

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 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:

Notes to the Standalone Financial Statements for the year ended March 31, 2019

- 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) Lease receivables under Ind AS 17
- d) 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 11 and Ind AS 18
- e) Loan commitments which are not measured as at FVTPL
- f) 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; and

All lease receivables resulting from transactions within the scope of Ind AS 17

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.

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Notes to the Standalone Financial Statements for the year ended March 31, 2019

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.

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.

Notes to the Standalone Financial Statements for the year ended March 31, 2019

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 contract with customers**

Effective April 01st, 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 01st, 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**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net

United Shippers Limited



Notes to the Standalone Financial Statements for the year ended March 31, 2019

of any incentives received from the lessor) are charged to statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

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

Notes to the Standalone Financial Statements for the year ended March 31, 2019

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.

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Notes to the Standalone Financial Statements for the year ended March 31, 2019

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

Notes to the Standalone Financial Statements for the year ended March 31, 2019

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.

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Notes to Financial Statements for the year ended March 31, 2019

4 Property, Plant and Equipment

(₹ 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 payloaders | Office Equipment | Computer | Electrical Installation | Leasehold Improvement | Total |
|---|----------|-------------------|----------------------------|------------------------|---------------|-----------|--------------|---------------------|--------------------------|------------------|----------|-------------------------|-----------------------|------------|
| As at April 1, 2017 (Deemed Cost) | 366.79 | 24,352.00 | 1,377.46 | 149.87 | 56.26 | 607.51 | 3,177.00 | 1,240.31 | 5,846.72 | 166.05 | 145.25 | 17.74 | 45.64 | 37,548.60 |
| Additions | - | 2,284.42 | 877.11 | 0.39 | 0.17 | 12.71 | 222.90 | 16.01 | 552.24 | 5.82 | 1.78 | - | 937.61 | 4,911.16 |
| Disposals / Adjustments | - | - | - | (36.74) | (26.14) | (22.93) | (398.50) | - | (355.59) | (128.13) | (104.98) | - | - | (1,073.01) |
| As at March 31, 2018 (Deemed Cost) | 366.79 | 26,636.42 | 2,254.57 | 113.52 | 30.29 | 597.29 | 3,001.40 | 1,256.32 | 6,043.37 | 43.74 | 42.05 | 17.74 | 983.25 | 41,386.75 |
| Additions | - | - | 1,453.39 | 1.33 | 0.29 | 27.52 | 264.89 | - | 524.53 | 5.21 | 1.42 | - | 157.41 | 2,435.99 |
| Exchange difference / adjustments | - | 188.51 | - | - | - | - | - | - | (1,249.06) | - | - | - | - | 188.51 |
| Disposals | - | - | - | - | - | (35.89) | (654.48) | (163.45) | - | - | - | - | - | (2,102.89) |
| As at March 31, 2019 | 366.79 | 26,824.93 | 3,707.96 | 114.85 | 30.58 | 588.92 | 2,611.81 | 1,092.87 | 5,318.84 | 48.95 | 43.47 | 17.74 | 1,140.66 | 41,906.37 |
| 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 payloaders | Office Equipment | Computer | Electrical Installation | Leasehold Improvement | Total |
| As at April 1, 2017 | 77.24 | 5,473.07 | 171.52 | 100.55 | 49.17 | 347.46 | 1,946.44 | 757.92 | 3,071.50 | 146.59 | 131.86 | 17.74 | 45.64 | 12,336.50 |
| Depreciation for the year | 5.92 | 2,394.19 | 743.85 | 7.33 | 3.19 | 55.65 | 335.99 | 106.16 | 553.04 | 10.85 | 7.63 | - | 7.81 | 4,231.61 |
| Disposals / Adjustments | - | 5.95 | - | (36.74) | (26.14) | (18.45) | (261.31) | - | (325.45) | (128.12) | (104.98) | - | - | (895.24) |
| As at March 31, 2018 | 83.16 | 7,873.21 | 915.37 | 71.14 | 26.22 | 384.66 | 2,021.12 | 864.08 | 3,299.09 | 29.32 | 34.31 | 17.74 | 53.45 | 15,672.87 |
| 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 | 4,632.11 |
| Disposals / Adjustments | - | - | - | - | - | (27.03) | (536.44) | (143.38) | (1,107.60) | - | - | - | - | (1,814.45) |
| As at March 31, 2019 | 89.08 | 10,249.61 | 2,069.12 | 78.67 | 28.94 | 406.36 | 1,765.60 | 823.71 | 2,733.55 | 38.36 | 38.70 | 17.74 | 151.09 | 18,490.53 |
| 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 payloaders | Office Equipment | Computer | Electrical Installation | Leasehold Improvement | Total |
| As at March 31, 2019 | 277.71 | 16,575.32 | 1,638.84 | 38.18 | 1.64 | 182.56 | 846.21 | 269.16 | 2,585.29 | 10.59 | 4.77 | 0.00 | 989.57 | 23,417.84 |
| As at March 31, 2018 | 283.63 | 18,763.21 | 1,339.20 | 42.39 | 4.07 | 212.63 | 980.28 | 392.24 | 2,744.28 | 14.42 | 7.74 | 0.00 | 929.80 | 25,713.88 |

4 (a) Intangible Assets

| Costs | Online MIS Software |
|--|---------------------|
| As at April 1, 2017 (Deemed Cost) | 89.80 |
| Additions | - |
| Disposals / Adjustments | - |
| As at March 31, 2018 (Deemed Cost) | 89.80 |
| Additions | - |
| Disposals / Adjustments | - |
| As at March 31, 2019 | 89.80 |
| Accumulated amortisation and impairment losses | Online MIS Software |
| As at April 1, 2017 | 59.87 |
| Amortisation for the year | 29.93 |
| Disposals / Adjustments | - |
| As at March 31, 2018 | 89.80 |
| Amortisation for the year | - |
| Disposals / Adjustments | - |
| As at March 31, 2019 | 89.80 |
| Net Book Value | Online MIS Software |
| As at March 31, 2019 | 0.00 |
| As at March 31, 2018 | 0.00 |

Notes to the Standalone Financial Statements for the year ended March 31, 2019

5 Capital Work-in-Progress

(₹ in Lakhs)

| Costs | Vessel and Barge Dry Dock |
|-----------------------------|------------------------------|
| As at April 1, 2017 | 108.97 |
| Additions | 111.71 |
| Capitalised During the year | (108.97) |
| As at April 1, 2018 | 111.71 |
| Additions | 128.23 |
| Capitalised During the year | (111.71) |
| As at March 31, 2019 | 128.23 |

United Shippers Limited



Notes to the Standalone Financial Statements for the year ended March 31, 2019

(₹ in Lakhs)

6 Non-Current Financial Assets - Investments

Investments

A) Investments in Equity Instruments

(i) Investment in Equity Instruments of Subsidiaries (Unquoted, At Cost)

| | | | | |
|--------------------------------|-----------|--------|-----------|--------|
| USL Shipping DMCEST | 1 | 125.42 | 1 | 125.42 |
| Shakti Clearing Agency Pvt Ltd | 11,56,320 | 800.00 | 11,56,320 | 800.00 |
| USL Lanka Logistic Pvt Ltd | 21,50,000 | 93.01 | 21,50,000 | 93.01 |

(ii) Investments in Equity Instruments of other entities (Unquoted, FVOCI)

| | | | | |
|---|-----------|----------|-----------|----------|
| Great United Energy Pvt. Ltd. | 36,00,000 | 360.00 | 36,00,000 | 360.00 |
| Less: Provision for diminution in value of investment | | (360.00) | | (360.00) |
| Aluminium industries Ltd | 45,000 | 4.50 | 45,000 | 4.50 |

(iii) Investments in Equity Instruments of other entities (Quoted, FVTOCI)

| | | | | |
|--------------------------------|----------|-------|----------|-------|
| Canara Bank | 5,700 | 16.60 | 5,700 | 15.04 |
| Punjab National Bank Limited | 18,410 | 17.58 | 18,410 | 17.54 |
| Abbott India Limited | 1,227 | 89.63 | 1,227 | 66.91 |
| R System International Limited | 27,373 | 13.65 | - | - |
| GMR Infrastructure Limited | 3,40,000 | 67.32 | 5,00,000 | 84.25 |

B) Investments in preference shares (Unquoted, at Amortised Cost)

| | | | | |
|------------------------------------|----------|----------|----------|----------|
| 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 | - | - |

C) Investments in Tax Free Bonds (Unquoted, at Amortised Cost)

| | | | | |
|---|-------|-------|-------|-------|
| 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 | 10.03 | 1,002 | 10.04 |
| National Highway Authority of India | 1,542 | 15.99 | 1,542 | 15.99 |

D) Investments in Debentures (Unquoted, at Amortised Cost)

| | | | | |
|-----------------------------|----|--------|---|---|
| HDB Financial Services Ltd. | 30 | 302.06 | - | - |
|-----------------------------|----|--------|---|---|

E) Investments in Mutual Funds (Unquoted, FVTPL)

| | | | | |
|--|-----------|--------|--------|--------|
| Aventus Absolute Return Fund - Class A2 September 15, 2017 | 30,000 | 349.02 | 30,000 | 312.51 |
| Canara Robeco Fixed Maturity Plan (FMP) Series 8 - Direct Growth | 20,00,000 | 211.84 | - | - |
| HDFC FMP 1124D June 2018 (1) - Regular Growth | 50,00,000 | 520.46 | - | - |
| Kotak FMP Series 232 (1137 Days) - Growth (Regular Plan) | 50,00,000 | 529.92 | - | - |
| Kotak FMP Series 247 (1308 Days) - Growth (Regular Plan) | 20,00,000 | 213.81 | - | - |
| Reliance Low Duration Fund - Direct Growth Plan Growth Option | 20,099 | 530.70 | - | - |
| Tata FMP Series 56 -Scheme D - Regular Plan -Growth | 10,00,000 | 105.31 | - | - |

| | | | | |
|--------------|--|-----------------|--|-----------------|
| Total | | 6,309.78 | | 3,588.15 |
|--------------|--|-----------------|--|-----------------|

| | | | | |
|--------------------------------------|--|---------------|--|---------------|
| Aggregate Value of Quoted Investment | | 204.78 | | 183.74 |
|--------------------------------------|--|---------------|--|---------------|

| | | | | |
|--|--|-----------------|--|-----------------|
| Aggregate Value of Unquoted Investment | | 6,465.00 | | 3,764.41 |
|--|--|-----------------|--|-----------------|

| | | | | |
|--------------------------|--|-----------------|--|-----------------|
| Provision for impairment | | (360.00) | | (360.00) |
|--------------------------|--|-----------------|--|-----------------|

| | | | | |
|--------------|--|-----------------|--|-----------------|
| Total | | 6,309.78 | | 3,588.15 |
|--------------|--|-----------------|--|-----------------|

Notes to the Standalone Financial Statements for the year ended March 31, 2019

6.1 Details of Subsidiaries

(₹ in Lakhs)

| 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, 2019 | As at March 31, 2018 |
| (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 Lanka Logistics Private Limited | Shipping and Logistics | Sri Lanka | 100% | 100% |

7 Non Current - Financial Assets - Other

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------|----------------------|
| Security Deposits | | |
| (i) Unsecured, considered good; | 96.65 | 33.19 |
| Other Bank Balance | | |
| (i) Bank deposits with more than 12 months maturity | 257.18 | 236.85 |
| Total | 353.83 | 270.04 |

8 Income Tax Assets

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|-------------------------|----------------------|----------------------|
| Income Tax Assets (Net) | 1,368.61 | 1,004.89 |
| Total | 1,368.61 | 1,004.89 |

9 Others Non-Current Assets

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|------------------|----------------------|----------------------|
| Capital Advances | 7.77 | - |
| Total | 7.77 | - |

United Shippers Limited



Notes to the Standalone Financial Statements for the year ended March 31, 2019

10 Inventories

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------------|----------------------------|
| Inventories (Valued at lower of cost and net realisable value) | | |
| Stores, Spares and Consumables | 324.23 | 243.31 |
| Total | 324.23 | 243.31 |

11 Current Financial Assets - Investments

(₹ in Lakhs)

| Particulars | No of Shares/ Units | As at March 31, 2019 | As at March 31, 2018 |
|--|------------------------|----------------------------|----------------------------|
| Investments in Mutual Funds (Unquoted, FVTPL) | | | |
| Investments in Mutual Funds (refer details below) | | 2,096.40 | 5,092.43 |
| Investment in Commercial Paper (Unquoted, amortised Cost) | | | |
| IIFL Wealth Finance Limited - CP | 100 | 497.72 | - |
| Total | | 2,594.12 | 5,092.43 |

| Particulars | No of Shares / Units | As at March 31, 2019 | No of Shares / Units | As at March 31, 2018 |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
| Investment in Mutual Fund (Unquoted, FVTPL) | | | | |
| Canara Robeco Savings Plus Fund- Regular Growth -FR-GP | 12,36,733 | 361.52 | 56,83,895 | 1,545.22 |
| Canara Robeco Corporate Bond Fund Regular Growth | 80,746 | 12.00 | 80,746 | 11.25 |
| ICICI Prudential Mutual Fund Banking & PSU Debt Fund- Growth | - | - | 2,09,183 | 41.79 |
| ICICI Prudential Mutual Fund Savings Fund Growth | - | - | 7,568 | 19.71 |
| Canara Robeco Liquid Fund - Regular Growth | 6,684 | 150.58 | - | - |
| Canara Robeco Yield Advantage Fund- Regular Growth | - | - | 44,24,831 | 727.19 |
| ICICI Prudential Corporate Bond Fund - Growth | 82,31,796 | 1,572.30 | 98,46,470 | 1,754.64 |
| ICICI Prudential Corporate Bond Fund | - | - | 12,97,844 | 226.76 |
| HDFC FMP 1184D | - | - | 50,00,000 | 665.23 |
| ICICI Prudential FMP -Series 82-103 Days Plan | - | - | 10,00,000 | 100.64 |
| Investment in Commercial Paper (Unquoted, Amortised Cost) | | | | |
| IIFL Wealth Finance Limited | 100 | 497.72 | - | - |
| Total | | 2,594.12 | | 5,092.43 |
| Aggregate Value of Quoted Investment | | - | | - |
| Aggregate Value of Unquoted Investment | | 2,594.12 | | 5,092.43 |
| Total | | 2,594.12 | | 5,092.43 |

Notes to the Standalone Financial Statements for the year ended March 31, 2019

12 Current Financial Assets - Trade Receivables

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------------|----------------------------|
| Unsecured, considered good* | 5,330.10 | 7,128.37 |
| Less: allowance for Expected Credit Loss (ECL) | (266.51) | (356.42) |
| Total | 5,063.59 | 6,771.95 |

* The amount includes trade receivables due from Essar Power Gujarat Ltd. (EPGL) of ₹ 1954.34 lakhs outstanding for more than one and half year as on the reporting date. There is no recovery till the date of audit. 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.

** There were no trade receivables which had significant increase in credit risk or which were credit impaired during the year.

13 Current Financial Assets - Cash and cash equivalents

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------------|----------------------------|
| Balance with banks in current accounts | 1,660.42 | 2,031.29 |
| Cash on hands | 4.08 | 3.53 |
| Total | 1,664.50 | 2,034.82 |

14 Current Financial Assets - Loans

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------------|----------------------------|
| Unsecured, considered good Loans to employees | 1.05 | 4.54 |
| Total | 1.05 | 4.54 |

United Shippers Limited



Notes to the Standalone Financial Statements for the year ended March 31, 2019

15 Current Financial Assets - Other Assets

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------------|----------------------------|
| Unsecured, considered good Security Deposits | 0.46 | 59.44 |
| Total | 0.46 | 59.44 |

16 Other Current Assets

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------------|----------------------------|
| Unsecured, considered good | | |
| Advance to suppliers | 632.02 | 353.30 |
| Pre-paid expenses | 150.82 | 165.94 |
| Balance with Government authorities | 283.33 | 145.59 |
| Employee benefit plan assets -Leave Encashment (net) | 199.93 | 133.64 |
| Employee benefit plan assets -Gratuity (net) | 40.78 | 25.59 |
| Total | 1,306.88 | 824.06 |

17 Share Capital

Authorized

A) Equity Shares of ₹ 10 each

| Particulars | No. of Shares | ₹ in Lakhs |
|--------------------------|------------------|------------|
| As at April 1, 2017 | 485,00,000 | 4,850.00 |
| Increase during the year | - | - |
| As at March 31, 2018 | 485,00,000 | 4,850.00 |
| Increase during the year | - | - |
| As at March 31, 2019 | 485,00,000 | 4,850.00 |

Notes to the Standalone Financial Statements for the year ended March 31, 2019

B) Preference Shares

| Particulars | No. of Shares | ₹ in Lakhs |
|--|---------------|------------|
| Preference Shares of Rs. 100 each | | |
| As at April 1, 2017 | 2,00,000 | 200.00 |
| Increase during the year | - | - |
| As at March 31, 2018 | 2,00,000 | 200.00 |
| Increase during the year | - | - |
| As at March 31, 2019 | 2,00,000 | 200.00 |
| Preference Shares of Rs. 10 each | | |
| As at April 1, 2017 | 70,00,000 | 700.00 |
| Increase during the year | - | - |
| As at March 31, 2018 | 70,00,000 | 700.00 |
| Increase during the year | - | - |
| As at March 31, 2019 | 70,00,000 | 700.00 |

C) Unclassified Shares

| Particulars | No. of Shares | ₹ in Lakhs |
|--------------------------|---------------|------------|
| As at April 1, 2017 | 30,00,000 | 300.00 |
| Increase during the year | - | - |
| As at March 31, 2018 | 30,00,000 | 300.00 |
| Increase during the year | - | - |
| As at March 31, 2019 | 30,00,000 | 300.00 |

Issued and Subscribed and fully paid up shares of Rs.10/- each:
Movement in Equity Share Capital

(₹ in Lakhs)

| Particulars | No. of Shares | ₹ in Lakhs |
|--|---------------|------------|
| As at April 1, 2017 | 46,18,745 | 461.87 |
| Less: Share issued/ bought back during the year | - | - |
| As at March 31, 2018 | 46,18,745 | 461.87 |
| Less: Share issued / bought back during the year | - | - |
| As at March 31, 2019 | 46,18,745 | 461.87 |

United Shippers Limited



Notes to the Standalone Financial Statements for the year ended March 31, 2019

Rights, preference and restrictions attached to the shares

The Company has only one class of equity shares having par value of ₹ 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 ₹ 12.50 per equity share for the year ended March 31, 2019, subject to the approval of members in the Annual General Meeting. The total dividend outgo shall be aggregating to ₹ 696.04 Lakhs (P. Y. ₹ 555.92 Lakhs) including corporate dividend tax of ₹ 118.69 Lakhs (P. Y. ₹ 94.04 Lakhs).

(i) Shareholders holding more than 5 percent of Equity Shares and Shares held by holding company

| Particulars | | As at March 31, 2019 | As at March 31, 2018 |
|--|-----------------------------------|----------------------------|----------------------------|
| Oricon Enterprises Limited (Holding Company) | No. of share held % of Holding | 29,69,552 64.29% | 29,69,552 64.29% |
| Logiscor Ltd | No. of share held % of Holding | 5,47,297 11.85% | 5,47,297 11.85% |
| Sujata Parekh Kumar (Parekh Family Trust) | No. of share held % of Holding | 3,68,647 7.98% | 3,68,647 7.98% |

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

| Particulars | | As at March 31, 2019 | As at March 31, 2018 |
|---|--|----------------------------|----------------------------|
| Oricon Enterprises Limited, the holding company: Equity shares of ₹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:

| Particulars | March 31, 2018 | March 31, 2017 | March 31, 2016 | March 31, 2015 | March 31, 2014 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| | No. of shares | No. of shares | No. of shares | No. of shares | No. of shares |
| Equity Shares of ₹ 10/- each fully paid bought back | - | 4,10,473 | 8,87,510 | - | - |

Notes to the Standalone Financial Statements for the year ended March 31, 2019

18 Other Equity

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------------|----------------------------|
| Capital Reserve (on amalgamation) | (184.24) | (184.24) |
| Capital Redemption Reserve | 865.05 | 865.05 |
| General Reserve | 5,913.66 | 5,913.66 |
| Retained Earnings | 26,592.59 | 26,459.65 |
| Equity Instruments through Other Comprehensive Income | 83.05 | 43.00 |
| | 33,270.11 | 33,097.12 |

(I) Capital Reserve

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|----------------------------------|----------------------------|----------------------------|
| As at the beginning of the year | (184.24) | (184.24) |
| add: movements during the year | - | - |
| As at the end of the year | (184.24) | (184.24) |

(ii) Capital Redemption Reserve

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|----------------------------------|----------------------------|----------------------------|
| As at the beginning of the year | 865.05 | 865.05 |
| | - | - |
| As at the end of the year | 865.05 | 865.05 |

(iii) General Reserve

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|----------------------------------|----------------------------|----------------------------|
| As at the beginning of the year | 5,913.66 | 5,913.66 |
| Premium on buy back of shares | - | - |
| As at the end of the year | 5,913.66 | 5,913.66 |

United Shippers Limited



Notes to the Standalone Financial Statements for the year ended March 31, 2019

(iv) Retained Earnings

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------------|----------------------------|
| Opening Balance | 26,459.65 | 26,204.14 |
| Add : | | |
| Profit for the year | 723.78 | 1,069.16 |
| Other Comprehensive income - remeasurement of defined benefit | (34.17) | 20.22 |
| Transfer from Equity Instrument - OCI | 0.16 | - |
| Dividend Paid | (461.87) | (692.81) |
| Tax on Dividend | (94.96) | (141.06) |
| As at the end of the year | 26,592.59 | 26,459.65 |

(vi) Equity Instruments through Other Comprehensive Income

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|----------------------------------|----------------------------|----------------------------|
| Opening Reserve | 43.00 | 62.01 |
| During the year | 40.21 | (19.01) |
| Transferred to retained earning | (0.16) | - |
| As at the end of the year | 83.05 | 43.00 |

19 Non-Current Financial Liabilities - Borrowings

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------------|----------------------------|
| Term Loans from banks | | |
| Indian rupee loan (refer note a below) | - | 875.57 |
| ECB Loan (refer note b below) | 127.07 | 1,260.81 |
| Total | 127.07 | 2,136.38 |

- a. Rupee Loan from ICICI Bank is secured against Exclusive charge over the floating crane 'Unicrown', assignment of insurance policies of the crane and lien on fixed deposit of ₹ 25.00 lakhs. Tenor for the loan is 7 years. Interest rate during the year were average 7% p.a.

Notes to the Standalone Financial Statements for the year ended March 31, 2019

- b. ECB Loan from State Bank of India are 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 ₹ 190.59 lakhs. Interest rate during the year was average 7% p.a.

Maturity Profile

(₹ in Lakhs)

| Maturity between April 1 to March 31 of | ECB Loan from Bank | Rupee Term Loan from Bank |
|---|--------------------|---------------------------|
| F.Y. 2019-20 | 533.83 | 900.00 |
| F.Y. 2020-21 | 127.07 | - |
| Total | 660.90 | 900.00 |

20 Deferred Tax Liabilities (Net)

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---------------------------------|----------------------|----------------------|
| Deferred Tax Liabilities | | |
| On account of depreciation | 2,417.63 | 2,199.26 |
| Fair Value of Investment | 239.21 | 165.25 |
| Processing Fees | 10.77 | 22.29 |
| Dry Dock | 50.68 | 818.97 |
| Deferred Tax Assets | | |
| Expected Credit Loss | 93.13 | 123.36 |
| Total | 2,625.16 | 3,082.41 |

21 Current Financial Liabilities - Trade Payables

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------|----------------------|
| Trade Payables | | |
| (a) Dues to Micro and Small Enterprises | 39.38 | 72.83 |
| (b) Dues to Other Creditors | 4,327.76 | 5,294.40 |
| Total | 4,367.14 | 5,367.23 |

United Shippers Limited



Notes to the Standalone Financial Statements for the year ended March 31, 2019

Micro, small and medium enterprises disclosures -

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------------|----------------------------|
| (a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year; | 39.38 | 72.83 |
| (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

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------------|----------------------------|
| a) Current maturities of long-term debts | 1,433.83 | 1,132.51 |
| b) Interest accrued but not due on borrowings | 52.96 | 14.48 |
| c) unpaid dividends | 0.05 | 0.06 |
| d) Salary Payable | 118.90 | 198.79 |
| Total | 1,605.74 | 1,345.84 |

Notes to the Standalone Financial Statements for the year ended March 31, 2019

23 Other Current Liabilities

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|-------------------------------|----------------------------|----------------------------|
| TDS Payable | 75.21 | 89.73 |
| ESIC payable | 0.09 | 0.23 |
| Professional tax payable | 0.31 | 0.66 |
| Provident fund payable | 6.57 | 14.10 |
| Goods and Service Tax payable | 14.12 | 129.65 |
| Total | 96.30 | 234.37 |

24 Revenue from Contract with Customers

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------------|----------------------------|
| Revenue from contract with Customers | | |
| Port Services | - | 6,615.46 |
| Transportation | - | 1,809.45 |
| Supply of tangible goods for services | - | 14.86 |
| Business Support Services | - | - |
| Port Service - Sri Lanka Division | - | 248.88 |
| Goods Transport Service-Road * | 6,345.38 | 4,633.15 |
| Leasing / Rental Services (Barges) * | 31.70 | 31.96 |
| Leasing / Rental Services (Shore Equipments) * | 286.18 | 162.68 |
| Maintenance and Repair Service | 20.00 | - |
| Support Services to other Mining | 52.46 | - |
| Water Transport Service * | 22,551.43 | 18,123.39 |
| Water Transport Service - Sri Lanka Division* | 2,421.89 | 2,007.77 |
| Total | 31,709.04 | 33,647.60 |

*These services were included in port services/ transportation as per classification under service tax regime upto June 30, 2017. With effect from July 1, 2017, these services are classified as per GST regime.

United Shippers Limited



Notes to the Standalone Financial Statements for the year ended March 31, 2019

| Reconciliation with Contract Price | For the year ended March 31, 2019 |
|------------------------------------|--------------------------------------|
| Contract Price | 32,583.71 |
| Less: Demurrages | 874.67 |
| Revenue recognised | 31,709.04 |

25 Other Income

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------------|----------------------------|
| Interest Income | | |
| Bank Deposits | 54.17 | 18.55 |
| Other Investments | 35.64 | 5.06 |
| Income Tax Refund | 61.11 | - |
| Dividend Income | | |
| Non current Investment - others | 158.18 | 145.13 |
| Profit /(loss) on sale of fixed assets (net) | (202.47) | (99.29) |
| Profit On sale of Investment | 230.86 | 575.57 |
| Change in Fair Value Measurement | 193.69 | (232.27) |
| Other Non operating income | 34.84 | 11.60 |
| Expected Credit Loss Reversal | 89.91 | 16.35 |
| Total | 655.93 | 440.70 |

Notes to the Standalone Financial Statements for the year ended March 31, 2019

26 Direct Operating Cost

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------------|----------------------------|
| Consumption of stores and spares parts | 1,273.62 | 1,251.88 |
| Vessel Expense | 2,104.58 | 1,843.54 |
| Port Expense | 169.64 | 138.86 |
| Repairs and maintenance | 323.82 | 738.88 |
| Dumper and Tipper, Pay loader and Excavator expenses | 515.11 | 837.07 |
| Fuel Charges | 6,020.75 | 6,564.74 |
| Port dues and other expense | 3,374.66 | 3,259.07 |
| Barges and tug hire charges | 665.01 | 1,249.46 |
| Machinery Charges | 895.04 | 844.18 |
| Transportation | 6,355.34 | 5,334.96 |
| Railway Freight | 1.75 | 2.39 |
| Demurrage Charges | - | 673.45 |
| Shortages | 491.25 | 326.22 |
| Stevedoring Charges | 414.79 | 435.10 |
| Handling Charges | 286.98 | 306.64 |
| Storage Charges | 232.85 | 251.63 |
| Water Charges | 69.82 | 76.61 |
| Security Charges | 48.73 | 55.73 |
| Weighment Charges | 47.87 | 87.59 |
| Jetty Utilisation Charges | 193.32 | 196.28 |
| Jetty Repairing & Maintenance | 24.48 | 0.00 |
| Insurance | 252.86 | 250.78 |
| Bad Debts | 129.10 | - |
| Total | 23,891.37 | 24,725.06 |

27 Employee benefits expenses

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------------|----------------------------|
| Salaries and allowances | 1,327.98 | 1,538.37 |
| Contribution to Provident and other funds | 94.44 | 183.84 |
| Staff welfare expenses | 3.89 | 4.79 |
| Managerial remuneration | 331.51 | 369.42 |
| Total | 1,757.82 | 2,096.42 |

United Shippers Limited



Notes to the Standalone Financial Statements for the year ended March 31, 2019

28 Finance costs

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------------|----------------------------|
| Interest paid on Term loans | 190.81 | 226.31 |
| Interest paid on other borrowings | 14.93 | 7.16 |
| Bank and other finance Charges | 16.05 | 11.21 |
| Processing Fees amortization | 33.60 | 23.26 |
| Interest to Related Parties (USL DMCEST) | 177.84 | 134.49 |
| Total | 433.23 | 402.43 |

29 Depreciation and Amortization

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--------------|----------------------------|----------------------------|
| Depreciation | 4,632.11 | 4,231.61 |
| Amortization | - | 29.93 |
| Total | 4,632.11 | 4,261.54 |

Notes to the Standalone Financial Statements for the year ended March 31, 2019

30 Other Expenses

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------------|----------------------------|
| Rent | 140.99 | 117.86 |
| Repairs and Maintenance - Building | 9.75 | 14.59 |
| Repairs and Maintenance - others | 25.45 | 29.27 |
| Insurance | 7.48 | 15.58 |
| Postage, courier and telephone charges | 4.25 | 4.81 |
| Vehicle Expenses | 133.05 | 123.26 |
| Rates and taxes | 14.27 | 27.17 |
| Director sitting Fees | 1.20 | 1.42 |
| Donation | 1.01 | 1.64 |
| Donations to Political Parties | 100.00 | - |
| Brokerage and Commission | 0.25 | 0.50 |
| Legal and Professional charges | 176.35 | 185.93 |
| Foreign exchange fluctuations | 121.68 | 38.39 |
| Payment to Auditors | 9.13 | 9.33 |
| Travelling expenses | 163.25 | 123.82 |
| Advertisement Charges | 12.68 | 11.28 |
| Miscellaneous expenses | 2.56 | 4.43 |
| Printing and Stationery | 19.97 | 18.12 |
| Corporate Social Responsibility Expense | 42.00 | 110.00 |
| Communication Expense | 29.59 | 35.69 |
| Office Expense | 25.48 | 22.74 |
| Conference Participation fees | - | 0.48 |
| Entertainment Expense | 4.46 | 3.68 |
| Gift Expense | 4.40 | 5.27 |
| Books, Periodicals and Subscriptions | 1.50 | 1.55 |
| Amalgamation Expenses | - | 3.97 |
| Electricity Charges | 23.48 | 25.60 |
| Total | 1,074.23 | 936.38 |

United Shippers Limited



Notes to the Standalone Financial Statements for the year ended March 31, 2019

31 Earning Per Share

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------------|----------------------------|
| Profit/(Loss) for the year for basic earnings per share | 723.78 | 1,069.16 |
| Profit/(Loss) for the year adjusted for diluted earnings per share | 723.78 | 1,069.16 |
| 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 earnings per Share (in Rupees per share) | 15.67 | 23.15 |
| Diluted earnings per Share (in Rupees per share) | 15.67 | 23.15 |

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.

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 equipment

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

Notes to the Standalone Financial Statements for the year ended March 31, 2019

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.

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 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 lakhs M.T. p.a. or minimum wharfage of ₹ 120 lakhs p.a. payable to GMB. GMB had extended the right to use jetty for a further period of 5 years i.e. February 23, 2010, with stipulation of minimum guaranteed wharfage of ₹ 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 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.
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.
35. During the year, Company has recognised the following amounts in the financial statements as per IND AS 19 "Employee 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, 2019 | For the year ended March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| Employer's Contribution to Provident Fund | 70.33 | 99.97 |

United Shippers Limited



Notes to the Standalone Financial Statements for the year ended March 31, 2019

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.

(₹ in Lakhs)

| Actuarial Assumptions | For the Year Ended March 31, 2019 | For the Year Ended March 31, 2018 |
|---------------------------|-----------------------------------|-----------------------------------|
| Discount rate (per annum) | 0.08 | 0.08 |
| Withdrawal Rate | 0.05 | 0.01 |
| 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 | 346.04 | 289.98 |
| Current Service Cost | 25.02 | 26.95 |
| Interest Cost | 24.24 | 20.20 |
| Benefits payments from planned assets | (197.96) | (41.26) |
| Actuarial (gain)/ loss on obligations | 25.66 | 50.17 |
| Present value of obligation as at the end of the year | 223.00 | 346.04 |

Table Showing Changes in The Fair Value of Plan Assets :

| | | |
|--|----------|---------|
| Fair value of plan assets at beginning of the year | 371.63 | 312.89 |
| Employer Contribution | 68.46 | 56.27 |
| Interest Income | 19.00 | 24.03 |
| Benefit payments from planned assets | (186.79) | (41.26) |
| Benefit payments from employer | - | - |
| Remeasurements - Return on Assets | (8.51) | 19.71 |
| Fair value of plan assets at year end | 263.79 | 371.63 |

Notes to the Standalone Financial Statements for the year ended March 31, 2019

Table Showing Actuarial Gain /Loss - Plan Assets :

| | | |
|---|---------|-------|
| Actual return of plan assets | 19.00 | 24.03 |
| Expected return on plan assets | 29.00 | 23.00 |
| Excess of actual over estimated return on plan assets | (10.00) | 1.03 |
| Actuarial (gain) / loss-plan assets | 34.17 | 30.47 |

Actuarial Gain / Loss recognised

| | | |
|--|-------|---------|
| Actuarial (gain) / loss for the period - Obligation | 25.66 | 50.17 |
| Actuarial (gain) / loss for the period - Plan assets | 8.51 | (19.71) |
| Total (gain) / loss for the period | 34.17 | 30.47 |
| Actuarial (gain) / loss recognized in the period | 34.17 | 30.47 |

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 | 223.00 | 346.04 |
| Fair value of plan assets as at the end of the period | 263.79 | 371.63 |
| Funded Status | 40.79 | 25.59 |
| Net asset / (liability) recognised in Balance Sheet | 40.79 | 25.59 |

Maturity profile of defined benefit obligation :

| | | |
|---------|-------|-------|
| Year 1 | 48.65 | 70.63 |
| Year 2 | 21.70 | 18.74 |
| Year 3 | 17.79 | 24.90 |
| Year 4 | 14.61 | 16.01 |
| Year 5 | 15.58 | 18.85 |
| Year 6 | 89.11 | 13.66 |
| Year 7 | 89.11 | 31.57 |
| Year 8 | 89.11 | 20.44 |
| Year 9 | 89.11 | 13.52 |
| Year 10 | 89.11 | 26.69 |

United Shippers Limited



Notes to the Standalone Financial Statements for the year ended March 31, 2019

Investment Details

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

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.

36 Commitments and Contingencies

(a) Contingent Liabilities not provided for in respect of :

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---------------------------|----------------------------|----------------------------|
| (i) Income Tax Matters | 2.29 | 2.29 |
| (ii) Service Tax Matters* | 100.64 | - |

*Show Cause Notice F.No. CGST/Audit-I/Gr-23/USL/347/2017/597 dated October 05, 2017 issued by Joint Commissioner (GST), Audit -I, was issued demanding Service Tax of ₹ 100.64 lakhs and interest and penalty thereon on account of fuel supplied by Company for Floating Cranes for the period from F.Y. 2012-13 to F.Y. 2015-16 (upto June 2015). On adjudication of the said Show Cause Notice, the Joint Commissioner dropped the proceedings of Show Cause Notice vide his Order F.N. V/CGST/Mum South/Adj/USL Logistics Pvt. Ltd/06/2017-18/4503 dated May 22, 2018. The Department (Deputy Commissioner, Div-II, CGST, Mumbai South) has appealed before the Commissioner of Central Tax (Appeals) against the order of Joint Commissioner. The matter is pending for hearing.

(b) Capital Commitments

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------------|----------------------------|
| 1 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 279.73 | 304.33 |

Notes to the Standalone Financial Statements for the year ended March 31, 2019

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 Ltd. (Subsidiary of USL Shipping DMCEST) Shakti Clearing Agency Pvt. Ltd. USL Lanka Logistics (Private) Ltd. |
| (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) (With effect from November 14, 2018) |
| (e) Entities in which KMPs have controlling interest | Elian Trading Company Private Ltd Practical Financial Services Private Limited Sunil Family Trust |

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Notes to the Standalone Financial Statements for the year ended March 31, 2019

- (ii) The transactions entered into with the related parties during the year along with related balances as at March 31, 2019 are as under: (₹ in Lakhs)

| Particulars | 2018 - 19 | 2017 - 18 |
|---|-----------|-----------|
| Revenue | | |
| Shakti Clearing Agency Private Limited | 13.28 | - |
| Rent Paid | | |
| Sunil Family Trust | 4.20 | 1.05 |
| Practical Financial Services Private Limited | 2.04 | 8.16 |
| Purchase of Goods, Services and Facilities | | |
| Elian Trading Company Private Limited | 41.43 | 34.80 |
| Shakti Clearing Agency Private Limited | 155.34 | 212.49 |
| USL Shipping DMCEST | - | 2,273.87 |
| Interest Paid | | |
| USL Shipping DMCEST | 120.79 | 105.94 |
| Service Charges | | |
| USL Lanka Logistics (Private) Limited | 25.16 | 12.81 |
| Misc. Vessel Charges (Vessel Expenses) | | |
| USL Lanka Logistics (Private) Limited | 10.48 | 5.30 |
| Reimbursement of Expenses | | |
| USL Lanka Logistics (Private) Limited | 572.38 | 370.97 |
| Sunil Family Trust | 0.69 | 0.76 |
| Practical Financial Services Private Limited | 0.09 | 0.31 |
| Shakti Clearing Agency Private Limited | 11.94 | 11.73 |

(₹ in Lakhs)

| Particulars | 2018 - 19 | 2017 - 18 |
|---|-----------|-----------|
| Remuneration to key managerial personnel | | |
| Mr. Sevantilal J. Parekh | 68.71 | 124.70 |
| Mrs. Sujata Parekh Kumar | 71.40 | 70.75 |
| Capt. Dinyar Karai | 92.40 | 92.40 |
| Mr. Paras Dakalia | 78.90 | 81.58 |
| Mr. Nagendra Agarwal | 33.22 | 48.33 |
| Mr. Manish Holani | 20.09 | - |

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

Notes to the Standalone Financial Statements for the year ended March 31, 2019

- (iii) The transactions entered into with the Holding Company during the year along with related balances as at March 31, 2019 are as under:

(₹ in Lakhs)

| Particulars | 2018-19 | 2017-18 |
|---------------------|---------|---------|
| Final Dividend paid | 296.96 | 445.43 |

- (iv) Balances with Related Parties:

(₹ in Lakhs)

| Particulars | 2018-19 | 2017-18 |
|--|----------|----------|
| Trade Receivables | | |
| USL Lanka Logistics (Private) Limited | 7.32 | - |
| Shakti Clearing Agency Private Limited | 19.22 | 63.82 |
| Trade payable | | |
| Elian Trading Company Private Limited | 8.92 | 10.09 |
| Shakti Clearing Agency Private Limited | 5.57 | 6.40 |
| Practical Financial Services Private Limited | - | 0.03 |
| USL Shipping DMCEST | 1,964.46 | 2,302.42 |
| USL Shipping DMCEST (Interest payable) | 53.42 | 44.10 |
| USL Lanka Logistics (Private) Limited | - | 11.23 |
| 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 |
| Guarantees given | | |
| Shakti Clearing Agency Private Limited | 120.00 | 120.00 |

38 Corporate social responsibility expenses:

(₹ in Lakhs)

| Particulars | For the Year ended March 31, 2019 | For the Year ended March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| Gross amount to be spent by the Company during the year | 41.59 | 106.83 |
| Unspent amount of earlier years | 0.59 | 3.76 |
| Amount spent during the year in cash | (42.00) | (110.00) |
| Unspent amount of current year | 0.18 | 0.59 |

United Shippers Limited



Notes to the Standalone Financial Statements for the year ended March 31, 2019

39 Payment to Auditors (excluding service tax and GST)

(₹ in Lakhs)

| Particulars | For the Year ended March 31, 2019 | For the Year ended March 31, 2018 |
|--------------------------|--------------------------------------|--------------------------------------|
| Fees for statutory audit | 7.00 | 7.00 |
| Other Services | 0.63 | 0.83 |
| Tax Audit Fees | 1.50 | 1.50 |
| | 9.13 | 9.33 |

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 ₹ 29,287.15 Lakhs (P.Y. ₹ 31,390.95 Lakhs) and out side India ₹ 2,421.89 Lakhs (P.Y. ₹ 2,256.65 Lakhs).

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

(₹ in Lakhs)

| Particulars | Balance as on April 1, 2018 | Cash Inflow / (Outflow) | Non Cash Movement | | Balance as on March 31, 2019 |
|--|--------------------------------|----------------------------|--|-----------------------------------|---------------------------------|
| | | | Amortisation of Processing Fees | Foreign Exchange Difference | |
| "Non current Borrowings (including current maturities)" | 3,268.89 | (1,785.00) | 33.60 | 43.41 | 1,560.90 |

Notes to the Standalone Financial Statements for the year ended March 31, 2019

42 Income Tax

a Income Tax Expenses

(₹ in Lakhs)

| Particulars | For the Year ended March 31, 2019 | For the Year ended March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| Current Tax | | |
| Current Tax expense | 410.00 | 566.30 |
| Deferred Tax | | |
| Increase (decrease) in Deferred tax Liability | (457.25) | 31.01 |
| Total Income Tax Expenses | (47.25) | 597.31 |

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

(₹ in Lakhs)

| Particulars | For the Year ended March 31, 2019 | For the Year ended March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| Profit before tax as per financials | 576.21 | 1,666.46 |
| Ind AS adjustment (temporary difference) | - | - |
| Profit as per computation | 576.21 | 1,666.46 |
| Statutory Tax rate | 0.35 | 0.35 |
| Tax at the Indian Statutory tax rate | 201.34 | 576.73 |
| Adjusted for the effects of: | | |
| Depreciation difference | 377.83 | (14.41) |
| Incomes not taxable | (175.73) | (51.95) |
| Expenses disallowed | 19.26 | 19.32 |
| Others | (12.71) | 36.61 |
| Income tax expense | 410.00 | 566.30 |

United Shippers Limited



Notes to the Standalone Financial Statements for the year ended March 31, 2019

c Movement in Deferred Tax asset/ Deferred Tax Liability

(₹ in Lakhs)

| Movement in deferred Tax Assets / Liability | Property Plant & Equipment | Fair value of financial assets | Others | Total |
|---|----------------------------|--------------------------------|----------|----------|
| As at March 31, 2018 | 3,018.23 | 165.25 | (101.07) | 3,082.41 |
| Charged / (Credited) | - | - | - | - |
| - To profit or loss | (549.92) | 73.96 | 18.71 | (457.25) |
| - To Other comprehensive income | - | - | - | - |
| - To adjusted against opening balance | - | - | - | - |
| As at March 31, 2019 | 2,468.31 | 239.21 | (82.36) | 2,625.16 |

43 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 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.

Notes to the Standalone Financial Statements for the year ended March 31, 2019

(₹ in Lakhs)

| Particulars | Note Nos. | Carrying Amount | Less than 12 Months | More than 12 Months | Total |
|-----------------------------|-----------|-----------------|---------------------|---------------------|----------|
| 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 |
| As at March 31, 2018 | | | | | |
| Borrowings | 19 | 2,136.38 | - | 2,136.38 | 2,136.38 |
| Trade payables | 21 | 5,367.23 | 5,367.23 | - | 5,367.23 |
| Other financial liabilities | 22 | 1,345.84 | 1,345.84 | - | 1,345.84 |

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, 2019 and March 31 2018.

| POTENTIAL IMPACT OF RISK | MANAGEMENT POLICY | SENSITIVITY TO RISK |
|--|-------------------|--|
| 1. Price Risk Equity Price Risk <p>The Company is mainly exposed to the price risk due to its investment in equity instruments 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>As an estimation of the approximate impact of price risk investments in equity instruments, the company has calculated the impact as follows.</p> |

United Shippers Limited



Notes to the Standalone Financial Statements for the year ended March 31, 2019

| | | |
|--|--|--|
| <p>(i) As at 31st March 2019, the investment in equity amounts to ₹ 209.28 lakhs (31st March 2018: ₹188.24 lakhs)</p> <p>(ii) As at 31st March 2019, the investment in mutual fund amounts to ₹ 4557.45 lakh (31st March 2018: ₹ 5404.94 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>(i) For equity instruments, a 10% increase in prices would affect the profit by ₹ 20.92 Lakhs for year ending March 2019 (₹18.80 lakh for year ending March 2018) 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 ₹ 455.75 lakh for year ending March 2019 (₹ 540.40 lakh for year ending March 2018) in profit and loss. A 10% decrease in prices would have led to an equal but opposite effect.</p> |
| <p>2. Interest Rate Risk</p> <p>"Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.</p> <p>1) Libor :- Company has Foreign currency loan with Banks amounting to ₹ 660.90 lakh as at March 31, 2019 (₹1296.77 lakh as at March 31st, 2018).</p> <p>2) INR :- Company has Indian Rupee loan from banks amounting to ₹900 lakh as at March 31st, 2019 (₹ 900 lakh as at March 31st, 2018).</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 ₹ 7.63 lakhs for year ended March 31st, 2019 (₹7.74 lakh for year ended March 31st 2018) due to additional interest cost. 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 ₹ 2.40 lakhs for year ended March 31, 2019 (₹0.25 lakh for year ended March 31st 2018) due to additional interest cost. A 0.25% decrease in interest rates would have</p> |

Notes to the Standalone Financial Statements for the year ended March 31, 2019

| | | |
|--|---|---|
| <p>Company has Fixed deposits with Banks amounting to ₹ 257.18 lakhs as at March 31st, 2019 (₹ 236.85 lakhs as at March 31st, 2018). Interest Income earned on fixed deposit for year ended March 31st, 2019 is ₹ 54.17 lakh (₹ 18.54 lakh at March 31, 2018)</p> | | <p>led to an equal but opposite effect. Fixed Deposits with banks have fixed interest rate.</p> |
| <p>3. Foreign Currency Risk</p> | | |
| <p>Foreign currency risk is the risk that the fair value or 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 exposed to risk are USD.</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> | |

United Shippers Limited



Notes to the Standalone Financial Statements for the year ended March 31, 2019

"The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹ is given below" (₹ in Lakhs)

| Nature of Transaction | Currency | Equivalent INR 31st March 2019 | Equivalent INR 31st March 2018 |
|----------------------------|----------|-----------------------------------|-----------------------------------|
| Borrowings | USD | 691.71 | 2,333.31 |
| Payables | USD | 2,011.21 | 2,364.41 |
| Payables | EURO | 4.16 | - |
| Receivables | USD | 586.49 | 369.54 |
| Receivables | LKR | 7.32 | - |
| Investment in subsidiaries | USD | 188.42 | 177.17 |
| Investment in subsidiaries | LKR | 84.91 | 89.90 |

45 Capital Management Management of Credit Risk

Credit risk is the risk that counter party 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 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

(₹ in Lakhs)

| Particulars | March 31, 2019 | March 31, 2018 |
|--------------------------------------|-------------------|-------------------|
| Gross Amount of trade receivables | 5,330.10 | 7,128.37 |
| Less: Expected Credit Loss | (266.51) | (356.42) |
| Carrying amount of trade receivables | 5,063.59 | 6,771.95 |

Notes to the Standalone Financial Statements for the year ended March 31, 2019

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.

(₹ in Lakhs)

| Particulars | March 31, 2019 | March 31, 2018 |
|--|-------------------|-------------------|
| Borrowings | 127.07 | 2,136.38 |
| Current Maturities of Long Term Payables | 1,433.83 | 1,132.51 |
| Less : Cash and Cash equivalents | (1,664.50) | (2,034.82) |
| Total Debt | (103.60) | 1,234.07 |
| Equity | 33,731.98 | 33,558.99 |
| Total Capital | 33,731.98 | 33,558.99 |
| Capital and Total debt | 33,628.38 | 34,793.06 |
| Gearing ratio | (0.003) | 0.04 |

United Shippers Limited



Notes to the Standalone Financial Statements for the year ended March 31, 2019

46 Fair Value Measurement

| Particulars | March 31, 2019 | | | March 31, 2018 | | |
|---|----------------|--------|----------------|----------------|--------|----------------|
| | FVTPL | FVTOCI | Amortised Cost | FVTPL | FVTOCI | Amortised Cost |
| 1) Investments | | | | | | |
| A) Equity Instruments | | 209.28 | - | | 188.24 | - |
| B) Mutual funds | 4,557.45 | | | 5,404.94 | | |
| C) Debentures & Bonds | | | 371.02 | | | 68.96 |
| D) Preference Shares | | | 2,250.00 | | | 2,000.00 |
| E) Commercial Paper | | | 497.72 | | | |
| II) Trade receivables | | | 5,063.59 | | | 6,771.95 |
| III) Cash and Cash equivalents | | | 1,664.50 | | | 2,034.82 |
| V) Loan | | | 1.05 | | | 4.54 |
| VI) Other receivables | | | 354.29 | | | 329.48 |
| Total financial assets | 4,557.45 | 209.28 | 10,202.17 | 5,404.94 | 188.24 | 11,209.75 |
| 2) Financial liabilities (Current and Non Current) | | | | | | |
| I) Borrowings | | | | | | |
| A) From Banks | | | 127.07 | | | 2,136.38 |
| I) Trade payables | | | 4,367.14 | | | 5,367.23 |
| II) Other liabilities | | | 1,605.74 | | | 1,345.84 |
| Total Financial liabilities | - | - | 6,099.95 | - | - | 8,849.45 |

Notes to the Standalone Financial Statements for the year ended March 31, 2019

47 Fair value hierarchy

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

A) Year Ending 31st March, 2019

(₹ in Lakhs)

| Financial Assets measured at Fair Value - recurring Fair Value measurements at 31-03-2019 | Note Nos. | Level 1 | Level 2 | Level 3 |
|--|-----------|---------------|-----------------|-------------|
| Financial instrument measured at FVTPL Mutual Fund and Commercial Paper | 6 and 11 | | 4,557.45 | |
| Financial instrument measured at FVTOCI Equity Instrument | 6 | 204.78 | | 4.50 |
| Total Financial Assets | | 204.78 | 4,557.45 | 4.50 |

B) Year Ending 31st March, 2018

(₹ in Lakhs)

| Financial Assets measured at Fair Value - recurring Fair Value measurements at 31-03-2018 | Note Nos. | Level 1 | Level 2 | Level 3 |
|--|-----------|---------------|-----------------|-------------|
| Financial instrument measured at FVTPL Mutual Fund | 6 and 11 | | 5,404.94 | |
| Financial instrument measured at FVTOCI Equity Instrument | 6 | 183.74 | | 4.50 |
| Total Financial Assets | | 183.74 | 5,404.94 | 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. This is the case for unlisted equity securities which are included in level.

48 Previous year figures have been regrouped wherever necessary to match current year's groupings.

United Shippers Limited



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, 2019, 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, 2019, 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. 1,954.34 lakhs due from Essar Power Gujrat Limited (EPGL) outstanding for more than one and half year 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. 763.45 lakhs outstanding since more than two 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, 2019 include total assets of Rs. 27,707.41 lakhs, total revenues of Rs. 17,853.12 lakhs and net cash inflows of Rs. 443.74 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, 2019 include total assets of Rs. 547.74 lakhs, total revenues of Rs. 289.06 lakhs and net cash outflows of Rs. 7.54 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.

United Shippers Limited



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)(l) 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, 2019 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, 2019 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 auditors of its subsidiaries 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. (Refer note 38 of the 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 Company.

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

Kaushal Mehta
Partner
Membership No. 111749

Place : Mumbai
Date : 16 May, 2019

United Shippers Limited



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")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, 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")

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.

Opinion

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 31 March, 2019 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.

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 Regn. No. 101048W

Place : Mumbai
Date : 16 May, 2019

Kaushal Mehta
Partner
Membership No. 111749

United Shippers Limited



CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

(₹ in Lakhs)

| Assets | Notes | As at 31st March 2019 ₹ | As at 31st March 2018 ₹ |
|---|-------|----------------------------------|----------------------------------|
| Non-Current Assets | | | |
| (a) Property, plant and equipment | 4 | 23,798.44 | 26,130.67 |
| (b) Intangible assets | 4 (a) | - | - |
| (c) Capital work-in-progress | 5 | 128.23 | 111.71 |
| (d) Goodwill | | 469.58 | 469.58 |
| (e) Intangible assets under development | | 12.50 | 6.00 |
| (f) Financial Assets | | | |
| (i) Investments | 6 | 18,053.16 | 15,613.73 |
| (ii) Others | 7 | 378.00 | 335.38 |
| (g) Income Tax Assets | 8 | 1,424.02 | 1,028.69 |
| (h) Other non-current assets | 9 | 7.77 | - |
| Total non-current assets | | 44,271.70 | 43,695.76 |
| Current Assets | | | |
| (a) Inventories | 10 | 324.23 | 243.31 |
| (b) Financial Assets | | | |
| (i) Investments | 11 | 12,257.60 | 8,291.14 |
| (ii) Trade Receivables | 12 | 6,457.79 | 8,299.02 |
| (iii) Cash and cash equivalents | 13 | 3,003.51 | 2,949.66 |
| (iv) Bank Balances other than (iii) above | 13 | 176.39 | 164.37 |
| (v) Loans | 14 | 4.69 | 5.72 |
| (v) Others | 15 | 5.79 | 25.52 |
| (c) Other current assets | 16 | 1,631.02 | 1,044.48 |
| Total current assets | | 23,861.02 | 21,023.22 |
| Total Assets | | 68,132.72 | 64,718.98 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share capital | 17 | 461.87 | 461.87 |
| (b) Other Equity | 18 | 45,587.95 | 44,465.13 |
| Total Equity | | 46,049.82 | 44,927.00 |
| LIABILITIES | | | |
| Non-current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 19 | 127.07 | 2,136.39 |
| (b) Provisions | 20 | 93.97 | 80.61 |
| (c) Deferred tax liabilities (Net) | 21 | 2,625.16 | 3,017.95 |
| Total non-current liabilities | | 2,846.20 | 5,234.95 |
| Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 22 | 13,425.23 | 9,000.09 |
| (ii) Trade Payables | | | |
| (a) Dues to Micro and Small Enterprises | 23 | 39.38 | 72.83 |
| (b) Dues to Other Creditors | 23 | 3,994.32 | 3,876.73 |
| (iii) Other financial liabilities | 24 | 1,568.24 | 1,356.89 |
| (b) Other current liabilities | 25 | 209.53 | 250.49 |
| Total current liabilities | | 19,236.70 | 14,557.03 |
| Total Liabilities | | 22,082.90 | 19,791.98 |
| Total Equity and Liabilities | | 68,132.72 | 64,718.98 |

The accompanying notes from 1 to 50 form an integral part of these financial statements.
As per our report of even date attached

For and on behalf of the Board

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No. 101048W
Kaushal A. Mehta
Partner
M.No. 111749
Mumbai : 16th May, 2019

Nagendra Agarwal
Company Secretary
Head Legal

Paras Dakalla
Director (Finance)

S. J. Parekh
Chairman & Managing Director

66th Annual Report 2018-2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

| | Notes | As at 31st March 2019 ₹ | As at 31st March 2018 ₹ |
|---|-------|-------------------------------|-------------------------------|
| INCOME | | | |
| Revenue from Contract with Customers | 26 | 48,780.27 | 47,286.79 |
| Other Income | 27 | <u>1,389.78</u> | <u>1,214.43</u> |
| Total Revenue | | <u>50,170.05</u> | <u>48,501.22</u> |
| EXPENSE | | | |
| Direct operating cost | 28 | 40,292.38 | 37,638.72 |
| Employee benefits expense | 29 | 2,231.45 | 2,492.69 |
| Finance Cost | 30 | 687.35 | 613.70 |
| Depreciation and Amortisation | 31 | 4,669.26 | 4,293.59 |
| Other Expenses | 32 | <u>1,302.24</u> | <u>1,172.17</u> |
| Total Expenses | | <u>49,182.68</u> | <u>46,210.87</u> |
| Profit / (loss) before exceptional items and income tax | | 987.37 | 2,290.35 |
| Exceptional item (net of tax) | | | 404.69 |
| Net Loss on changes in fair value of investments | | | 1,885.66 |
| Profit / (Loss) before tax | | 987.37 | 1,885.66 |
| Tax expense | | | |
| Current tax | | 410.00 | 565.44 |
| Deferred Tax | | (451.90) | 33.84 |
| Prior year tax adjustments | | (99.32) | (2.08) |
| Profit / (Loss) after tax for the year | | 1,128.59 | 1,288.46 |
| Share of profit in joint venture | | <u>-</u> | <u>(2.94)</u> |
| Profit/(loss) for the year | | <u>1,128.59</u> | <u>1,285.52</u> |
| Other Comprehensive Income | | | |
| (i) Remeasurement of defined benefit plans (net of taxes); | | (34.17) | 20.22 |
| (ii) Equity Instruments through OCI (net of taxes); | | (127.84) | (19.01) |
| (iii) Exchange differences in translating to financial statements of a foreign operation; | | 713.07 | 31.07 |
| Other comprehensive income for the year after tax | | 551.06 | 32.28 |
| Total comprehensive income for the year | | <u>1,679.65</u> | <u>1,317.80</u> |
| Earnings per share attributable to the equity holders of the Company during the year | | | |
| Basic earnings per share | 33 | 24.44 | 27.83 |
| Diluted earnings per share | 33 | 24.44 | 27.83 |

The accompanying notes from 1 to 50 form an integral part of these financial statements.
As per our report of even date attached

For and on behalf of the Board

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No. 101048W
Kaushal A. Mehta
Partner
M.No. 111749
Mumbai : 16th May, 2019

Nagendra Agarwal
Company Secretary
Head Legal

Paras Dakalia
Director (Finance)

S. J. Parekh
Chairman & Managing Director

United Shippers Limited



CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

| | Year ended 31.03.2019 | Year ended 31.03.2018 |
|---|--------------------------|--------------------------|
| I CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before income tax | 987.37 | 1,885.66 |
| Depreciation and Amortisation expenses 4, 6 | 69,264.2 | 93.59 |
| Loss on sale of Property, Plant & Equipment (net) | 202.47 | 99.29 |
| Provision on trade receivables based on Expected credit loss | (89.91) | (16.35) |
| Finance Cost | 687.35 | 613.70 |
| Interest received | (828.42) | (667.06) |
| Dividend Income | (224.59) | (199.56) |
| Profit on sale of current investment | (219.32) | (652.68) |
| Fair Value measurement | (193.69) | 232.27 |
| Unrealised foreign exchange (gain)/loss | 729.92 | (2.96) |
| Foreign currency translation difference | 713.07 | 31.07 |
| Operating cash flows before working capital changes | 6,433.51 | 5,616.96 |
| Changes in working capital | | |
| (Increase)/Decrease in trade receivables | 1,931.14 | 483.57 |
| (Increase)/Decrease in inventories | (80.92) | 109.66 |
| Increase/(Decrease) in trade payables | 84.14 | 560.94 |
| (Increase)/Decrease in Loans | 1.03 | 32.92 |
| (Increase)/Decrease in other non current financial assets | (42.62) | 1,497.67 |
| (Increase)/Decrease in other current assets | (586.54) | 95.12 |
| Increase/(Decrease) in provisions | (20.81) | 7.92 |
| Increase/(Decrease) in other financial liabilities | (81.70) | (54.44) |
| Increase/(Decrease) in other current liabilities | (40.96) | 127.22 |
| (Increase)/Decrease in other current financial assets | 19.73 | - |
| Cash generated from operations | 7,616.00 | 8,477.54 |
| Taxes paid (including tax deducted at source) | (646.90) | (746.29) |
| Net cash flows generated from operating activities | 6,969.10 | 7,731.25 |
| II Cash flows from investing activities | | |
| Purchase of Fixed Assets, including CWIP, capital advance and other intangible assets | (2,656.26) | (4,915.51) |
| Proceeds from Sale of Fixed Assets | 85.96 | 2,527.58 |
| Sale/(Purchase) of current investments (net) | (3,681.29) | (12,048.51) |
| Sale/(Purchase) of non current investments (net) | (2,439.43) | 13,951.83 |
| Dividend Received from other Investments | 224.59 | 199.56 |
| Interest received | 816.41 | 676.93 |
| Maturity of/(investments in) margin money | - | (164.36) |
| Asset acquired on acquisition of Joint Venture | - | (53.38) |
| Net cash flows (used in) investing activities | (7,650.02) | 174.15 |
| III Cash flows from financing activities | | |
| Buy back of equity shares | - | - |
| Tax on buy back | - | (530.34) |
| Finance cost paid | (662.01) | (592.83) |
| Dividend Paid (including tax thereon) | (556.83) | (833.88) |
| Proceeds/(Repayment) of long term borrowings | (1,785.01) | (1,122.32) |
| Proceeds/(Repayment) of short term borrowings | 3,738.63 | (3,783.63) |
| Net cash flows (used in) financing activities | 734.77 | (6,863.00) |
| Net increase (decrease) in cash and cash equivalents 53 | 85.1 | 04.40 |
| V Cash and cash equivalents at the beginning of the financial year | 2,949.66 | 1,907.26 |
| VI Cash and cash equivalents at end of the year | 3,033.51 | 2,949.66 |

Notes:

- 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 and on behalf of the Board

For BATLIBOI & PUROHIT

Chartered Accountants

ICAI Firm Reg. No. 101048W

Kaushal A. Mehta

Partner

M.No. 111749

Mumbai : 16th May, 2019

Nagendra Agarwal

Company Secretary

Head Legal

Paras Dakalia

Director (Finance)

S. J. Parekh

Chairman & Managing Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

Equity Share Capital

(₹ in Lakhs)

| Particulars | Note No. | Amount |
|---------------------------------|----------|--------|
| As at April 1, 2017 | | 461.87 |
| Changes in equity share capital | | - |
| As at March 31, 2018 | 17 | 461.87 |
| Changes in equity share capital | | - |
| As at March 31, 2019 | 17 | 461.87 |

Other Equity

(₹ in Lakhs)

| | Reserves and Surplus | | | | Other Comprehensive Income | | Total |
|--|----------------------|----------------------------|-----------------|-------------------|--------------------------------------|--------------------------------|-----------|
| | Capital Reserve | Capital Redemption Reserve | General Reserve | Retained Earnings | Foreign Currency Translation Reserve | Equity Instruments through OCI | |
| Balance as at April 1, 2017 | 0.83 | 865.05 | 5,913.66 | 33,076.72 | 4,062.93 | 62.01 | 43,981.20 |
| Profit for the Year | | | | 1,285.52 | | | 1,285.52 |
| Other Comprehensive Income of the year | | | | 20.22 | 31.07 | (19.01) | 32.28 |
| Dividend | | | | (692.81) | | | (692.81) |
| Tax on Dividend Distribution Tax | | | | (141.06) | | | (141.06) |
| Balance as at March 31, 2018 | 0.83 | 865.05 | 5,913.66 | 33,548.59 | 4,094.00 | 43.00 | 44,465.13 |
| Profit for the Year | | | | 1,128.59 | | | 1,128.59 |
| Other Comprehensive Income of the year | | | | (34.17) | 713.07 | (127.84) | 551.06 |
| Prior year adjustments | | | | 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 | 34,086.34 | 4,807.07 | (85.00) | 45,587.95 |

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
Kaushal A. Mehta
Partner
M.No. 111749
Mumbai : 16th May, 2019

For and on behalf of the Board

Nagendra Agarwal
Company Secretary
& Head Legal

Paras Dakalia
Director (Finance)

S. J. Parekh
Chairman & Managing Director

United Shippers Limited



Notes to the Consolidated Financial Statements for the year ended March 31, 2019

(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 May 16, 2019.

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:-

On March 30, 2019, Ministry of Corporate Affairs has notified following amendments, which are effective for the periods beginning on or after April 01, 2019.

Ind AS 116 Leases:

Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The Group is currently evaluating the effect of this amendment on the consolidated financial statements.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

According to the appendix, Companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the Companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The Company is currently evaluating the effect of this amendment on the financial statements, however in the opinion of the management, this amendment is not likely to have any material impact on the consolidated financial statements.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

Amendment to Ind AS 12 – Income taxes: The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The adoption of these amendments would not have any material impact on the consolidated financial statements of the Group.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement: The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The adoption of these amendments will not have any material impact on the consolidated financial statements.

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)

United Shippers Limited



Notes to the Consolidated Financial Statements for the year ended March 31, 2019

- 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

- (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 2019:

| Name of subsidiary | Principal Activity | Place of in corporation and principal place of business | Proportion of ownership interest/ voting rights held by the Company | |
|---|------------------------|---|---|----------------------|
| | | | As at March 31, 2019 | As at March 31, 2018 |
| (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 Lanka Logistics Private Limited | Shipping and Logistics | Sri Lanka | 100% | 100% |

United Shippers Limited



Notes to the Consolidated Financial Statements for the year ended March 31, 2019

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.

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 01st April 2016. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward.

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:

Notes to the Consolidated Financial Statements for the year ended March 31, 2019**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.

United Shippers Limited



Notes to the Consolidated Financial Statements for the year ended March 31, 2019

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

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.

United Shippers Limited



Notes to the Consolidated Financial Statements for the year ended March 31, 2019

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Lease receivables under Ind AS 17
- d) 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 11 and Ind AS 18
- e) Loan commitments which are not measured as at FVTPL
- f) 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; and

All lease receivables resulting from transactions within the scope of Ind AS 17

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.

United Shippers Limited



Notes to the Consolidated Financial Statements for the year ended March 31, 2019

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019**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 01st, 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 01st, 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**As a lessee**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

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.

United Shippers Limited



Notes to the Consolidated Financial Statements for the year ended March 31, 2019

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

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.

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Notes to the Consolidated Financial Statements for the year ended March 31, 2019

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 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.

Notes to Financial Statements for the year ended March 31, 2019

4 Property, Plant and Equipment

| Costs | Building | Port Jetty | Vessel and Barges | Fleet 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, 2017 (Deemed Cost) | 366.79 | 541.36 | 27,580.37 | 1,377.46 | 186.84 | 56.26 | 730.25 | 3,177.00 | 1,515.75 | 5,945.72 | 186.40 | 151.10 | 17.74 | 45.64 | 41,779.67 |
| Additions | - | - | 2,284.42 | 877.11 | 6.35 | 0.46 | 12.71 | 222.90 | 16.01 | 625.33 | 8.89 | 2.40 | - | 937.61 | 4,994.20 |
| Disposals / Adjustments | - | - | 3,228.37 | - | 36.71 | 26.14 | 22.95 | 398.50 | 274.07 | 355.59 | 128.13 | 104.98 | - | - | 4,575.44 |
| As at March 31, 2018 (Deemed Cost) | 366.79 | 541.36 | 28,636.42 | 2,254.57 | 196.48 | 30.57 | 720.01 | 3,001.40 | 1,257.69 | 6,116.46 | 67.16 | 48.52 | 17.74 | 983.25 | 42,198.42 |
| Additions during the year | - | - | - | 1,453.39 | 2.06 | 0.29 | 27.52 | 264.89 | - | 524.53 | 5.55 | 1.95 | - | 157.41 | 2,437.59 |
| 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 | - | - | - | - | 2,102.88 |
| As at March 31, 2019 | 366.79 | 541.36 | 28,824.93 | 3,707.96 | 199.91 | 30.86 | 712.03 | 2,811.81 | 1,094.24 | 5,399.63 | 72.63 | 50.45 | 17.74 | 1,140.66 | 42,721.00 |
| Accumulated Depreciation and Impairment | Building | Port Jetty | Vessel and Barges | Fleet 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, 2017 | 77.24 | 116.15 | 6,593.10 | 171.52 | 106.80 | 49.17 | 437.30 | 1,946.44 | 803.88 | 3,071.50 | 164.40 | 136.80 | 17.74 | 45.64 | 13,737.55 |
| Depreciation for the year | 5.92 | 22.11 | 2,373.47 | 743.85 | 14.54 | 3.23 | 64.25 | 335.89 | 114.68 | 557.63 | 11.73 | 8.04 | - | 7.81 | 4,263.66 |
| Disposals / Adjustments | - | - | 930.07 | - | 35.97 | 26.14 | 18.45 | 281.31 | 53.12 | 375.91 | 127.78 | 104.81 | - | - | 1,933.56 |
| As at March 31, 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 | 53.45 | 16,067.75 |
| Depreciation for the year | 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 | 4,669.28 |
| Disposals / Adjustments | - | - | - | - | - | - | 27.03 | 536.44 | 143.38 | 1,107.60 | - | - | - | - | 1,814.45 |
| As at March 31, 2019 | 89.07 | 160.37 | 10,386.03 | 2,069.11 | 102.07 | 29.04 | 500.02 | 1,765.60 | 825.07 | 2,715.96 | 58.38 | 45.01 | 17.74 | 151.09 | 18,922.56 |
| Net Book Value | Building | Port Jetty | Vessel and Barges | Fleet 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, 2018 | 283.64 | 403.11 | 18,599.92 | 1,339.21 | 70.71 | 4.32 | 236.91 | 980.27 | 392.25 | 2,863.24 | 18.81 | 8.48 | 0.00 | 929.80 | 26,130.67 |
| As at March 31, 2019 | 277.72 | 380.99 | 16,438.90 | 1,638.85 | 57.84 | 1.82 | 204.01 | 846.21 | 269.17 | 2,671.67 | 14.25 | 5.44 | 0.00 | 989.57 | 23,798.44 |

4 (a) Intangible Assets

| Costs | Online MIS Software |
|---|----------------------------|
| As at April 1, 2017 (Deemed Cost) | 89.80 |
| Additions | - |
| Disposals / Adjustments | - |
| As at March 31, 2018 | 89.80 |
| Additions | - |
| Disposals / Adjustments | - |
| As at March 31, 2019 | 89.80 |
| Accumulated amortisation and impairment losses | Online MIS Software |
| As at April 1, 2017 | 59.87 |
| Amortisation for the year | 29.93 |
| Disposals / Adjustments | - |
| As at March 31, 2018 | 89.80 |
| Amortisation for the year | - |
| Disposals / Adjustments | - |
| As at March 31, 2019 | 89.80 |
| Net Book Value | Online MIS Software |
| As at March 31, 2018 | 0.00 |
| As at March 31, 2019 | 0.00 |

United Shippers Limited



Notes to Consolidated Financial Statements for the year ended March 31, 2019

5 Capital Work-in-Progress

(₹ in Lakhs)

| Costs | Vessel and Barge Dry Dock |
|-----------------------------|------------------------------|
| As at April 1, 2017 | 108.97 |
| Additions | 111.71 |
| Capitalised During the year | (108.97) |
| As at April 1, 2018 | 111.71 |
| Additions | 128.23 |
| Capitalised During the year | (111.71) |
| As at March 31, 2019 | 128.23 |

Notes to Consolidated Financial Statements for the year ended March 31, 2019

(₹ in Lakhs)

6 Non-Current Financial Assets - Investments

| | No. of Shares / Units | As at March 31, 2019 | No. of Shares / Units | As at March 31, 2018 |
|--|-----------------------------|----------------------------|-----------------------------|----------------------------|
| Investments | | | | |
| A) Investments in Equity Instruments | | | | |
| (i) Investments in Equity Instruments of other entities (Unquoted, FVOCI) | | | | |
| Aluminium industries Ltd | 45,000 | 4.50 | 45,000 | 4.50 |
| Great United Energy Pvt. Ltd. | 36,00,000 | 360.00 | 36,00,000 | 360.00 |
| Less: Provision for diminution in value of asset | | (360.00) | | (360.00) |
| (ii) Investments in Equity Instruments of other entities (Quoted, FVTOCI) | | | | |
| Canara Bank | 5,700 | 16.60 | 5,700 | 15.04 |
| Punjab National Bank | 18,410 | 17.58 | 18,410 | 17.54 |
| Abbott India Limited | 1,227 | 89.63 | 1,227 | 66.91 |
| GMR Infrastructure Limited | 3,40,000 | 67.32 | 5,00,000 | 84.25 |
| R System International | 27,373 | 13.65 | - | - |
| B) Investments in preference shares (Unquoted, at Amortised Cost) | | | | |
| 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 | - | - |
| C) Investments in Tax Free Bonds (Unquoted, at Amortised Cost) | | | | |
| 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 & Rural Development | 1,002 | 10.03 | 1,002 | 10.04 |
| National Highway Authority of India | 1,542 | 15.99 | 1,542 | 15.99 |
| D) Investments in bonds (Quoted, FVTPL) | | | | |
| Bonds and similar products | - | 12,761.81 | - | 13,044.02 |
| E) Investments in Debentures (Unquoted, at Amortised Cost) | | | | |
| HDB Financial Services Ltd. | 30 | 302.06 | - | - |
| F) Investments in Mutual Funds (Unquoted, FVTPL) | | | | |
| Aventus Absolute Return Fund - Class A2 15 Sept. 2017 | 30,000 | 349.02 | 30,000 | 312.51 |
| Canara Robeco Fixed Maturity Plan (FMP) | | | | |
| Series 8 - Direct Growth | 20,00,000 | 211.84 | - | - |
| HDFC FMP 1124D June 2018 (1) - Regular Growth | 50,00,000 | 520.46 | - | - |
| Kotak FMP Series 232 (1137 Days) - Growth (Regular Plan) | 50,00,000 | 529.92 | - | - |
| Kotak FMP Series 247 (1308 Days) - Growth (Regular Plan) | 20,00,000 | 213.81 | - | - |
| Reliance Low Duration Fund - Direct Growth Plan Growth Option | 20,099 | 530.70 | - | - |
| Tata FMP Series 56 -Scheme D - Regular Plan -Growth | 10,00,000 | 105.31 | - | - |
| Total | | 18,053.16 | | 15,613.73 |
| Aggregate Value of Quoted Investment | | 12,966.59 | | 13,227.76 |
| Aggregate Value of Unquoted Investment | | 5,446.57 | | 2,745.97 |
| Provision for impairment | | (360.00) | | (360.00) |
| Total | | 18,053.16 | | 15,613.73 |

United Shippers Limited



Notes to Consolidated Financial Statements for the year ended March 31, 2019

7 Non Current - Other Financial Assets

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------------|----------------------------|
| Security Deposit | | |
| (i) Unsecured, considered good; | 120.82 | 98.53 |
| Other Bank Balance | | |
| (i) Bank deposits with more than 12 months maturity | 257.18 | 236.85 |
| Total | 378.00 | 335.38 |

8 Income Tax Assets

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--------------------------|----------------------------|----------------------------|
| Income Tax Assets | 1,424.02 | 1,028.69 |
| Total | 1,424.02 | 1,028.69 |

9 Others Non-Current Assets

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|-------------------------|----------------------------|----------------------------|
| Capital Advances | 7.77 | - |
| Total | 7.77 | - |

10 Inventories

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------------|----------------------------|
| Inventories (Valued at lower of cost and net realisable value) | | |
| Stores, Spares and Consumables | 324.23 | 243.31 |
| Total | 324.23 | 243.31 |

Notes to Consolidated Financial Statements for the year ended March 31, 2019

11 Current Financial Assets - Investments

(₹ in Lakhs)

| Particulars | No of Shares/ Units | As at March 31, 2019 | No of Shares/ Units | As at March 31, 2018 |
|--|------------------------|----------------------------|------------------------|----------------------------|
| Investments in Bonds & Similar Products (Quoted, FVTPL) | - | 7,288.95 | - | - |
| Investments in Mutual Funds (Unquoted, FVTPL) | | | | |
| Canara Robeco Savings Plus Fund Regular Growth -FR-GP | 12,36,733 | 361.52 | 56,83,895 | 1,545.22 |
| ICICI Prudential Mutual Fund Banking & PSU Debt Fund- Growth | - | - | 2,09,183 | 41.79 |
| ICICI Prudential Mutual Fund Savings Fund Growth | - | - | 7,568 | 19.71 |
| ICICI Prudential Corporate Bond Fund - Growth | 82,31,796 | 1,572.30 | 98,46,470 | 1,754.64 |
| ICICI Prudential Corporate Bond Fund | - | - | 12,97,844 | 226.76 |
| Canara Robeco Liquid Fund - Regular Growth | 6,684 | 150.58 | - | - |
| Canara Robeco Corporate Bond Fund Regular Growth | 80,746 | 12.00 | 80,746 | 11.25 |
| Canara Robeco Yield Advantage Fund Regular Growth -CY-GP | - | - | 44,24,831 | 727.19 |
| HDFC FMP 1184D | - | - | 50,00,000 | 665.23 |
| ICICI Prudential FMP -Series 82-103 Days Plan | - | - | 10,00,000 | 100.64 |
| Investments in Mutual Funds (Quoted, FVTPL) | | | | |
| Sundaram Ind Midcap Fund-USL | 10,77,758 | 885.65 | 10,77,758 | 948.42 |
| Pimco Capital Securities Fund-USL | 1,21,682 | 1,164.90 | 1,35,579 | 1,278.20 |
| Sundaram Alternative Opp. Fund | 5,00,000 | 323.97 | - | - |
| C.Suisse(Lux) Fi. Rate Cr.Fund-USL | - | - | 15,000 | 972.09 |
| Investment in Commercial Paper (Unquoted, Amortised Cost) | | | | |
| IIFL Wealth Finance Limited | 100 | 497.72 | - | - |
| Total | | 12,257.60 | | 8,291.14 |
| Aggregate Value of Quoted Investment | | 9,663.48 | | 3,198.71 |
| Aggregate Value of Unquoted Investment | | 2,594.12 | | 5,092.43 |
| Total | | 12,257.60 | | 8,291.14 |

United Shippers Limited



Notes to Consolidated Financial Statements for the year ended March 31, 2019

12 Current Financial Assets - Trade Receivables

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|----------------------------|----------------------------|----------------------------|
| Trade Receivable * | | |
| Unsecured, considered good | 6,724.30 | 8655.44 |
| Less: Expected Credit Loss | (266.51) | (356.42) |
| Total | 6,457.79 | 8,299.02 |

*Trade receivables of subsidiary USL Shipping DMCEST, includes receivable of ₹ 763.45 Lakhs from a customer since more than 2 year 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.

** The amount includes trade receivables due from Essar Power Gujarat Ltd. (EPGL) of ₹1954.34 lakhs outstanding for more than one and half year as on the reporting date. There is no recovery till the date of audit. 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.

*** There were no trade receivables which had significant increase in credit risk or which were credit impaired during the year.

13 Current Financial Assets - Cash and Cash Equivalents

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------------|----------------------------|
| Cash & cash equivalents | | |
| Balance with banks in Current Accounts; | 2,996.13 | 2,940.45 |
| Cheques, drafts on hand; | - | - |
| Cash on hands; | 7.38 | 9.21 |
| Total | 3,003.51 | 2,949.66 |
| Other Bank Balances | | |
| Margin Money deposit | 176.39 | 164.37 |
| Total | 176.39 | 164.37 |

Notes to Consolidated Financial Statements for the year ended March 31, 2019

14 Current Financial Assets - Loans

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------------|----------------------------|
| Unsecured, considered good Loans to employees | 4.96 | 5.72 |
| Total | 4.96 | 5.72 |

15 Current Financial Assets - Other Assets

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------------|----------------------------|
| (A) Unsecured, considered good (i) Security Deposits | 5.79 | 25.52 |
| Total | 5.79 | 25.52 |

16 Other Current Assets

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------------|----------------------------|
| Unsecured, considered good; Advance to suppliers | 936.18 | 571.43 |
| Pre-paid expenses | 155.92 | 168.23 |
| Balance with Government authorities | 298.21 | 145.59 |
| Employee benefit plan assets -Leave Encashment (net) | 199.93 | 133.64 |
| Employee benefit plan assets -Gratuity (net) | 40.78 | 25.59 |
| Total | 1,631.02 | 1,044.48 |

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Notes to Consolidated Financial Statements for the year ended March 31, 2019

17 Share Capital
Authorized
A) Equity Shares of ₹ 10 each

| Particulars | No. of Shares | ₹ in Lakhs |
|--------------------------|---------------|------------|
| As at April 1, 2017 | 485,00,000 | 4,850.00 |
| Increase during the year | - | - |
| As at March 31, 2018 | 485,00,000 | 4,850.00 |
| Increase during the year | - | - |
| As at March 31, 2019 | 485,00,000 | 4,850.00 |

B) Preference Shares

| Particulars | No. of Shares | ₹ in Lakhs |
|--|---------------|------------|
| Preference Shares of Rs. 100 each | | |
| As at April 1, 2017 | 2,00,000 | 200.00 |
| Increase during the year | - | - |
| As at March 31, 2018 | 2,00,000 | 200.00 |
| Increase during the year | - | - |
| As at March 31, 2019 | 2,00,000 | 200.00 |
| Preference Shares of ₹ 10 each | | |
| As at April 1, 2017 | 70,00,000 | 700.00 |
| Increase during the year | - | - |
| As at March 31, 2018 | 70,00,000 | 700.00 |
| Increase during the year | - | - |
| As at March 31, 2019 | 70,00,000 | 700.00 |

C) Unclassified Shares

| Particulars | No. of Shares | ₹ in Lakhs |
|--------------------------|---------------|------------|
| As at April 1, 2017 | 30,00,000 | 300.00 |
| Increase during the year | - | - |
| As at March 31, 2018 | 30,00,000 | 300.00 |
| Increase during the year | - | - |
| As at March 31, 2019 | 30,00,000 | 300.00 |

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Notes to Consolidated Financial Statements for the year ended March 31, 2019

Issued and Subscribed and fully paid up shares of ₹10/- each: Movement in Equity Share Capital

(₹ in Lakhs)

| Particulars | No. of Shares | Equity Share Capital Par Value |
|--|---------------|--------------------------------|
| As at April 1, 2017 | 46,18,745 | 461.87 |
| Less: Share issued/ bought back during the year | - | - |
| As at March 31, 2018 | 46,18,745 | 461.87 |
| Less: Share issued / bought back during the year | - | - |
| As at March 31, 2019 | 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 ₹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 INR 12.50 per equity share for the year ended 31 March 2019, subject to the approval of members in the Annual General Meeting. The total dividend outgo shall be aggregating to ₹ 696.04 Lakhs (P.Y. ₹555.92 Lakhs) including corporate dividend tax of ₹118.69 Lakhs (P.Y. ₹ 94.04 Lakhs).

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

| Name of Shareholder | % of Holding | As at March 31, 2019 No. of share held | As at March 31, 2018 No. of share held |
|---|--------------|---|---|
| Oricon Enterprises Limited | 64.29% | 29,69,552 | 29,69,552 |
| Logiscor Ltd | 11.85% | 5,47,297 | 5,47,297 |
| Sujata Parekh Kumar (Parekh Family Trust) | 7.98% | 3,68,647 | 3,68,647 |

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Notes to Consolidated Financial Statements for the year ended March 31, 2019

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

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------------|----------------------------|
| Oricon Enterprises Limited, the holding company: Equity shares of ₹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:

| Particulars | March 31, 2018 | March 31, 2017 | March 31, 2016 | March 31, 2015 | March 31, 2014 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| | No. of shares | No. of shares | No. of shares | No. of shares | No. of shares |
| Equity Shares of ₹ 10/- each fully paid bought back | - | 4,10,473 | 8,87,510 | - | - |

18 Other Equity

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--------------------------------------|----------------------------|----------------------------|
| A) Reserves and Surplus | | |
| Capital Reserve | 0.83 | 0.83 |
| Capital Redemption Reserve | 865.05 | 865.05 |
| General Reserve | 5,913.66 | 5,913.66 |
| Retained Earnings | 34,086.34 | 33,548.59 |
| B) Other Comprehensive Income | | |
| Equity Instruments | (85.00) | 43.00 |
| Foreign Currency Translation Reserve | 4,807.07 | 4,094.00 |
| | 45,587.95 | 44,465.13 |

(I) Capital Reserve

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--------------------------|----------------------------|----------------------------|
| Opening Balance | 0.83 | 0.83 |
| Increase during the year | - | - |
| Closing Balance | 0.83 | 0.83 |

Notes to Consolidated Financial Statements for the year ended March 31, 2019

(ii) Capital Redemption Reserve

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|-----------------|----------------------------|----------------------------|
| Opening Balance | 865.05 | 865.05 |
| | - | - |
| Closing Balance | 865.05 | 865.05 |

(iii) General Reserve

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|-------------------------------|----------------------------|----------------------------|
| Opening Balance | 5,913.66 | 5,913.66 |
| Premium on buy back of shares | - | - |
| Closing Balance | 5,913.66 | 5,913.66 |

(iv) Retained Earnings

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------------|----------------------------|
| Opening Balance | 33,548.59 | 33,076.72 |
| Add : | | |
| Profit for the year | 1,128.59 | 1,285.52 |
| Other Comprehensive income - remeasurement of defined benefit | (34.17) | 20.22 |
| Transfer from Equity Instrument - OCI | 0.16 | - |
| Dividend Paid | (461.87) | (692.81) |
| Tax on Dividend | (94.96) | (141.06) |
| Closing Balance | 34,086.34 | 33,548.59 |

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Notes to Consolidated Financial Statements for the year ended March 31, 2019

(vi) Foreign Currency Translation Reserve

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|------------------------|----------------------------|----------------------------|
| Opening Reserve | 4,094.00 | 4,062.93 |
| During the year | 713.07 | 31.07 |
| Closing Balance | 4,807.07 | 4,094.00 |

(vii) Equity Instruments through OCI

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|----------------------------------|----------------------------|----------------------------|
| Opening Reserve | 43.00 | 62.01 |
| During the year | (127.84) | (19.01) |
| Transferred to retained earnings | (0.16) | - |
| Closing Balance | (85.00) | 43.00 |

19 Non-Current Financial Liabilities - Borrowings

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------------|----------------------------|
| Term Loans from banks | | |
| Indian rupee loan (refer note a below) | - | 875.57 |
| ECB Loan (refer note b below) | 127.07 | 1,260.81 |
| Total | 127.07 | 2,136.38 |

- Rupee Loan from ICICI Bank is secured against Exclusive charge over the floating crane 'Unicrown', assignment of insurance policies of the crane and lien on fixed deposit of ₹ 25.00 lakhs. Tenor for the loan is 7 years. Interest rate during the year were avg. 7%.
- ECB Loan from State Bank of India are 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 ₹190.59 lakhs. Interest rate during the year were avg. 7%.

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Notes to Consolidated Financial Statements for the year ended March 31, 2019

Maturity Profile (Including Interest)

(₹ in Lakhs)

| Maturity between April 1 to March 31 of | ECB Loan from Bank | Rupee Term Loan from Bank |
|---|--------------------------|---------------------------------|
| F.Y. 2019-20 | 533.83 | 900.00 |
| F.Y. 2020-21 | 127.07 | - |
| Total | 660.90 | 900.00 |

20 Provisions

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------------|----------------------------|
| Provisions | | |
| a) Provisions for Employee Benefits Provision For Gratuity | 93.97 | 80.61 |
| Total | 93.97 | 80.61 |

21 Deferred Tax Liabilities (Net)

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---------------------------------|----------------------------|----------------------------|
| Deferred tax liabilities | | |
| On account of depreciation | 2,417.63 | 2,199.26 |
| Fair Value of Investment | 239.21 | 165.25 |
| Processing Fees | 10.77 | 22.29 |
| Dry Dock | 50.68 | - |
| Deferred Tax Assets | | |
| Expected Credit Loss | (93.13) | (123.36) |
| Total | 2,625.16 | 3,017.95 |

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Notes to Consolidated Financial Statements for the year ended March 31, 2019

22 Current Financial Liabilities - Borrowings

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------------|----------------------------|
| a) Loans repayable on demands from banks | | |
| (i) Short Term Borrowings | 13,425.23 | 9,000.09 |
| Total | 13,425.23 | 9,000.09 |

- a) These term loans are secured by investments in bonds held with banks. These term loans are expected to be repaid within 12 months from the dates these loans are withdrawn and bear interest ranging from 1.70% to 2.55% per annum.

23 Current Financial Liabilities - Trade Payables

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------------|----------------------------|
| Trade Payables | | |
| (a) Dues to Micro and Small Enterprises | 39.38 | 72.83 |
| (b) Dues to Other Creditors | 3,994.32 | 3,876.73 |
| Total | 4,033.70 | 3,949.56 |

Micro, small and medium enterprises disclosures -

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------------|----------------------------|
| (a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year; | 39.38 | 72.83 |
| (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. | - | - |

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Notes to Consolidated Financial Statements for the year ended March 31, 2019

24 Current Financial Liabilities - Other Liabilities

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------------|----------------------------|
| a) Current maturities of long-term debts; | 1,433.83 | 1,132.51 |
| b) Interest accrued but not due on borrowings | 6.21 | 14.48 |
| c) unpaid dividends; | 0.05 | 0.06 |
| d) Salary Payable | 128.15 | 209.84 |
| Total | 1,568.24 | 1,356.89 |

25 Other Current Liabilities

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|----------------|----------------------------|----------------------------|
| Statutory Dues | 209.53 | 250.49 |
| Total | 209.53 | 250.49 |

26 Revenue from Contract with Customers

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------------|----------------------------|
| Revenue from contract with Customers | | |
| Port Services | - | 6,615.34 |
| Transportation | - | 1,809.45 |
| Supply of tangible goods for services | - | 14.86 |
| Port Service - Sri Lanka Division | - | 248.88 |
| Freight | 16,969.60 | 13,639.31 |
| Goods Transport Service-Road* | 6,398.07 | 4,633.15 |
| Leasing / Rental Services (Barges)* | 29.10 | 31.96 |
| Leasing / Rental Services (Shore Equipments)* | 286.18 | 162.68 |
| Maintenance and Repair Service | 20.00 | - |
| Support Service to other Mining | 52.46 | - |
| Water Transport Service* | 22,602.97 | 18,123.39 |
| Water Transport Service - Srilanka Division* | 2,421.89 | 2,007.77 |
| Total | 48,780.27 | 47,286.79 |

* These services were included in port services/ transportation as per classification under service tax regime upto June 30, 2017.

wef. July 1, 2017, these services are classified under GST regime.

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Notes to Consolidated Financial Statements for the year ended March 31, 2019

| Reconciliation with Contract Price | For the year ended March 31, 2019 |
|------------------------------------|--------------------------------------|
| Contract Price | 50,414.31 |
| Less: Demurrage Charges | 1,634.04 |
| Revenue recognised | 48,780.27 |

27 Other Income

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------------|----------------------------|
| Interest Income | | |
| Bank Deposits | 730.42 | 20.56 |
| Other Investments | 36.89 | 646.50 |
| Income Tax Refund | 61.11 | - |
| Dividend received on Investment | 224.59 | 199.56 |
| Profit /(loss) on sale of fixed assets (net) | (202.47) | (99.29) |
| Profit on sale of Investment | 219.32 | 652.68 |
| Change in fair value measurement | 193.69 | (232.27) |
| Other Non operating income | 36.32 | 10.34 |
| Expected Credit Loss reversal | 89.91 | 16.35 |
| Total | 1,389.78 | 1,214.43 |

Notes to Consolidated Financial Statements for the year ended March 31, 2019

28 Direct Operating Cost

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------------|----------------------------|
| Consumption of stores and spares parts | 1,273.62 | 1,251.88 |
| Vessel Expense | 1,951.25 | 1,869.43 |
| Port Expense | 169.64 | 138.86 |
| Repairs and maintenance | 323.82 | 738.88 |
| Dumper & Tipper, Payloader & Excavator Expenses | 515.11 | 837.07 |
| Fuel Charges | 7,643.72 | 7,639.94 |
| Port dues and other expense | 4,246.25 | 3,853.46 |
| Barges and tug hire charges | 665.01 | 1,249.46 |
| Machinery Charges | 902.54 | 845.02 |
| Transportation | 6,404.77 | 5,334.96 |
| Railway Freight | 1.75 | 2.39 |
| Demurrage Charges | - | 930.12 |
| Shortages | 491.25 | 326.22 |
| Stevedoring Charges | 422.96 | 541.12 |
| Handling Charges | 286.98 | 264.64 |
| Storage Charges | 197.51 | 211.33 |
| Water Charges | 69.82 | 76.61 |
| Security Charges | 48.73 | 59.93 |
| Weighment Charges | 47.87 | 87.61 |
| Jetty Utilisation Charges | 193.32 | 156.08 |
| Jetty Repairing & Maintenance | 37.68 | 3.90 |
| Insurance | 307.99 | 292.66 |
| Charter Freight Charges | 13,961.69 | 10,927.15 |
| Bad Debts | 129.10 | - |
| Total | 40,292.38 | 37,638.72 |

29 Employee benefits expenses

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------------|----------------------------|
| Salaries and allowances | 1,654.16 | 1,790.19 |
| Contribution to Provident and other funds | 98.97 | 196.87 |
| Staff welfare expenses | 20.79 | 18.89 |
| Managerial remuneration | 457.53 | 486.74 |
| Total | 2,231.45 | 2,492.69 |

United Shippers Limited



Notes to Consolidated Financial Statements for the year ended March 31, 2019

30 Finance Costs / Finance Income (Net)

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------------|----------------------------|
| Interest paid on Term loans | 476.83 | 487.68 |
| Interest paid on Other borrowings | 14.94 | 89.95 |
| Bank & other finance Charges | 104.94 | 12.80 |
| Foreign Currency Translation Considered as Borrowing Cost | 57.04 | - |
| Processing Fees amortised | 33.60 | 23.27 |
| Total | 687.35 | 613.70 |

31 Depreciation and Amortization

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--------------|----------------------------|----------------------------|
| Depreciation | 4,669.26 | 4,263.66 |
| Amortisation | - | 29.93 |
| Total | 4,669.26 | 4,293.59 |

Notes to Consolidated Financial Statements for the year ended March 31, 2019

32 Other Expenses

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------------|----------------------------|
| Rent | 200.32 | 167.17 |
| Repairs and maintenance -Building | 9.75 | 14.60 |
| Computer and software expenses | 27.44 | 30.98 |
| Insurance | 8.94 | 17.76 |
| Postage, courier and telephone charges | 5.65 | 5.86 |
| Vehicle Expenses | 148.29 | 132.34 |
| Rates & taxes | 16.99 | 82.06 |
| Director sitting Fees | 1.20 | 1.42 |
| Donation | 1.17 | 2.22 |
| Donations to Political Parties | 100.00 | - |
| Brokerage & Commission | 0.25 | 1.10 |
| Legal & Professional charges | 211.80 | 210.76 |
| Foreign Exchange Fluctuations | 122.03 | 7.70 |
| Goodwill Impairment | - | 32.12 |
| Payment to Auditors | 19.16 | 17.00 |
| Conveyance Expense | - | 24.45 |
| Travelling expenses | 194.33 | 146.24 |
| Advertisement Charges | 13.01 | 11.71 |
| Miscellaneous expenses | 29.71 | 7.21 |
| Printing & Stationery | 21.71 | 19.02 |
| Corporate Social Responsibility Expense | 42.00 | 110.00 |
| Communication Expense | 48.59 | 54.17 |
| Office Expense | 33.16 | 27.95 |
| Conference Participation fees | 0.48 | 0.48 |
| Entertainment Expense | 4.66 | 3.95 |
| Gift Expense | 9.46 | 6.76 |
| Books, Periodicals & Subscriptions | 1.53 | 1.58 |
| Amalgamation Expenses | - | 3.97 |
| Electricity Charges | 30.61 | 31.59 |
| Total | 1,302.24 | 1,172.17 |

United Shippers Limited



Notes to Consolidated Financial Statements for the year ended March 31, 2019

33 Earning Per Share

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------------|----------------------------|
| Profit/(Loss) for the year for Basic Earning per share | 1,128.59 | 1,285.52 |
| Profit/(Loss) for the year for Diluted Earning per share | 1,128.59 | 1,285.52 |
| 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) | 24.44 | 27.83 |
| Diluted earning per Share (in Rupees per share) | 24.44 | 27.83 |

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.

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

Notes to Consolidated Financial Statements for the year ended March 31, 2019

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.

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 had entered into an agreement with Gujarat maritime Board (GMB) vide agreement dated 07th October, 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 ₹ 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 ₹ 120 lakhs p.a. The GMB vide letter dated 18/12/2015 had granted extension of the license period for 5 years from 23.02.2015 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.
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, 2019 | For the year ended March 31, 2018 |
|---|--|--|
| Employer's Contribution to Provident Fund | 74.86 | 105.37 |

United Shippers Limited



Notes to Consolidated Financial Statements for the year ended March 31, 2019

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.

(₹ in Lakhs)

| Actuarial Assumptions | For the Year Ended March 31, 2019 | For the Year Ended March 31, 2018 |
|---------------------------|-----------------------------------|-----------------------------------|
| Discount rate (per annum) | 0.08 | 0.08 |
| Withdrawal Rate | 0.05 | 0.01 |
| 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 | 346.04 | 289.98 |
| Current Service Cost | 25.02 | 26.95 |
| Interest Cost | 24.24 | 20.20 |
| Benefits payments from planned assets | (197.96) | (41.26) |
| Actuarial (gain)/ loss on obligations | 25.66 | 50.17 |
| Present value of obligation as at the end of the year | 223.00 | 346.04 |

Table Showing Changes in The Fair Value of Plan Assets :

| | | |
|--|----------|---------|
| Fair value of plan assets at beginning of the year | 371.63 | 312.89 |
| Employer Contribution | 68.46 | 56.27 |
| Interest Income | 19.00 | 24.03 |
| Benefit payments from planned assets | (186.79) | (41.26) |
| Benefit payments from employer | - | - |
| Remeasurements - Return on Assets | (8.51) | 19.71 |
| Fair value of plan assets at year end | 263.79 | 371.63 |

Notes to Consolidated Financial Statements for the year ended March 31, 2019

Table Showing Actuarial Gain / Loss - Plan Assets :

| | | |
|---|---------|-------|
| Actual return of plan assets | 19.00 | 24.03 |
| Expected return on plan assets | 29.00 | 23.00 |
| Excess of actual over estimated return on plan assets | (10.00) | 1.03 |
| Actuarial (gain) / loss-plan assets | 34.17 | 30.47 |

Actuarial Gain / Loss recognised

| | | |
|--|-------|---------|
| Actuarial (gain) / loss for the period - Obligation | 25.66 | 50.17 |
| Actuarial (gain) / loss for the period - Plan assets | 8.51 | (19.71) |
| Total (gain) / loss for the period | 34.17 | 30.47 |
| Actuarial (gain) / loss recognised in the period | 34.17 | 30.47 |

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 | 223.00 | 346.04 |
| Fair value of plan assets as at the end of the period | 263.79 | 371.63 |
| Funded Status | 40.79 | 25.59 |
| Net asset / (liability) recognised in Balance Sheet | 40.79 | 25.59 |

Maturity profile of defined benefit obligation :

| | | |
|---------|-------|-------|
| Year 1 | 48.65 | 70.63 |
| Year 2 | 21.70 | 18.74 |
| Year 3 | 17.79 | 24.90 |
| Year 4 | 14.61 | 16.01 |
| Year 5 | 15.58 | 18.85 |
| Year 6 | 89.11 | 13.66 |
| Year 7 | 89.11 | 31.57 |
| Year 8 | 89.11 | 20.44 |
| Year 9 | 89.11 | 13.52 |
| Year 10 | 89.11 | 26.69 |

United Shippers Limited



Notes to Consolidated Financial Statements for the year ended March 31, 2019

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 :

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---------------------------|----------------------------|----------------------------|
| (i) Income Tax Matters | 2.29 | 2.29 |
| (ii) Service Tax Matters* | 100.64 | - |

*Show Cause Notice F.No. CGST/Audit-I/Gr-23/USL/347/2017/597 dated October 05, 2017 issued by Joint Commissioner (GST), Audit -I, was issued demanding Service Tax of Rs. 100.64 lakhs and interest and penalty thereon on account of fuel supplied by Company for Floating Cranes for the period from F.Y. 2012-13 to F.Y. 2015-16 (upto June 2015). On adjudication of the said Show Cause Notice, the Joint Commissioner dropped the proceedings of Show Cause Notice vide his Order F.N. V/CGST/Mum South/Adj/USL Logistics Pvt. Ltd/06/2017-18/4503 dated May 22, 2018. The Department (Deputy Commissioner, Div-II, CGST, Mumbai South) has appealed before the Commissioner of Central Tax (Appeals) against the order of Joint Commissioner. The matter is pending for hearing.

(b) Capital Commitments

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------------|----------------------------|
| 1 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 279.73 | 304.33 |

Notes to Consolidated Financial Statements for the year ended March 31, 2019

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) Sunil Family Trust (Relative of KMP are beneficiary) |

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

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Notes to Consolidated Financial Statements for the year ended March 31, 2019

- (ii) Nature of transactions - The transactions entered into with the related parties during the year long with related balances as at 31st March, 2019 are as under:

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------------|----------------------------|
| Dividend | | |
| Oricon Enterprise Limited | 296.96 | 445.43 |
| Rent Paid | | |
| Sunil Family Trust | 4.20 | 1.05 |
| Practical Financial Services Pvt. Ltd. | 2.04 | 8.16 |
| Purchase of Goods, Services & Facilities | | |
| Elian Trading Co. Pvt. Ltd | 41.43 | 34.80 |
| Reimbursement of Expenses | | |
| Sunil Family Trust | 0.69 | 0.76 |
| Practical Financial Services Pvt. Ltd. | 0.09 | 0.31 |
| Remuneration to key managerial personnel | | |
| Mr. Sevantilal J. Parekh | 68.71 | 124.70 |
| Mrs. Sujata Parekh Kumar | 71.40 | 70.75 |
| Mr. Rajiv V. Merchant | 110.57 | 101.89 |
| Capt. Dinyar P Karai | 92.40 | 92.40 |
| Mr. Paras Dakalia | 78.90 | 81.58 |
| Mr. Manish Holani | 20.09 | - |
| Mr. Nagendra Agarwal | 33.22 | 48.33 |

* 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 March 31, 2019 are as under:

(₹ in Lakhs)

| Particulars | 2018-19 | 2017-18 |
|---------------------|---------|---------|
| Final Dividend paid | 296.96 | 445.43 |

Notes to Consolidated Financial Statements for the year ended March 31, 2019

(iv) Balances with Related Parties:

(₹ in Lakhs)

| Particulars | 2018-19 | 2017-18 |
|---------------------------------------|---------|---------|
| Trade payable | | |
| Elian Trading Co. Pvt. Ltd | 8.92 | 10.09 |
| Practical Financial Services Pvt.Ltd. | - | 0.03 |

40 Corporate social responsibility expenses:

(₹ in Lakhs)

| Particulars | For the Year ended March 31, 2019 | For the Year ended March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| Gross amount to be spent by the Company during the year | 41.59 | 106.83 |
| Unspent amount of earlier years | 0.59 | 3.76 |
| Amount spent during the year in cash | (42.00) | (110.00) |
| Unspent amount of current year | 0.18 | 0.59 |

41 Payment to Auditors (excluding service tax and GST)

(₹ in Lakhs)

| Particulars | For the Year ended March 31, 2019 | For the Year ended March 31, 2018 |
|--------------------------|--------------------------------------|--------------------------------------|
| Fees for statutory audit | 17.03 | 14.67 |
| Other Services | 0.63 | 0.83 |
| Tax Audit Fees | 1.50 | 1.50 |
| | 19.16 | 17.00 |

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 ₹ 29388.77 Lakhs (PY ₹ 31390.82 Lakhs) and out side India is ₹ 19391.50 Lakhs (PY ₹ 15895.97 Lakhs).

United Shippers Limited



Notes to Consolidated Financial Statements for the year ended March 31, 2019

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

(₹ in Lakhs)

| Particulars | Balance as on March 31, 2018 | Cash Inflow / (Outflow) | Non Cash Movement | | Balance as on March 31, 2019 |
|--|---------------------------------|----------------------------|--|-----------------------------------|---------------------------------|
| | | | Amortisation of Processing Fees | Foreign Exchange Difference | |
| Non current Borrowings (including current maturities) | 3,268.89 | (1,785.01) | 33.60 | 43.41 | 1,560.89 |
| Current Borrowings | 9,000.09 | 4,425.14 | - | - | 13,425.23 |

44 a Income Tax Expense

(₹ in Lakhs)

| Particulars | For the Year ended March 31, 2019 | For the Year ended March 31, 2018 |
|-------------------------------------|---|---|
| Current Tax | | |
| Current Tax expense | 410.00 | 565.44 |
| Deferred Tax | | |
| Increase (decrease) in Deferred tax | (451.90) | 33.84 |
| Total Income Tax Expenses | (41.90) | 599.28 |

| Particulars | For the Year ended March 31, 2019 | For the Year ended March 31, 2018 |
|--|---|---|
| Profit before tax as per financials | 987.37 | 1,885.67 |
| Statutory Tax rate | 0.35 | 0.35 |
| Tax at the Indian Statutory tax rate | 345.03 | 652.59 |
| Adjusted for the effects of: | | |
| Depreciation difference | 377.83 | (14.41) |
| Incomes Not Taxable | (175.73) | (51.95) |
| Expenses disallowed | 19.26 | 19.32 |
| Others | (12.71) | 36.61 |
| Tax effect of foreign subsidiaries incomes | (143.68) | (76.72) |
| Income tax expense | 410.00 | 565.44 |

Notes to Consolidated Financial Statements for the year ended March 31, 2019

b Movement in Deferred Tax (asset) / Liability

(₹ in Lakhs)

| Movement in deferred Tax Assets / Liability | Property Plant & Equipment | Financial assets at Fair Value | Others | Total |
|---|----------------------------|--------------------------------|----------|----------|
| As at 31st March 2018 | 2,953.77 | 165.24 | (101.06) | 3,017.95 |
| Charged / (Credited) | | | | |
| - To profit or loss | (544.57) | 73.97 | 18.70 | (451.90) |
| - To Other comprehensive income | | | - | - |
| - To adjusted against opening balance | 59.11 | - | - | 59.11 |
| As at 31st March 2019 | 2,468.31 | 239.21 | (82.36) | 2,625.16 |

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.

United Shippers Limited



Notes to Consolidated Financial Statements for the year ended March 31, 2019

(₹ in Lakhs)

| Particulars | Note Nos. | Carrying Amount | Less than 12 Months | More than 12 Months | Total |
|-----------------------------|-----------|-----------------|---------------------|---------------------|-----------|
| As at March 31, 2019 | | | | | |
| Borrowings | 22 and 19 | 13,552.30 | 13,425.23 | 127.07 | 13,552.30 |
| Trade payables | 23 | 4,033.70 | 4,033.70 | - | 4,033.70 |
| Other financial liabilities | 24 | 1,568.24 | 1,568.24 | - | 1,568.24 |
| As at March 31, 2018 | | | | | |
| Borrowings | 22 and 19 | 11,136.48 | 9,000.09 | 2,136.39 | 11,136.48 |
| Trade payables | 23 | 3,949.56 | 3,949.56 | - | 3,949.56 |
| Other financial liabilities | 24 | 1,356.89 | 1,356.89 | - | 1,356.89 |

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 31st March 2019 and 31st March 2018.

| POTENTIAL IMPACT OF RISK | MANAGEMENT POLICY | SENSITIVITY TO RISK |
|--|---|---|
| 1. Price Risk <p>The group is mainly exposed to the price risk due to its investment in equity instruments 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>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</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 ₹ 20.92 Lakhs for year ending March 2019 (₹18.80 lakh for year ending March 2018) in other comprehensive income.</p> |

Notes to Consolidated Financial Statements for the year ended March 31, 2019

| | | |
|--|--|--|
| (i) As at 31 st March 2019, the investment in equity amounts to 209.28 lakhs (31 st March 2018: 188.24 lakhs) | policies. | |
| (ii) As at 31 st March 2019, the investment in mutual fund amounts to 8356.45 Lakhs (31 st March 2018: 5404.94 lakhs) | The use of any new investment must be approved by the Director Finance. | (ii) For mutual fund, a 10% increase in prices would affect the profit approximately by ₹ 835.65 lakh for year ending March 2019 (₹ 540.40 lakh for year ending March 2018) in profit and loss. |
| (iii) As at 31 st March 2019, the investment in bonds and similar products amounts to 18626.29 Lakhs (31 st March 2018: 16242.72 lakhs) | | (iii) For bonds and similar products, a 10% increase in prices would affect the profit approximately by ₹1862.63 lakh for year ending March 2019 (₹1624.20 lakh for year ending March 2018) in profit and loss. |
| 2. Interest Rate Risk | | |
| Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. | | |
| 1) Libor :- Group has Foreign currency loan with Banks amounting to ₹ 660.90 lakh as at March 31 st , 2019 (₹ 1296.77 lakh as at March 31 st , 2018). | | 1) Libor :- A 0.25 increase in interest rates would affect the profit approximately by ₹ 7.63 lakh loss for year ended March 31 st , 2019 (₹7.74 lakh loss for year ended March 31 st 2018) due to additional interest cost. A 0.25% decrease in interest rates would have led to an equal but opposite effect. |
| 2) INR :- Group has Indian Rupee loan from banks amounting to ₹ 900 Lakh as | In order to manage its interest rate risk The Company diversifies its portfolio in accordance with | 2) INR :- A 0.25% increase in interest rates would affect the profit approximately by ₹ 2.40 lakh loss for year ended March 31, 2019 (₹ 0.25 lakh loss for year |

United Shippers Limited



Notes to Consolidated Financial Statements for the year ended March 31, 2019

| | | |
|--|---|---|
| <p>at March 31st, 2019 (₹ 900.00 lakh as at March 31st, 2018).</p> <p>3) The group has short term borrowing from bank of ₹ 13425.23 lakhs which is to be repaid within 12 months from the dated when these loans are withdrawn. (₹ 9000.09 lakhs as at March 31, 2018)</p> <p>Group has Fixed deposits with Banks amounting to ₹ 433.56 lakh as at March 31st, 2019 (₹. 401.22 lakh as at March 31st, 2018). Interest Income earned on fixed deposit for year ended March 31st, 2019 is ₹ 730.42 lakhs (₹ 20.56 lakh at March 31, 2018)</p> | <p>the risk management policies.</p> | <p>ended March 31st 2018) due to additional interest cost. 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 ₹ 33.65 lakhs loss for year ended March 31, 2019 (₹ 20.93 lakh loss for year ended March 31st 2018) due to additional interest cost.</p> |
| <p>3. Foreign Currency Risk</p> <p>Foreign currency risk is the risk that the fair value or 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 exposed to risk are USD.</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>Fixed Deposits with banks have fixed interest rate. Hence are not subject to interest rate risk.</p> |

Notes to Consolidated Financial Statements for the year ended March 31, 2019

"The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹ is given below" (₹ in Lakhs)

| Nature of Transaction | Currency | Equivalent INR 31st March 2019 | Equivalent INR 31st March 2018 |
|----------------------------|----------|-----------------------------------|-----------------------------------|
| Borrowings | USD | 691.71 | 2,333.31 |
| Payables | USD | 2,011.21 | 2,364.41 |
| Payables | EURO | 4.16 | - |
| Receivables | USD | 586.49 | 369.54 |
| Receivables | LKR | 7.32 | - |
| Investment in subsidiaries | USD | 188.42 | 177.17 |
| Investment in subsidiaries | LKR | 84.91 | 89.90 |

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

| Particulars | (₹ in Lakhs) | |
|--------------------------------------|-------------------|-------------------|
| | March 31, 2019 | March 31, 2018 |
| Gross Amount of trade receivables | 6,724.30 | 8,655.44 |
| Less: Expected Credit Loss | (266.51) | (356.42) |
| Carrying amount of trade receivables | 6,457.79 | 8,299.02 |

United Shippers Limited



Notes to Consolidated Financial Statements for the year ended March 31, 2019

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.

(₹ in Lakhs)

| Particulars | March 31, 2019 | March 31, 2018 |
|--|-------------------|-------------------|
| Borrowings | 13,552.30 | 11,136.48 |
| Current Maturities of Long Term Borrowings | 1,433.83 | 1,132.51 |
| Less : Cash and Cash equivalents | (3,003.51) | (2,949.66) |
| Total Debt | 11,982.62 | 9,319.33 |
| Equity | 46,049.82 | 44,927.00 |
| Total Capital | 46,049.82 | 44,927.00 |
| Capital and Total debt | 58,032.43 | 54,246.33 |
| Gearing ratio | 0.26 | 0.21 |

Notes to Consolidated Financial Statements for the year ended March 31, 2019

48 Fair Value Measurement

| Particulars | March 31, 2019 | | | March 31, 2018 | | |
|--|----------------|--------|----------------|----------------|--------|----------------|
| | 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 | | 209.28 | | | 188.24 | |
| B) Mutual funds | 6,931.97 | | | 8,603.65 | | 68.96 |
| C) Debentures & Bonds | 20,050.76 | | 371.02 | 13,044.02 | | 2,000.00 |
| D) Preference Shares | | | 2,250.00 | | | |
| D) Commercial Paper | | | 497.72 | | | |
| II) Trade receivables | | | 6,457.79 | | | 8,299.02 |
| III) Cash and Cash equivalents | | | 3,003.51 | | | 2,949.66 |
| IV) Loan | | | 4.69 | | | 5.72 |
| V) Other receivables | | | 383.79 | | | 360.90 |
| Total financial assets | 26,982.73 | 209.28 | 12,988.53 | 21,647.67 | 188.24 | 13,684.26 |
| 2) Financial liabilities (Current & Non Current) | | | | | | |
| I) Borrowings | | | | | | |
| A) From Banks | | | 14,986.13 | | | 12,268.99 |
| I) Trade payables | | | 4,033.70 | | | 3,949.56 |
| II) Other liabilities | | | 1,568.24 | | | 1,356.89 |
| Total Financial liabilities | | - | 20,588.06 | | - | 17,575.44 |

United Shippers Limited



Notes to Consolidated Financial Statements for the year ended March 31, 2019

49 Fair value hierarchy

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

A) Year Ending 31st March, 2019

(₹ in Lakhs)

| Financial Assets measured at Fair Value - recurring Fair Value measurements at 31-03-2018 | Level 1 | Level 2 | Level 3 |
|--|------------------|-----------------|-------------|
| Financial instrument measured at FVTPL | | | |
| Mutual Fund | | 6,931.97 | |
| Bonds and similar products | 20,050.76 | | |
| Financial instrument measured at FVTOCI | | | |
| Equity Instrument | 204.78 | | 4.50 |
| Total | 20,255.54 | 6,931.97 | 4.50 |

B) Year Ending 31st March, 2018

(₹ in Lakhs)

| Financial Assets measured at Fair Value - recurring Fair Value measurements at 31-03-2017 | Level 1 | Level 2 | Level 3 |
|--|------------------|-----------------|-------------|
| Financial instrument measured at FVTPL | | | |
| Mutual Fund | | 8,603.65 | |
| Bonds and similar products | 13,044.02 | | |
| Financial instrument measured at FVTOCI | | | |
| Equity Instrument | 183.74 | | 4.50 |
| Total | 13,227.76 | 8,603.65 | 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 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 Previous year figures have been regrouped wherever necessary.