

THE HIGHLAND PRODUCE COMPANY LIMITED

ALAPPUZHA

BOARD OF DIRECTORS

Mr. Dilip Thomas (Chairman)
Mrs. Priyalatha Thomas
Mr. K. Suresh (Managing Director)
Mr. K. Ashok
Mr. S. Ganesan

AUDITORS

Suri & Co.
Chartered Accountants
Park Circle, Second Floor
No.20 Moores Road, Thousand Lights
Chennai - 600 006

BANKERS

The Federal Bank Ltd.
Bank of Baroda

REGISTRAR & SHARE TRANSFER AGENT

Cameo Corporate Services Limited
"Subramanian Building"
No.1, Club House Road, Chennai-600 002

REGISTERED OFFICE

W-21/674, Beach Road,
Alappuzha-688 012
Tel: 0477-2243624, 2243625
Email: avt.alapuzha@gmail.com
www.highlandproduce.in
CIN: U01119KL1925PLC000416

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THE HIGHLAND PRODUCE COMPANY LIMITED
Registered Office: W-21/674, Beach Road, Alappuzha-688012
CIN : U01119KL1925PLC000416

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the NINETY FIFTH ANNUAL GENERAL MEETING of the Company will be held at the Registered Office at W-21/674, Beach Road, Alappuzha-688 012, at 11.30 A.M. on Thursday, the 21st October, 2021 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited financial statements of the Company for the year ended 31st March, 2021, the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity shares. [The Directors have recommended a dividend of Rs.10/- per Equity share, (100 %)]
3. To appoint a Director in place of Mrs. Priyalatha Thomas (DIN:00052237) who retires by rotation and being eligible has offered herself for re-appointment.

By Order of the Board
For THE HIGHLAND PRODUCE COMPANY LIMITED
DILIP THOMAS
Chairman

Chennai
9th September, 2021

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NOTES:

- 1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.**
- 2. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten per cent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.**
- 3. PRECAUTIONARY MEASURES FOR ANNUAL GENERAL MEETING**

In view of the ongoing COVID-19 pandemic, the Company will implement the following measures at the Annual General Meeting (AGM) venue to safeguard the health and safety of our shareholders attending the AGM of the Company to be held on 21st October, 2021

- (i) compulsory body temperature checks will be conducted for every attending shareholder of the Company, proxy and other attendees at the entrance of the AGM venue. Any person with a body temperature of over 37.5 degrees Celsius will not be allowed entry into the AGM venue;
- (ii) each attendee should have taken atleast one dose of Covid-19 vaccine before two weeks of date of AGM or should be in possession of RT-PCR negative certificate taken 72 hours before the date of AGM, a proof of which should be produced at AGM venue.
- (iii) each attendee will be asked to fill up a health declaration form, based on which his/her entry into the AGM venue will be decided.
- (iv) each attendee would be provided with and should wear face mask throughout the AGM and inside the AGM venue;
- (v) the Company will provide hand wash and sanitizer at the AGM venue;
- (vi) the Company will maintain safe distance between seats; and
- (vii) no refreshments and beverages will be served.

The shareholders attending the AGM are requested to install Aarogya Setu application on mobile phones and regularly update their health status. This will facilitate timely provision of medical attention to individuals who are at risk. Only those who are declared safe are requested to co-operate and attend the AGM. All other health & safety protocols not mentioned above may please be complied in the interest of others.

In the event of any regulations/restrictions imposed by the Government of India and/or Government of Kerala due to COVID-19, requiring change of the date or place of the AGM, the shareholders of the Company will be notified of the revised arrangements.

- 4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the Annual General Meeting on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to vsureshpcs@gmail.com with a copy marked to avt.alapuzha@gmail.com**
- 5. The related details , pursuant to Secretarial Standards on General Meetings issued by the Institute of Company secretaries of India , in respect of Director seeking appointment at the AGM is annexed.**

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6. The Company has appointed M/s Cameo Corporate Services Limited, Chennai as its Registrar & Share Transfer Agent and depository interface of the Company with CDSL and NSDL. Shareholders intending to hold their shares in electronic form may approach their depository participants for dematerialisation of shares. Shareholders may send their shares for effecting transmission / transposition to M/s Cameo Corporate Services Limited.
7. The Register of Members and Share Transfer Books of the Company will remain closed from 16.10.2021 to 21.10.2021 both days inclusive.
8. The dividend as recommended by the Board, if approved at this meeting, will be paid within 30 days from the date of AGM, to those members whose names appear in the Register of Members on that date.
9. Members are requested to notify immediately any change in their address to the Company's Share Transfer Agent, M/s. Cameo Corporate Services Limited, Subramanian Building, No. 1, Club House Road, Chennai- 600 002 in the case of physical holdings and to their respective Depository Participants in case of dematted shares.
10. The shareholders of the Company, who have not yet registered / updated their e-mail address, are requested to register / update their e-mail address by sending the form/mandate enclosed along with the Annual Report for the F.Y. 2020-2021, mentioning their folio number / DPID/CLID and valid e-mail id for registration to the Company's Registrar & Transfer Agent, M/s Cameo Corporate Services Ltd., or to the Company or to their Depository Participant.
11. The Finance Act, 2020 had made the dividend declared from 01st April 2020, taxable in the hands of shareholders, where the dividend exceeds Rs.5000/- in a financial year. This has created a requirement for the investors to submit Form 15G/15H in case if they would like to be exempted from deduction of tax from their dividend. Form 15 G/ 15 H can be downloaded from the web link <https://investors.cameoindia.com> to avail the benefit and email to investor@cameoindia.com, immediately. There is also a provision to upload Form 15G/15H in the web link viz. <https://investors.cameoindia.com> provided by the Company's Registrar and Share Transfer Agent M/s Cameo Corporate Services Limited.
12. Members are requested to furnish to the Company's Share Transfer Agent immediately their bank account details in the case of physical holdings, and to their respective Depository Participants in case of dematted shares, so that the payment of dividend when made through National Electronic Clearing Service (NECS), National Electronic Fund Transfer (NEFT), Direct Credit, Dividend Warrants/ Cheques etc., can be made without delay.
13. Shareholders of the Company may avail the nomination facility by executing the prescribed nomination form which can be obtained from the Registered Office of the Company.
14. Shareholders who have multiple folios in identical names or in joint names in the same order, are requested to intimate to the Company these folios, to enable the Company to consolidate all such shareholdings into one folio.
15. Pursuant to provisions of Section 124(6) of the Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividends from time to time on due dates, up to the financial year 2010-11 to the Investor Education and Protection Fund (the IEPF) established by the Central Government.

Pursuant to Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules 2017 (Rules) notified by the Ministry of Corporate Affairs on 28th February 2017, the Company is required to transfer all shares in respect of which dividend has not been paid or unclaimed for seven consecutive years to the IEPF. The shareholders are requested to claim the unpaid dividend amount(s) immediately, failing which their shares shall be transferred to the demat account of the IEPF Authority as per the procedure stipulated in the Rules as amended from time to time.
16. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

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17. Members may also note that the Notice of the 95th Annual General Meeting and the Annual Report for 2020-2021 will also be available on the Company's website: www.highlandproduce.in for downloading. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. For any communication, the shareholders may also send requests to the Company's Registrar and share transfer agent's email ID: investor@cameoindia.com.
18. Members whose names appear on the Register of Members / List of Beneficial Owners as on Cut-off date i.e. 15.10.2021 will be considered for the purpose of availing Remote e.voting or Vote in the Annual General Meeting. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.
19. Members are requested to submit attested copy of PAN CARD of the transferee(s), surviving holder(s), legal heir(s) and joint holder(s) in case of transmission of shares, deletion of name of deceased shareholder(s) and transposition of shares, in respect of shares held in physical form, along with necessary documents at the time of lodgement of request for transmission/ transposition. Ministry of Corporate Affairs (MCA) , vide notification dated 10th September, 2018 mandated that transfer of securities of unlisted public companies shall be carried out in dematerialized form only with effect from 2nd October, 2018. Accordingly members who have not yet converted their holdings into electronic form may do so immediately for their own interest.
20. Documents referred to in the Notice shall be open for inspection by the members at the Registered Office of the Company on all working days (Monday to Friday) during business hours, except holidays, upto the date of the meeting.
21. As per Secretarial Standard-2 a route map with prominent Landmark of the venue of the meeting is attached as a separate sheet.
- 22. Voting facilities**
- (i) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide Members facility to exercise their right to vote at the 95th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting services provided by Central Depository Services (India) Limited (CDSL). The e-voting facility is available at www.evotingindia.com.
- (ii) The facility for voting either through ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
- (iii) Members who have cast their vote by remote e-voting prior to the Meeting may also attend the meeting but shall not be entitled to cast their vote again.

The instructions for members for e-voting are as under:-

- (i) The remote e-voting period begins on 18.10.2021, Monday (9:00 a.m.) and ends on 20.10.2021, Wednesday (5:00 p.m). During this period shareholders' of the Company, holding shares in physical form/demat form, as on the cut-off date of 15.10.2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

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Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Login method for e-Voting for shareholders other than individual shareholders holding in Demat form & physical shareholders.

- (iii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iv) Click on “Shareholders” tab.
- (v) Now Enter your User ID.
 - (a) For CDSL: 16 digits beneficiary ID
 - (b) For NSDL: 8 character DP ID followed by 8 Digits Client ID
 - (c) Members holding shares in Physical form should enter Folio Number registered with the Company
- (vi) Next enter the image Verification as displayed and Click on Login.
- (vii) If you are are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and 8 digits of the sequence number in the PAN field. Sequence number has been provided in the address label. • <i>In case the sequence number is less than 8 digits, enter the applicable number of 0s before the number after first two characters of the name in CAPITAL Letters. Eg. If your name is Rajesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</i>
Dividend Bank Details Or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in the company records in order to login. If both the details are not recorded with the Company please enter the Folio Number in the Dividend Bank details field as mentioned in instruction (v).

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- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for The Highland Produce Co.Ltd on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES or NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolutions.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If a Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app-M-voting available on android based mobiles. The M-Voting app can be downloaded from Google Play store. Please follow the instructions as prompted by the mobile app while voting on your mobile
- (xx) Additional instructions for non- individual shareholders and custodians.
 - a. Non- individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates. Corporates and custodians already registered with CDSL should use their existing login details.
 - b. After registering online, scanned copy of the registration form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - c. The admin login details will be sent by CDSL. After receiving these details, create a compliance user. The compliance user would be able to link the account(s) for which they wish to vote on.
 - d. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - e. A scanned copy of the Board Resolution and Power of Attorney which they have issued in favour of the custodian/ authorized person should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting you may refer the Frequently Asked Questions (“FAQ”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

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General Instructions

- (i) Mr. V. Suresh, Practising Company Secretary (CP No.6032) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (ii) The Scrutinizer shall after the conclusion of voting at the General Meeting, will first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him, in writing, who shall countersign the same and declare the result of the voting forthwith. The resolutions will be deemed having been passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions.
- (iii) The results declared along with the Report of the Scrutinizer shall be placed on the Company's website www.highlandproduce.in and on the website of CDSL immediately after the result is declared by the Chairman or a person authorised by him in writing who shall countersign the same.
- (iv) The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on 15.10, 2021. A person who is not a Member as on the cut off date should treat this Notice for information purposes only.

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**PARTICULARS OF DIRECTORS SEEKING RE-APPOINTMENT AS REQUIRED TO BE FURNISHED UNDER
CLAUSE 1.2.5 OF THE (SS-2) SECRETARIAL STANDARD ON GENERAL MEETINGS**

For Agenda Item No.3

Name	Mrs. Priyalatha Thomas
Date of Birth	15th July 1960
DIN	00052237
Qualifications	M.A
Expertise in Specific functional areas	Mrs. Priyalatha Thomas has vast experience in plantation industry, business management and is having good business and trade relations abroad
Date of appointment on the Board	29.07.1998
Number of Board Meetings attended during the year 2020-21	4 (Four)
Relationship with Other directors	Spouse of Mr. Dilip Thomas, Chairman
Directorship held in other Companies (excluding foreign companies)	Managing Director The Rajagiri Rubber and Produce Co. Ltd. Director L.J.International Limited A.V Thomas Leather & Allied Products (P) Ltd. Dalp Trading and Manufacturing Ltd. A.V Thomas International Ltd.
Membership of Committees in other Companies	-
Number of shares held in the Company	6236

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

DIRECTORS' REPORT

Your Directors have pleasure in presenting the **NINTY FIFTH** Annual Report with the Audited Accounts for the year ended March 31, 2021.

FINANCIAL RESULTS :

	2020-21 Amount Rs.	2019-20 Amount Rs.
Income from operations & other income	109,26,38,540	89,30,26,592
Profit before Depreciation	11,70,55,994	4,94,26,772
Depreciation	1,69,50,346	1,61,16,720
Profit before Taxation	10,01,05,648	3,33,10,052
Less: Provision for taxation	2,29,00,000	Nil
Profit after Taxation	7,72,05,648	3,33,10,052
Add : Surplus brought forward	6,73,65,428	3,40,55,376
Total amount available for appropriation	14,45,71,076	6,73,65,428
LESS :		
Transfer to General Reserve	4,00,00,000	
Transfer to Capital Redemption Reserve	1,20,00,000	-
Dividend paid on 7% Cumulative Preference Shares for the period 16.1.2008 to 31.12.2020	79,42,131	-
Dividend paid on Equity shares for the Financial Year 2019-20 at Rs.2.50 per share	13,50,000	-
Balance carried forward	8,32,78,945	6,73,65,428
	14,45,71,076	-

DIVIDEND

The Board of Directors have recommended a Dividend of Rs.10/- per Equity share (100%) for approval of the shareholders at the ensuing Annual General Meeting.

TRANSFER TO GENERAL RESERVE

The Company has transferred Rs.4 crores to General Reserve for the financial year 2021-21.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments, affecting the financial position of the Company between the end of the financial year and the date of the report other than those disclosed in the financial statements.

OPERATIONS

The production of Tea was higher during the year and prices realised were higher than the previous year.

The production of Cardamom also increased during the year under report and the prices realised were lower compared to previous year.

As regards the Doors and Panel Boards unit, the proposed buyer has consented to proceed with the take over of the unit and as accepted by him the current year's loss on operations has been adjusted against the sum payable to him. Considering the adverse impact of Covid-19 outbreak, the Company has entered into a revised agreement on the terms of sale and the documentation for sale is expected to complete by October/November, 2021. As such the Board has decided to exclude the Turnover of the unit for all compliance requirements.

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PARTICULARS OF EMPLOYEES

The statement containing remuneration paid to employees and other details as required under Section 197(12) of the Companies Act, 2013 (Act) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company during business hours on all working days of the Company upto the date of the forthcoming Annual General Meeting. Any member interested in obtaining a copy of the same may write to the Company and the same will be provided free of cost to the member.

During the year, no employee of the Company was in receipt of remuneration in excess of the limits prescribed by Section 197 of the Companies Act 2013 read with Rule 5(2) made thereunder.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013 and rules made there under Mrs.Priyalatha Thomas ,(DIN: 00052237) Director retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. The Directors recommend re-appointment of Mrs.Priyalatha Thomas at the ensuing Annual General Meeting.

The provisions of the Companies Act, 2013, regarding the appointment of Key Managerial Personnel are not applicable to the Company.

ANNUAL RETURN

As required under Section 92(3) copy of the Annual Return of the Company is uploaded on the Company's website www.highlandproduce.in.

BOARD MEETINGS

During the financial year 2020-21 the Board of Directors met four times. The dates on which the meetings held were 03.08.2020, 09.09.2020, 28.12.2020 and 23.03.2021. The intervening gap between the meetings were within the period prescribed under the Companies Act, 2013.

The Company has complied with the Secretarial Standards issued by the ICSI.

AUDIT COMMITTEE

The Company is not required to constitute an Audit Committee as per Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with Section 177 of the Companies Act, 2013.

NOMINATION AND REMUNERATION COMMITTEE

The Company is not required to constitute a Nomination and Remuneration Committee as per Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with Section 178 of the Companies Act, 2013.

SHARE TRANSFER COMMITTEE

The Share Transfer Committee consists of Directors Mr. Dilip Thomas , Mr. K.Suresh and Mr.S.Ganesan as Members of the Committee.

AUDITORS

Pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013, the shareholders in their 91st Annual General Meeting (AGM) held on 21st September, 2017 had re-appointed M/s. Suri & Co, Chartered Accountants (Firm Registration No.004283S), the Statutory Auditors of the Company for a period of 5 years till the conclusion of the 96th Annual General Meeting. In view of the amendments to the Companies Act, 2013 their appointment is not required to be ratified by the members in the forthcoming Annual General Meeting.

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COST AUDITORS

The provisions of Section 148(1) of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 in respect of Cost Audit is not applicable to the Company.

AUDITORS REPORT

There are no qualifications, reservations or adverse remarks mentioned in the Auditors Report.

SECRETARIAL AUDIT

Secretarial Audit is not applicable as per Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Section 204 of the Companies Act, 2013.

INTERNAL AUDIT & CONTROLS

The Company has internal control systems commensurate with the size and nature of its business and has appointed M/s. Vasanthan Naresh and Associates, Chartered Accountants, as the Internal Auditors. The Internal Audit coverage is adequate to ensure that the assets of the company are safeguarded and protected and there is regular review by Management on policies, internal controls, procedures and internal audit reports.

RISK MANAGEMENT PLAN

Pursuant to Section 134 (3) (n) of the Companies Act , 2013 the Company had laid down the procedures to inform Board members about the risk assessment and its mitigation procedures.

Mr. Manu P Sam, General Manager – Finance has been assigned the task of informing the Board about the various risks and its mitigation by the Company from time to time.

At present, the Company has not identified any element of risk which may threaten the existence of the Company.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

SUBSIDIARY/ASSOCIATE COMPANIES

The particulars of the Subsidiary/Associate Companies as required under first proviso to Section 129(3) of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014 are not required to be provided as the Company does not have subsidiary/associate companies.

TRANSACTIONS WITH RELATED PARTIES

All transactions entered by the Company with Related Parties were in the Ordinary course of business and on the basis of Arm's Length pricing . Details of the transaction are provided in Form AOC-2 which is attached as **Annexure – I** to this Report.

INSURANCE

The Company continues to carry adequate insurance for all assets against unforeseeable perils.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There were no significant material orders passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operations.

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CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The statement pursuant to Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (accounts) Rules, 2014 is attached as **Annexure – II**.

The company has no activities relating to technology absorption on account of the nature of its business.

FOREIGN EXCHANGE EARNINGS/OUTGO

During the year under review, total outgo on Foreign Exchange amounted to Rs.1,13,98,875/- Details are set out in Note 25 item 2 (a) & (b) of the Notes on Accounts. The company has been continuing in exploring the possibilities of exporting its produces as well as on new foreign projects.

INDUSTRIAL RELATIONS

During the year under review, your company enjoyed cordial relationship with workers and employees at all levels.

CORPORATE SOCIAL RESPONSIBILITY

During the financial year under review, the Company has fallen within the ambit of Section 135(1) of the Companies Act, 2013 and the CSR amount required to be contributed by the Company will be spent during the Financial year 2021-22

DEPOSIT FROM PUBLIC

The Company has not accepted any deposits from public during the year. However, the Company has accepted an amount of Rs.690 lakhs as loan from Directors under section 73 read with The Companies (Acceptance of Deposits) Rules, 2014.

DISCLOSURE OF ACCOUNTING TREATMENT

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which were consistently applied are set out in Note 1 to the Financial Statements.

DIRECTORS' RESPONSIBILITY STATEMENT

In pursuance of Section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31st March, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) they 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 at the end of the financial year and of the profit of the Company for the financial year
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual financial statements on a going concern basis;
- e) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to Section 124 of the Companies Act, 2013 and IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules') as amended from time to time, all unpaid or unclaimed dividends, after the completion of seven years, are required to be transferred by the Company to the IEPF established by the Central Government.

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

Further according to the Rules, the shares in respect of which dividend has not been paid or unclaimed by the shareholders for seven consecutive years or more shall also to be transferred to the demat account created by the IEPF Authority.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Act. An Internal Complaints Committee has been set up for redressal of complaints and that all employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year the Company has not received any complaint under Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation for the continued support extended to the Company by its Bankers and Employees during the year.

Chennai,
9th September, 2021

By Order of the Board
DILIP THOMAS
Chairman

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

ANNEXURE -I

Form No. AOC-2

[Pursuant to *clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and rule 8(2) of the Companies (Accounts) Rules, 2014*]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2020 – 21.

2. Details of material contracts or arrangement or transactions at arm's length basis are appended in Annexure - IA

For and on behalf of the Board of Directors

DILIP THOMAS
Chairman

Chennai
9th September, 2021

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

Annexure IA

Form No. AOC 2

Name of the Company	Nature of Relationship	Nature of Transaction	Duration of Transactions	Amount (Rs)	Salient Terms	Date of Approval by the Board	Amount paid as Advance if any
A.V Thomas and Company Ltd	Common Control through constitution of Board / shareholding	Sale of 3558900 kgs of Tea Godown Rent received for W/Island office Building/Godown	On going transactions On going transactions	62,79,85,044 14,00,000	Market Rate Market Rate	Not Applicable Not Applicable	Nil Nil
A.V Thomas and Company Ltd W/Island	Common Control through constitution of Board / shareholding	Cost of 2400 Kgs of Staff gratis tea	On going transactions	2,94,000	Market Rate	Not Applicable	Nil
Doors and More Wood Products Limited	Common Control through constitution of Board / shareholding	Cost of Doors/ Boards etc sold Rent received for door unit factory premises godown	On going transactions On going transactions	7,22,16,403 36,000	Market Rate Market Rate	Not Applicable Not Applicable	Nil Nil
The Rajagiri Rubber and Produce Co.Ltd	Common Control through constitution of Board / shareholding	Sale of 698 kgs of Staff gratis tea Redemption of Preference shares Dividend paid on Preference shares Dividend paid on Equity shares	On going transactions On going transactions On going transactions On going transactions	95,990 1,20,00,000 79,42,131 30,520	Market Rate Market Rate Market Rate Market Rate	Not Applicable Not Applicable Not Applicable Not Applicable	Nil Nil Nil Nil
L.J International Limited	Common Control through constitution of Board / shareholding	Sale of 525 kgs of Staff gratis tea Sale of flowering plants Sale of Pepper Plants Sale of Coffee beans Sale of vermicornpost	On going transactions On going transactions On going transactions On going transactions On going transactions	68,214 31,91,565 3,675 3,619 24,851	Market Rate Market Rate Market Rate Market Rate Market Rate	Not Applicable Not Applicable Not Applicable Not Applicable Not Applicable	Nil Nil Nil Nil Nil
M/s Rajagiri Impex Limited	Common Control through constitution of Board / shareholding	Sale of 34182 Kgs of Cardamom Sales Expenses paid	On going transactions On going transactions	6,02,91,061 15,22,095	Market Rate Market Rate	Not Applicable Not Applicable	Nil Nil
A.V Thomas and Company Ltd. W/Island	Common Control through constitution of Board / shareholding	Warehousing and C & F charges	On going transactions	16,54,114	Market Rate	Not Applicable	Nil
A.V Thomas and Company Ltd. Chennai	Common Control through constitution of Board / shareholding	Rent for the Building at Chennai	On going transactions	12,000	Market Rate	Not Applicable	Nil
Doors and More Wood Products Limited	Common Control through constitution of Board / shareholding	Processing Charges paid for Door unit work at Coimbatore Purchase of Doors	On going transactions On going transactions	87,10,292 48,06,166	Market Rate Market Rate	Not Applicable Not Applicable	Nil Nil
The Rajagiri Rubber and Produce Company Limited	Common Control through constitution of Board / shareholding	Purchase of rubber firewood Purchase of used Reverse Osmosisplant and sale of used 82.5 KVA genset	On going transactions On going transactions	3,54,637 7,10,800	Market Rate Market Rate	Not Applicable Not Applicable	Nil Nil
L.J International Limited	Common Control through constitution of Board / shareholding	Purchase of flowering plants	On going transactions	5,98,301	Market Rate	Not Applicable	Nil
Dalp Trading and Manufacturing Limited. Chennai	Common Control through constitution of Board / shareholding	Commission paid for procurement of green leaf	On going transactions	54,29,093	Market Rate	Not Applicable	Nil

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

Annexure -II

CONSERVATION OF ENERGY

[Pursuant to *Section 134 (3) (m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014*]

The steps taken or impact on conservation of Energy

The Company is committed to conserve energy in all our activities and is continuing with our efforts to conserve energy.

- A new line of CTC machine with Energy efficient motors is installed in Pasuparai Estate for conservation of energy.
- New Cardamom drier machine with energy efficient motor installed in Carady Goody Estate of the Company
- New energy efficient Cardamom crop irrigation pump installed during the year.
- In factory , cardamom curing house , retail outlets and offices the lighting was converted to LED lighting to conserve electrical energy
- To conserve ground water, Estates are using the rain water harvesting tanks
- Continues to use Hot air from the drier for withering of green leaf in the trough.
- For rain water harvesting for conservation of water, earth bund dykes are constructed.

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

INDEPENDENT AUDITOR'S REPORT

To
The Members of
THE HIGHLAND PRODUCE COMPANY LIMITED, Alappuzha

Report on the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **THE HIGHLAND PRODUCE COMPANY LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2021, and the statement of profit and loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone 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 ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

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

The Company's Board of Directors is responsible for the other information. The other information comprises the management report, its annexures, Board's Report including annexures, Director's Responsibility statement, but does not include the standalone Financial Statements and our Audit Report thereon.

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance 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,

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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 statements 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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone 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.

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 Act, we give an Annexure A, a Statement on matters specified in paragraph 3 and 4 of the said order, to the extent applicable

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone 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 31st March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer our separate report in Annexure B;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 25(4)(a) to the financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2021.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place : Chennai
Date : 09.09.2021

For SURI & CO.,
Chartered Accountants
Firm Regn. No.004283S
G.RENGARAJAN
Partner
Membership No.219922
UDIN: 21219922AAAAPG8031

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

ANNEXURE A TO THE REPORT OF THE AUDITORS TO THE MEMBERS OF THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

- 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, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed 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 the immovable properties are held in the name of the company.
- ii) The Physical verification of inventory has been conducted at reasonable intervals by the management during the year. In our opinion, the frequency of such verification is reasonable. Due to COVID 19, the company could not carry out physical verification of inventories as on the reporting date. The physical verification of the inventory was done by the management subsequent to the Balance Sheet date on partial lifting of the lockdown. We have relied on the management in this regard, since we could not observe the physical inventory verification because of travel restrictions imposed due to COVID 19. We have performed a roll-back procedure based on management physical verification to reconcile the book stock as on the reporting date. According to the information and explanation given to us and based on the alternate procedures performed as aforesaid, no material discrepancies were noticed on verification.
- iii) The Company has not granted any loans, secured or unsecured to the Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly Para 3 (iii) (a), (b) & (c) of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the investments made. The company has not given any guarantees, securities or loans covered under the provisions of section 185 and 186 of The companies Act 2013.
- v) The company has not accepted any deposits from the public during the year.
- vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government for the maintenance of cost records under section 148 (1) of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- vii) a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Goods and Service Tax, Customs duty, Cess and other statutory dues applicable to it. No undisputed statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

b) The details of disputed statutory dues which have not been deposited are as under:

Name of the Statute	Nature of the dues	Amount (Rs.)	Amount paid (Rs.)	Forum where dispute is pending
Kerala Central Sales Tax Act	CST 1997-1998	5,85,523	Nil	Kerala Agricultural Income Tax and Sales Tax Appellate Tribunal
	CST 1992-93 to 1996-97 & 1998-99, 2004-05	18,08,580	4,03,134	Deputy Commissioner (Appeals)
Tamil Nadu Central sales Tax Act	2009-10	1,06,759	Nil	Commissioner (Appeals)
	2011-12 & 2012-13	4,50,582	Nil	High Court of Madras
Tamilnadu Value Added Tax Act	TNVAT 2006-07	4,55,636	1,96,910	Commissioner (Appeals)

- viii) The company has not defaulted in repayment of dues to banks.
- ix) The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and the term loans were used for the purpose for which those are raised. Accordingly Para 3 (ix) of the Order is not applicable.
- x) According to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.
- xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii) The Company is not a Nidhi Company. Accordingly Para 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, all transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards. Section 177 of the Companies Act 2013 is not applicable to the company.
- 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 any non-cash transactions with directors or persons connected with him.
- xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For SURI & CO.,
Chartered Accountants
Firm Regn. No.004283S
G.RENGARAJAN
Partner
Membership No.219922
UDIN : 21219922AAAAPG8031**

**Place : Chennai
Date : 09.09.2021**

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

ANNEXURE B TO THE REPORT OF THE AUDITORS TO THE MEMBERS OF THE HIGHLAND AND PRODUCE COMPANY LIMITED, ALAPPUZHA

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 THE HIGHLAND PRODUCE COMPANY LIMITED (‘the Company’) as of 31-March-2021 in conjunction with our audit of the standalone 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 (‘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 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.

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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 31-Mar-2021 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.

Place : Chennai
Date : 09.09.2021

For SURI & CO.,
Chartered Accountants
Firm Regn. No.004283S
G.RENGARAJAN
Partner
Membership No.219922
UDIN : 21219922AAAAPG8031

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

CIN : U01119KL1925PLC000416

BALANCE SHEET AS AT 31ST MARCH 2021

	NOTES	As at 31-03-2021	Amount in ₹ As at 31-03-2020
I. EQUITY AND LIABILITIES:			
(1) Shareholders' Funds:			
(a) Share Capital	2	54,00,000	1,74,00,000
(b) Reserves and Surplus	3	13,83,13,709	7,04,00,192
		14,37,13,709	8,78,00,192
(2) Non-Current Liabilities:			
(a) Long Term borrowings	4	2,30,10,689	2,49,13,292
(b) Long-Term Provisions	5	12,31,439	9,75,263
		2,42,42,128	2,58,88,555
(3) Current Liabilities:			
(a) Short-Term borrowings	6	7,46,60,248	16,08,17,900
(b) Trade Payables	7		
Total outstanding dues of Micro Enterprises and Small Enterprises [Note No. 25 (5)] and Total outstanding dues of Creditors other than micro enterprises and small enterprises		74,92,639	94,25,588
(c) Other Current Liabilities	8	11,68,73,888	8,36,80,639
(d) Short-Term Provisions	9	12,49,59,765	10,30,65,711
		4,05,49,196	1,75,90,919
		36,45,35,736	37,45,80,757
TOTAL		53,24,91,573	48,82,69,504
II. ASSETS:			
(1) Non-Current assets:			
(a) Property, Plant and Equipments			
(i) Tangible Assets	10	14,44,69,955	14,16,04,859
(ii) Capital Work-in-progress			
(a) Bearer Plants		2,08,73,905	1,95,26,514
(b) Others		2,80,06,722	1,11,26,629
(b) Non-current Investements	11	8,33,395	8,33,395
(c) Other non-current assets	12	37,37,178	39,41,821
		19,79,21,155	17,70,33,218
(2) Current assets:			
(a) Inventories	13	10,59,32,431	11,50,14,095
(b) Trade Receivables	14	17,22,66,650	12,88,05,021
(c) Cash and Cash equivalents	15	75,74,394	3,80,99,062
(d) Short term Loans and Advances	16	4,87,96,943	2,93,18,108
		33,45,70,418	31,12,36,286
Significant Accounting Policies	1		
TOTAL		53,24,91,573	48,82,69,504

Notes 1 to 16, Note 25 and Cash Flow Statement form part of this Balance Sheet

Vide our report of date attached

For and on behalf of the Board

For SURI & CO.

Chartered Accountants
Firm Regn.No.004283S

G. RENGARAJAN

Partner

Membership No. 219922

DILIP THOMAS

Chairman

DIN: 00052185

K. SURESH

Managing Director

DIN: 00255162

Place : Chennai,
Date : 09.09.2021

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

CIN : U01119KL1925PLC000416

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021

	Notes	For the year ended 31-03-2021	Amount in ₹ For the year ended 31-03-2020
REVENUE:			
I. Revenue from Operations:			
Sale of Products	17	104,31,70,642	86,05,11,790
II. Other Income:	18	4,94,67,898	3,25,14,802
III. Total Revenue		<u>109,26,38,540</u>	<u>89,30,26,592</u>
EXPENSES:			
Cost of Materials Consumed	19	44,83,66,166	32,81,86,810
Other Manufacturing Expenses	20	18,25,30,726	17,55,73,963
Purchase of Stock-in-Trade - Tea		1,19,448	86,867
(Increase)/Decrease in Inventory	21	(1,39,000)	1,29,73,000
Employee benefit expenses	22	27,05,06,021	26,38,62,352
Finance Costs	23	1,24,58,981	1,91,83,746
Depreciation and amortization expense		1,69,50,346	1,61,16,720
Other expenses	24	6,17,40,204	4,37,33,082
IV. Total Expenses		<u>99,25,32,892</u>	<u>85,97,16,540</u>
V. Profit/(Loss) before exceptional and extraordinary items(III-IV)		10,01,05,648	3,33,10,052
VI. Exceptional/Extraordinary items		Nil	Nil
VII. Profit/(Loss) after exceptional/Extraordinary items		<u>10,01,05,648</u>	<u>3,33,10,052</u>
VIII. Profit/(Loss) before Tax (PBT)		<u>10,01,05,648</u>	<u>3,33,10,052</u>
IX. Tax Expenses:			
- Current Tax (CIT)	1,94,30,000		
Add: MAT credit entitlement utilised.	<u>34,70,000</u>	<u>2,29,00,000</u>	Nil
X. Profit/(Loss) for the period (VIII-IX)		<u>7,72,05,648</u>	<u>3,33,10,052</u>
Earnings per Share (Basic & Diluted)	25 (3)	<u>141.81</u>	<u>60.13</u>

Notes 1, 17 to 25 and Cash Flow Statement form part of this Statement of Profit and Loss.

Vide our report of date attached
For SURI & CO.Chartered Accountants
Firm Regn.No.004283S

G. RENGARAJAN

Partner

Membership No. 219922

For and on behalf of the Board

DILIP THOMAS

Chairman

DIN: 00052185

K. SURESH

Managing Director

DIN: 00255162

Place : Chennai,
Date : 09.09.2021

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

CIN : U01119KL1925PLC000416

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2021

	In ₹	In ₹	Previous Year In ₹
A. CASH FLOW FROM OPERATING ACTIVITIES :			
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS		10,01,05,648	3,33,10,052
ADJUSTMENTS FOR :			
Depreciation	1,69,50,346		1,61,16,720
Provision for Leave Encashment	3,89,235		2,80,539
Provision for Gratuity	35,57,587		(21,56,353)
Profit on sale of Investments/Assets	(6,25,005)		(18,518)
Interest /Dividend Received	(16,02,038)		(46,96,537)
Interest Paid	1,24,58,981		1,85,40,147
		<u>3,11,29,106</u>	
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		13,12,34,754	6,13,76,050
ADJUSTMENTS FOR :			
Trade and other receivables	(4,34,61,629)		(6,01,882)
Inventories	90,81,664		26,28,347
Trade Payables	5,31,91,880		(41,19,824)
Other Current Assets	(68,47,821)		(7,20,195)
		<u>1,19,64,094</u>	
CASH GENERATED FROM OPERATIONS		14,31,98,848	5,85,62,496
Taxes Paid		(70,44,453)	(7,51,140)
CASH FLOW BEFORE EXTRAORDINARY ITEMS		13,61,54,395	5,78,11,356
Extraordinary Items		Nil	Nil
NET CASH FROM OPERATING ACTIVITIES		<u>13,61,54,395</u>	<u>5,78,11,356</u>
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(3,83,73,475)	(4,06,29,257)
Sale of Fixed Assets		9,55,554	23,201
Redemption of preference shares		(1,20,00,000)	Nil
Interest Received		8,95,102	10,98,237
Dividend Received		7,06,936	34,25,700
NET CASH USED IN INVESTING ACTIVITIES		<u>(4,78,15,883)</u>	<u>(3,60,82,119)</u>

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHACIN : U01119KL1925PLC000416

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2021 (Contd.)

	In ₹	Previous Year In ₹
C. CASH FLOW FROM FINANCING ACTIVITIES		
Public Deposits/Loan from Directors	(2,85,00,000)	6,40,00,000
Term Loan	(19,02,603)	(61,32,912)
Cash Credit	(5,76,57,652)	(3,93,94,791)
Interest Paid	(1,24,96,507)	(1,85,51,282)
Dividend Paid	(92,92,131)	Nil
NET CASH USED IN FINANCING ACTIVITIES	(10,98,48,893)	(78,985)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,15,10,381)	2,16,50,252
CASH AND CASH EQUIVALENTS AS AT 01.04.2020 (Beginning of the year)	2,27,16,665	
CASH AND CASH EQUIVALENTS AS AT 31.03.2021 (Closing of the year)	12,06,284	
	(2,15,10,381)	2,16,50,252

Vide our report of date attached
For SURI & CO.*Chartered Accountants*
*Firm Regn.No.004283S*G. RENGARAJAN
Partner

Membership No. 219922

For and on behalf of the Board

DILIP THOMAS
Chairman
DIN: 00052185K. SURESH
Managing Director
DIN: 00255162Place : Chennai,
Date : 09.09.2021

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE: 1

A. SIGNIFICANT ACCOUNTING POLICIES

BACKGROUND:

The Company is a Public Limited Company incorporated and domiciled in India during the year 1925, having its Registered office at W-21/674, Beach Road, Alappuzha, Kerala India. The Company is engaged in Plantation activity dealing with crops Tea, Cardamom and also has doors operations. The main business being Cultivation, Manufacturing and sales of Tea, Cardamom and Treated wood.

1 ACCOUNTING CONVENTION :

The financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis of accounting in accordance with the generally accepted accounting principles, accounting standards notified under section 133 of the Companies Act 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.

2 CURRENT AND NON CURRENT CLASSIFICATION:

All Assets and Liabilities have been classified as Current and Non Current as per the Company's normal operating cycle (12 months) and other criteria set out in Schedule III to the Act.

3 PROPERTY, PLANT AND EQUIPMENT:

a) Property, Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss based on cost model.

The cost of an item of property, plant and equipment is recognised as an asset when:

- i. it is probable that future economic benefits associated with the item will flow to the enterprise; and
- ii. The cost of the item can be measured reliably

Cost includes, taxes and duties (but does not include taxes and duties for which GST credit is available), freight and other direct or allocated expenses during construction period, net of any income earned. Assets acquired on Hire Purchase are capitalised at principal value.

b) Direct expenditure on replanting of Tea and Cardamom attributable to bringing the bearer plant to the condition necessary for it to be capable of operating in the manner intended by management less subsidy on replanting of tea are capitalised as bearer plants.

c) Depreciation on property, plant and equipment has been charged as per the useful life specified in Schedule II of the companies act 2013, except assets costing individually less than Rs.5000/- which are depreciated at 100%. The residual value is considered at 5% of the original cost of property, plant and equipment. Depreciation for assets purchased/sold during the period is proportionately charged.

d) Leasehold land are capitalised at acquisition cost and amortised over the lease period.

e) Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis, commencing from the date the asset is available to the company for its use. Depreciation and Amortization methods, useful lives and residual value are reviewed periodically, including at each financial year end.

4 IMPAIRMENT OF ASSETS

The Company reviews the carrying amounts of its assets for any possible impairment at each balance sheet date. An impairment Loss is recognized when the carrying amount of an asset exceeds its recoverable amount and the impairment loss, if any, is recognised in the Statement of Profit & Loss.

5 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition/construction of the qualifying asset are capitalised as a part of the cost of such asset, upto the date of acquisition/completion of construction.

Other borrowing costs are recognised as expense as and when incurred.

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

6 INVESTMENTS :

Long term Investments are stated at cost. Decline in value of long term investments, other than temporary, is provided for. Current Investments are stated at lower of cost and fair value. Investment in Immovable properties is stated at cost less depreciation.

7 INVENTORIES :

Inventories are valued at lower of cost on weighted average and net realisable value, after providing for obsolescence wherever considered necessary. Cost includes taxes and duties (other than duties and taxes for which GST credit is available), freight and other direct expenses.

8 REVENUE RECOGNITION :

Revenue is recognised on their accrual and when no significant uncertainty on measurability or collectability exists. Expenditure is accounted for on their accrual.

Sale of Goods:

Revenue is recognised when all the significant risks and rewards of ownership of the goods have been passed on to the buyer, usually on delivery of goods. The Company collects Goods and Service Tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

Interest:

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividends:

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

9 EMPLOYEE BENEFITS :

Gratuity liability, which is a defined benefit scheme and provision for leave encashment is accrued and provided for on the basis of independent actuarial valuation based on projected unit credit method made at the end of each financial year. Actuarial gains and losses are recognised in the Statement of Profit and Loss and are not deferred.

Retirement benefits in the form of Provident Fund, Family Pension Fund and Superannuation Schemes, which are defined contribution schemes, are charged to the Statement of Profit and Loss of the year when the contribution to the respective funds accrue.

10 FOREIGN CURRENCY TRANSACTIONS :

Foreign currency transactions are recorded at the rates of exchange in force at the time the transactions are effected. Monetary items denominated in foreign currency and outstanding at the Balance sheet date are converted at the year end exchange rate and the resultant gain or loss is dealt with in the Statement of Profit and Loss. In the case of forward contracts, the difference between the forward rate and exchange rate on the date of transaction is dealt with in the Statement of Profit and Loss on completion of the transaction.

11 GOVERNMENT GRANTS

Subsidies from government in respect of fixed assets are deducted from the cost of respective assets as and when they accrue.

Subsidies related to revenue are recognised in the Statement of Profit and loss to match them with the related costs which they are intended to compensate.

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

12 TAXES ON INCOME:

Provision for Income-Tax is made for both current and deferred tax. Provision for current income tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Deferred tax is accounted for by computing the tax effect of the timing difference which arise during the year and reverse out in the subsequent periods. Deferred tax is calculated at the tax rates substantively enacted by the Balance Sheet date. Deferred tax assets are recognized only if there is a virtual certainty that they will be realised.

13 EXPENDITURE ON NEW PLANTING AND REPLANTING :

Direct expenditure on New Planting of different crops (other than minor produce) including upkeep and maintenance expenditure on immature plants are capitalised under "Development".

The upkeep and maintenance expenditure on immature plants is charged to Statement of Profit and Loss.

14 EARNINGS PER SHARE

Basic earning per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders after deducting Preference Dividend and attributable taxes by weighted average number of equity share holders outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a right issue, share split, and reverse share split (Consolidation of Shares) that have changed the number of Equity Shares outstanding without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

15 PROVISIONS AND CONTINGENT LIABILITY

Provision is recognised when the Company has a present obligation as a result of past event, 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A Contingent Liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise contingent a Liability but discloses its existence in the financial statements.

Contingent Assets are neither recognised nor disclosed.

16 DIVIDEND:

Final Dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors

17 CASH FLOW STATEMENT:

Cash Flow Statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit is adjusted for the effects of:

- (i) Transactions of a non-cash nature
- (ii) Any deferrals of accruals of past or future operating cash receipts or payments and
- (iii) Items of Income or expense associated with investing or financing cashflows.

Cash and Cash equivalents (including bank balances) are reflected as such in Cash Flow Statement.

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2021

	As at 31-03-2021	(Amount in ₹) As at 31-03-2020
NOTE 2:		
SHARE CAPITAL		
a. AUTHORISED:		
9,00,000 - Equity Shares of Rs.10/- each	90,00,000	90,00,000
15,00,000 - 7% Cumulative Preference Shares of Rs.10/-each	1,50,00,000	1,50,00,000
	2,40,00,000	2,40,00,000
b. ISSUED:		
5,50,000 - Equity Shares of Rs.10/- each,	55,00,000	55,00,000
12,00,000 - 7% Cumulative Preference Shares of Rs.10/- each	1,20,00,000	1,20,00,000
	1,75,00,000	1,75,00,000
c. SUBSCRIBED AND PAID UP:		
5,40,000 - Equity Shares of Rs.10/- each	54,00,000	54,00,000
12,00,000 - 7% Cumulative Preference Shares of Rs.10/- each	Nil	1,20,00,000
	54,00,000	1,74,00,000
 Note : The Preference Shares issued on 16.01.2008 are redeemable at par on 16th January 2028, but the Company at its option and at any time after 16th January 2011 can redeem the shares and the Preference Shares issued on 03.11.2011 are redeemable at par on 3rd November 2031, but the Company at its option at any time after 03.11.2014 can redeem the shares.		
The Company has exercised the above option and redeemed all the preference shares at par on 31.12.2020.		
d. RECONCILIATION OF SHARES:		
Number of Equity Shares at the beginning of the year	5,40,000	5,40,000
Add/(Less) Shares issued/buyback etc.	Nil	Nil
Number of Equity Shares at the end of the reporting period	5,40,000	5,40,000
Number of Preference Shares at the beginning of the year	12,00,000	12,00,000
Add/(Less) Shares issued/buyback etc.	(12,00,000)	Nil
Number of Preference Shares at the end of the reporting period	Nil	12,00,000

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2021

(Amount in ₹)

As at
31-03-2021 As at
31-03-2020

NOTE 2: (Contd..)

e. DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% OF SHARES:

	No.of shares held	% of holding	No.of shares	% of holding
1. Equity:				
Mr. Dilip Thomas	1,15,939	21.47	1,13,347	20.99
Dalp Trading and Manufacturing Limited	2,11,633	39.19	2,11,633	39.19
Mr.Zibi Jose P P	32,852	6.08	32,852	6.08
IEPF Authority	37,616	6.97	37,616	6.97
2. Preference:				
The Rajagiri Rubber & Produce Company Limited	Nil	Nil	12,00,000	100
f. No bonus shares/buyback of shares in last 5 years.				
g. The company has only Equity Shares as on 31.03.2021. Each holder of Equity shares is entitled for one vote in proportion to the number of shares held.				
h. Shares reserved under option and contract/ commitments for sale of shares/ disinvestment			NIL	NIL
i. The aggregate value of calls unpaid (including directors and Officers of the Company)			NIL	NIL

NOTE: 3

RESERVES AND SURPLUS

CAPITAL REDEMPTION RESERVE:

As per last Balance Sheet	3,00,000	3,00,000
Add: Reserve for redemption of Preference shares	1,20,00,000	Nil
	1,23,00,000	3,00,000

GENERAL RESERVE:

As per last Balance Sheet	27,34,764	
Add : Transfer from statement of Profit and Loss	4,00,00,000	
	4,27,34,764	27,34,764

SURPLUS

Profit/(Loss) for the period	7,72,05,648	3,33,10,052
Add : Profit/(Loss) Brought forward	6,73,65,428	3,40,55,376
Surplus	14,45,71,076	6,73,65,428

APROPRIATIONS:

Transfer to General Reserve	4,00,00,000	Nil
Transfer to Capital Redemption Reserve	1,20,00,000	Nil
Dividend paid on 7% Cumulative Preference Shares for the period 16.01.2008 to 31.12.2020	79,42,131	Nil
Dividend on Equity Shares for FY 2019-20 at Rs.2.50 per share	13,50,000	Nil
Surplus/(Deficit)	8,32,78,945	6,73,65,428
Grand Total	13,83,13,709	7,04,00,192

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2021

	As at 31-03-2021	(Amount in ₹) As at 31-03-2020
NOTE: 4		
NON CURRENT LIABILITIES:		
LONG TERM BORROWINGS:		
TERM LOANS FROM BANKS - Secured		
Term Loan from Bank, Secured against hypothecation of Stock-in-trade, Standing crops, Plant and Machinery at Estates and Vehicles and also equitable mortgage of land in Estates with Buildings thereon.		
a) Term Loan Repayable in 10 half yearly instalments starting from September 2020 and last instalment falling due on September 2025 (Interest Rate 11.75% PA)	72,65,000	2,11,65,000
b) Working Capital Term Loan under Guaranteed Emergency Credit Line Repayable in 36 monthly instalments starting from November 2021 and last instalment falling due on October 2024 (interest rate 9.25% pa)	1,29,16,665	Nil
Vehicle Loan from Banks Secured against hypothecation of vehicles:		
Repayable in 84 monthly instalments starting from July 2017 (last instalment June 2024) - Interest Rate 8.75% per annum	3,30,679	4,52,062
Repayable in 60 monthly instalments starting from December 2018 (last instalment November 2023) - Interest Rate 8.75% per annum	8,86,461	13,61,867
Repayable in 84 monthly instalments starting from April 2019 (last instalment March 2026) - Interest Rate 8.75% per annum	16,11,884	19,34,363
	2,30,10,689	2,49,13,292
No loans have been guaranteed by Directors or others except GECL loan for which 100% guarantee given by NCGTCL. Period and amount of continuous default as on 31.03.2021	Nil	Nil
NOTE: 5		
LONG TERM PROVISIONS		
Provision for Employee Benefits:		
For Leave Encashment	12,31,439	9,75,263
	12,31,439	9,75,263

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2021

	As at 31-03-2021	(Amount in ₹) As at 31-03-2020
NOTE : 6		
SHORT TERM BORROWINGS:		
FROM BANKS - SECURED:		
The Company's borrowing facilities comprising cash credit of Rs.1650 lakhs (PY Rs.1650 Lakhs) secured against hypothecation of stock-in-trade, Standing crops, movable and immovable properties of the Company (Previous year - Secured against hypothecation of stock-in-trade, Standing crops, movable and immovable properties of the Company)		
Cash Credit	2,66,60,248	8,43,17,900
No loans have been guaranteed by Directors or others		
Period and amount of default as on 31.03.2021	Nil	
ADVANCE FROM RELATED PARTIES - Unsecured:		
Loans from Directors	4,80,00,000	7,65,00,000
	7,46,60,248	16,08,17,900
NOTE : 7		
TRADE PAYABLES:		
Outstanding dues of Micro Enterprises and Small enterprises	74,92,639	94,25,588
Other Sundry Creditors	11,68,73,888	8,36,80,639
	12,43,66,527	9,31,06,227
(Refer Note No.25 (5) for details of dues to Micro and Small enterprises)		
NOTE : 8		
OTHER CURRENT LIABILITES:		
Interest accrued but not due on borrowings	1,63,095	2,00,621
Advance received on sale of Wood Division [Refer Note 25 (9)]	9,57,10,000	7,95,83,821
Investor Education and Protection Fund		
- Unpaid/unclaimed dividends	Nil	Nil
Security Deposits	95,98,969	96,16,948
Term Loans - Current maturities of Long term Debts (Refer Note 4)	1,25,99,531	61,34,163
Other Payables - Statutory Liabilities	68,88,170	75,30,158
	12,49,59,765	10,30,65,711
NOTE : 9		
SHORT TERM PROVISIONS:		
Provision for employee benefits:		
For Leave Encashment [Refer Note 25 (8)]	62,04,353	60,71,294
For Gratuity [Refer Note 25 (8)]	63,06,390	27,48,803
Other Provisions:		
Provision for Income tax	2,80,38,453	87,70,822
	4,05,49,196	1,75,90,919

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2021

NOTE : 10

TANGIBLE ASSETS

(Amount in ₹)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2020	Additions	Deductions	As at 31.03.2021	Upto 31.03.2020	For the Year	Withdrawn	Upto 31.03.2021	As at 31.03.2021	As at 31.03.2020
FREEHOLD LAND	64,81,829	Nil	Nil	64,81,829	Nil	Nil	Nil	Nil	64,81,829	64,81,829
	<i>64,81,829</i>	<i>Nil</i>	<i>Nil</i>	<i>64,81,829</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>64,81,829</i>	<i>64,81,829</i>
LEASEHOLD LAND	6,19,500	Nil	Nil	6,19,500	78,470	19,618		98,088	5,21,412	5,41,030
	<i>Nil</i>	<i>6,19,500</i>	<i>Nil</i>	<i>6,19,500.00</i>	<i>Nil</i>	<i>78,470.00</i>	<i>Nil</i>	<i>78,470</i>	<i>5,41,030</i>	<i>Nil</i>
DEVELOPMENT	5,37,48,993	19,15,849	Nil	5,56,64,842	Nil	Nil	Nil	Nil	5,56,64,842	5,37,48,993
	<i>5,10,77,795</i>	<i>26,71,198</i>	<i>Nil</i>	<i>5,37,48,993</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>5,37,48,993</i>	<i>5,10,77,795</i>
BUILDINGS	11,15,63,150	36,56,900	Nil	11,52,20,050	7,15,22,466	45,03,298	Nil	7,60,25,764	3,91,94,286	4,00,40,684
	<i>10,02,59,406</i>	<i>1,13,03,744</i>	<i>Nil</i>	<i>11,15,63,150</i>	<i>6,75,67,409</i>	<i>39,55,057</i>	<i>Nil</i>	<i>7,15,22,466</i>	<i>4,00,40,684</i>	<i>3,26,91,997</i>
MACHINERY	19,27,02,475	1,03,22,075	9,69,032	20,20,55,518	15,80,83,881	1,03,14,719	8,80,378	16,75,18,222	3,45,37,296	3,46,27,560
	<i>18,25,71,713</i>	<i>1,01,39,728</i>	<i>Nil</i>	<i>19,27,11,441</i>	<i>14,85,16,477</i>	<i>95,67,404</i>	<i>Nil</i>	<i>15,80,83,881</i>	<i>3,46,27,560</i>	<i>3,40,55,236</i>
FURNITURE AND FITTINGS	57,58,339	12,97,049	Nil	70,55,388	54,29,936	2,25,004	Nil	56,54,940	14,00,448	3,21,182
	<i>56,63,834</i>	<i>87,284</i>	<i>Nil</i>	<i>57,51,118</i>	<i>53,65,762</i>	<i>64,174</i>	<i>Nil</i>	<i>54,29,936</i>	<i>3,21,182</i>	<i>2,98,072</i>
VEHICLES	2,73,68,887	29,55,863	20,76,594	2,82,48,156	2,15,25,306	18,87,707	18,34,699	2,15,78,314	66,69,842	58,43,581
	<i>2,77,67,296</i>	<i>Nil</i>	<i>3,98,409</i>	<i>2,73,68,887</i>	<i>1,94,67,417</i>	<i>24,51,615</i>	<i>3,93,726</i>	<i>2,15,25,306</i>	<i>58,43,581</i>	<i>82,99,879</i>
	39,82,43,173	2,01,47,736	30,45,626	41,53,45,283	25,66,40,059	1,69,50,346	27,15,077	27,08,75,328	14,44,69,955	14,16,04,859
<i>Previous year</i>	<i>37,38,21,873</i>	<i>2,48,21,454</i>	<i>3,98,409</i>	<i>39,82,44,918</i>	<i>24,09,17,065</i>	<i>1,61,16,720</i>	<i>3,93,726</i>	<i>25,66,40,059</i>	<i>14,16,04,859</i>	<i>13,29,04,808</i>

Previous year's figures have been shown in *Italics*

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2021

NOTE : 11

NON CURRENT INVESTMENTS (AT COST)

Description	As at 01-04-2020		Additions		Deductions		As at 31-03-2021	
	No. of Shares/Units	Amount (in ₹)	No. of Shares/Units	Amount (in ₹)	No. of Shares/Units	Amount (in ₹)	No. of Shares/Units	Amount (in ₹)
1. EQUITY SHARES IN COMPANIES (i)								
QUOTED								
Tata Consumer Products Ltd. (Face Value Rs.1/- per share) (formerly Tata Global Beverages Limited)	1680	750					1680	750
Dunlop India Ltd.	50	1,175					50	1,175
Tata Coffee Ltd. (Face Value Rs.1/- per share).	2000	4,175					2000	4,175
		6,100						6,100
UNQUOTED								
Teaserve (face value Rs.5,000/- per share)	1	5,000					1	5,000
A.V.Thomas Investments Co. Ltd.	22500	2,25,000					22500	2,25,000
A.V.Thomas & Co. Ltd.	3500	5,000					3500	5,000
L.J.International Limited	360	2,295					360	2,295
Dalp Trading and Manufacturing Ltd.	5000	50,000					5000	50,000
Rajagiri Impex Limited.	50000	5,00,000					50000	5,00,000
The Rajagiri Rubber and Produce Company Ltd	100	20,000					100	20,000
A V Thomas International Limited	100	20,000					100	20,000
		8,27,295						8,27,295
TOTAL		8,33,395						8,33,395

	31-03-2021	31-03-2020
Aggregate amount of Quoted Investments (Market Value ₹ 13,02,475/-, Previous year ₹ 6,08,168/-)	6,100	6,100
Aggregate amount of Unquoted Investments	8,27,295	8,27,295
	8,33,395	8,33,395

(i) Face Value of Equity Shares is ₹ 10/- fully paidup except for those shares where face value has been separately mentioned.

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2021

	As at 31-03-2021	(Amount in ₹) As at 31-03-2020
NOTE: 12		
OTHER NON-CURRENT ASSETS:		
Unsecured, Considered good		
Deposits	37,37,178	39,41,821
	37,37,178	39,41,821
 NOTE: 13		
INVENTORIES (Valued at Lower of Cost and net realisable value)		
Work-in-progress	1,97,59,000	3,35,67,000
Finished goods - Tea, Cardamom	5,48,55,000	4,09,08,000
Stores and Spares	2,52,28,324	2,51,17,441
Live Flowering Plants	38,41,624	1,39,61,282
Nurseries	22,48,483	14,60,372
	10,59,32,431	11,50,14,095
 NOTE: 14		
TRADE RECEIVABLES:		
Unsecured, Considered good		
Outstanding for more than six months from the date they become due for payment		
Considered good	1,74,10,549	1,58,42,027
Considered doubtful	Nil	Nil
Less: Allowance for doubtful advances	1,21,00,000	Nil
Total	53,10,549	1,58,42,027
Others		
Unsecured, Considered good	16,69,56,101	11,29,62,994
	17,22,66,650	12,88,05,021

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2021

	As at 31-03-2021	(Amount in ₹) As at 31-03-2020
NOTE: 15		
CASH AND CASH EQUIVALENTS:		
Cash and Stamps on hand	1,00,552	1,01,260
Balances with Scheduled Banks		
in Current Account	11,05,732	26,15,405
in Deposit Account	Nil	2,00,00,000
	11,05,732	2,26,15,405
	12,06,284	2,27,16,665
in Margin Money deposits accounts	63,68,110	1,53,82,397
	63,68,110	1,53,82,397
	75,74,394	3,80,99,062
Deposit with more than 12 months maturity	Nil	Nil

NOTE: 16

SHORT TERM LOANS AND ADVANCES:

Unsecured, Considered good		
Loans and advances due by Officers of the Company	34,500	52,500
Advances recoverable in cash or in kind or for value to be received.	2,78,41,883	1,50,43,397
Advances to suppliers	28,96,623	6,35,623
Input tax credits receivable	36,35,345	26,10,080
Balance with Port Trust	9,40,195	9,40,195
Deposits with NABARD	234	234
Tax payments pending adjustments	1,33,14,791	64,32,707
MAT Credit Entitlement	1,33,372	36,03,372
	4,87,96,943	2,93,18,108

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2021

	For the year ended 31-03-2021	(Amount in ₹) For the year ended 31-03-2020
NOTE: 17		
SALE OF PRODUCTS:		
Tea	84,89,39,672	58,93,14,993
Cardamom	9,55,40,246	12,80,92,200
Coffee	62,56,562	43,93,311
Pepper	50,88,071	21,11,318
Doors/Boards etc	8,01,25,579	11,03,25,498
Minor Produce	11,94,124	9,31,163
Live Flowering Plants	33,82,475	40,39,605
Furnitures/Architraves etc.	17,482	1,41,73,982
Tea waste	21,85,000	30,27,500
Sundry receipts	4,41,431	41,02,220
	<u>104,31,70,642</u>	<u>86,05,11,790</u>
NOTE: 18		
OTHER INCOME:		
Income from non-current Investments	7,06,936	34,25,700
Interest Received		
- From Banks	6,61,033	9,71,985
- Others	2,34,069	2,98,852
Profit on Sale of Assets	6,25,005	18,518
Rent Received	18,60,899	23,67,102
Insurance claim received	21,34,264	4,73,537
Subsidy	4,89,182	8,12,891
Miscellaneous Receipts	7,84,924	21,95,265
Reimbursement towards wood division expenses	4,16,52,212	2,16,73,195
Provision written back	3,19,374	2,77,757
	<u>4,94,67,898</u>	<u>3,25,14,802</u>

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2021

	For the year ended 31-03-2021	For the year ended 31-03-2020
(Amount in ₹)		
NOTE: 19		
COST OF MATERIAL CONSUMED:		
- Bought Leaf	39,43,63,321	25,11,04,510
- Wood	5,40,02,845	7,70,82,300
	<u>44,83,66,166</u>	<u>32,81,86,810</u>
NOTE: 20		
OTHER MANUFACTURING EXPENSES:		
Processing Charges	1,68,39,535	1,85,05,541
Power and fuel consumed	8,32,97,202	7,68,54,962
Stores, spares, chemicals and packing materials consumed	4,97,64,437	4,67,57,383
Transport and Warehousing	1,06,81,837	1,12,85,544
Repairs - Plant and Machinery	1,03,34,637	1,04,47,037
Repairs - Buildings	1,13,12,224	67,44,054
Installation Charges	3,00,854	49,79,442
	<u>18,25,30,726</u>	<u>17,55,73,963</u>

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2021

(Amount in ₹)

	For the year ended 31-03-2021	For the year ended 31-03-2020
NOTE: 21		
INCREASE/DECREASE IN INVENTORY		
Inventory at the beginning of the year		
Tea	3,07,95,000	4,50,56,000
Cardamom	1,01,13,000	23,37,000
	4,09,08,000	4,73,93,000
Stock in process:		
Doors/Boards	3,35,67,000	4,00,55,000
	7,44,75,000	8,74,48,000
Inventory at the end of the year		
Finished Goods		
Tea	5,13,32,000	3,07,95,000
Cardamom	35,23,000	1,01,13,000
	5,48,55,000	4,09,08,000
Stock in process:		
Doors/Boards	1,97,59,000	3,35,67,000
	7,46,14,000	7,44,75,000
	(-) 1,39,000	(+) 1,29,73,000
NOTE: 22		
EMPLOYEES BENEFIT EXPENSES:		
Salaries, Wages and Bonus	24,20,01,324	23,55,74,539
Contribution to Provident and Other Funds	1,67,40,483	1,96,19,937
Provision for Gratuity [Refer Note No. 25 (8)]	63,06,390	27,48,803
Provision for Leave Encashment [Refer Note No.25 (8)]	3,89,235	2,80,539
Staff Welfare Expenses	50,68,589	56,38,534
	27,05,06,021	26,38,62,352
NOTE: 23		
FINANCE COSTS:		
Interest	1,08,57,398	1,79,65,081
Other Borrowing Costs	16,01,583	12,18,665
	1,24,58,981	1,91,83,746

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2021

(Amount in ₹)

	For the year ended 31-03-2021	For the year ended 31-03-2020
NOTE: 24		
OTHER EXPENSES:		
Rent and Amenities	11,70,420	19,58,351
Rates and Taxes	44,26,604	25,41,565
Brokerage and Commission	28,52,642	22,24,685
Repairs and Maintenance :		
Roads and Buildings	64,230	75,316
Machinery	10,05,359	5,76,618
Vehicles	46,22,822	41,77,420
Others	5,49,162	5,99,955
Printing and Stationery	5,84,027	6,36,177
Postage and Telephones	9,70,298	9,38,373
Legal Expenses	80,700	61,918
Directors' Sitting Fees	1,40,000	1,50,000
Auditors' Remuneration:-		
For Audit	8,50,000	8,50,000
For Certification / Tax Audit	1,63,500	3,57,000
For Tax Representation	4,80,000	3,00,000
For Travelling and other Expenses	1,65,000	75,000
Insurance	28,63,634	24,07,001
Advertisement	42,660	5,62,340
Bank Charges	6,00,371	7,92,678
Professional fees and expenses	16,90,720	18,96,559
Travelling Expenses	36,43,300	1,66,48,885
Provision for EPCG Scheme liabilities	1,75,00,000	Nil
Provision for doubtful debts	1,21,00,000	Nil
Exchange conversion loss	1,94,207	1,90,422
Bad and doubtful debts written off	8,98,430	24,59,423
Miscellaneous Expenses	40,82,118	32,53,396
	6,17,40,204	4,37,33,082

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE : 25

(Amount in ₹)

OTHER NOTES

	Year Ended 31st March 2021		Previous Year	
	Value ₹	Percen- tage	Value ₹	Percen- tage
1. PARTICULARS OF CONSUMPTION:				
a) Raw Materials				
Bought Leaf - Indigenous	39,43,63,321	100	25,11,04,510	100
Wood - Indigenous	4,19,88,482	78	6,22,17,442	81
Wood - Imported	1,20,14,363	22	1,48,64,858	19
	5,40,02,845		7,70,82,300	
b) Stores and Spares				
Indigenous	4,97,64,437	100.00	4,67,57,383	100.00
Imported	Nil		Nil	
	4,97,64,437	100.00	4,67,57,383	100.00
2. EARNINGS IN FOREIGN CURRENCY:				
FOB value of exports		Nil		Nil
a. EXPENDITURE IN FOREIGN CURRENCY:				
Travelling Expenses		1,69,652		44,14,658
b. CIF VALUE OF IMPORTS:				
Raw materials		1,12,29,223		1,71,47,587
Stores and spares		Nil		Nil
3. EARNINGS PER SHARE:				
Profit after Taxation		7,72,05,648		3,33,10,052
Less: Preference Dividend and taxes thereon		6,30,000		8,40,000
Profit available for Equity Shareholders		7,65,75,648		3,24,70,052
Number of Equity Shares outstanding at the end of the year		5,40,000		5,40,000
Earnings per Share (Basic and Diluted)		141.81		60.13
4. CONTINGENT LIABILITIES:				
(a) Sales tax demands disputed in appeals against which ` 6,00,000/- is paid and included under other current assets		Nil		63,00,000
(b) The retrospective effect from 01.04.2014 of the operations and implementations of the Payment of Bonus (Amendment) Act, 2015 has been stayed by Hon. High Court of Kerala. Considering the same, the Company has not provided for the additional liability.				
(c) Estimated amount of contracts remaining to be executed on capital account		97,28,000		23,94,000
(d) The future cash outflow on the above items are determinable only on receipt of decision/judgement that is pending at various forms/authorities. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.				

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE : 25 (Contd.)

OTHER NOTES (Contd.)

	Year ended 31-03-2021	Previous year
5. TOTAL OUTSTANDING TO MICRO AND SMALL ENTERPRISES (SMEs)		
The information regarding dues to Micro, Small and Medium Enterprises as required under Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 as on 31st March 2021 is furnished below:		
(a) The Principal amount and the interest due there on remaining unpaid to any supplier as at the end of the accounting year		
(i) Principal due to Micro and Small Enterprise	74,92,639	94,25,588
(ii) Principal due to Medium Enterprise	Nil	Nil
(iii) Interest	15,86,649	5,75,066
(b) The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
(c) The amount of interest due and payable for the period (Where the principal has been paid but interest under the MSMED Act, 2006 not paid)	15,86,649	5,75,066
(d) The amount of interest accrued and remaining unpaid at the end of the accounting year	15,86,649	5,75,066
(e) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23.	4,96,930	4,96,364

6. ACCOUNTING FOR TAXES ON INCOME:

The impact of deferred tax on income for the year is considered not material and hence not recognised.

7 SEGMENT REPORTING:

The Company entered into an MOU for the sale of the wood unit and the operations of the Company relate to Plantation crops, which is the significant business segment. Therefore no separate reporting is made.

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE : 25 (Contd.)

OTHER NOTES (Contd.)

8. Employee Benefits:

i) Defined Benefit Plans:

a) Description of the Company's defined benefit plan:

i) Gratuity Scheme:

This is a funded defined benefit plan for qualifying employees for which, the Company makes contribution to the Gratuity Fund managed by the Life Insurance Corporation of India. The scheme provides for a lumpsum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service.

ii) Leave Encashment:

The company also operates a non funded leave encashment scheme for its employees.

b) Reconciliation of changes in the Present Value of Obligation:

(Amount in ₹)

	As on 31.03.2021		As on 31.03.2020	
	Gratuity (Funded Plan) ₹	Leave Encashment (Non Funded Plan) ₹	Gratuity (Funded Plan) ₹	Leave Encashment (Non Funded Plan) ₹
Present Value of the Obligation as on 1.04.2020	8,36,71,327	70,46,557	7,85,58,875	67,66,018
Current Service Cost	64,28,183	5,89,509	59,47,104	5,51,985
Interest Cost	55,20,021	4,65,834	57,34,680	5,02,285
Benefits Paid	(49,89,093)	(392,101)	(35,78,783)	(83,983)
Actuarial loss / (gain)	6,88,425	(2,74,007)	(29,90,549)	(6,89,748)
Present Value of the Obligation as on 31.03.2021	<u>9,13,18,863</u>	<u>74,35,792</u>	<u>8,36,71,327</u>	<u>70,46,557</u>
c) Reconciliation of changes in the fair value of Plan Assets:				
Fair Value of Plan Assets as on 1.04.2020	8,09,22,524	Nil	7,36,53,719	Nil
Adjustment to Opening Fair Value of Plan Assets	0	Nil	0	Nil
Expected return on plan assets	54,51,100	Nil	55,79,300	Nil
Contribution by the Company	34,71,313	3,92,101	56,50,773	83,983
Benefits Paid	(49,89,093)	(3,92,101)	(35,78,783)	(83,983)
Actuarial gain / (loss)	1,56,629	Nil	(3,82,485)	Nil
Fair Value of Plan Assets as on 31.03.2021	<u>8,50,12,473</u>	<u>Nil</u>	<u>8,09,22,524</u>	<u>Nil</u>
d) The total expense recognised in the profit and loss account is as follows:				
Current Service Cost	64,28,183	5,89,509	59,47,104	5,51,985
Interest Cost	55,20,021	4,65,834	57,34,680	5,02,285
Expected return on plan assets	(54,51,100)	NA	(55,79,300)	NA
Net Actuarial (gain) / loss recognised in the year	5,31,796	(2,74,007)	(26,08,064)	(6,89,748)
	<u>70,28,900</u>	<u>7,81,336</u>	<u>34,94,420</u>	<u>3,64,522</u>

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE : 25 (Contd.)

OTHER NOTES (Contd.)

Employee Benefits (Contd.)

(Amount in ₹)

	As on 31.03.2021		As on 31.03.2020	
	Gratuity	Leave	Gratuity	Leave
	(Funded Plan)	Encashment (Non Funded Plan)	(Funded Plan)	Encashment (Non Funded Plan)
	₹	₹	₹	₹
e) Reconciliation of Net Liability recognised in the balance sheet				
Net Liability as at the beginning of the year	27,48,803	70,46,557	49,05,156	67,66,018
Adjustment to Opening Fair Value of Plan Assets			"	
Add : Expense as (d) above	70,28,900	7,81,336	34,94,420	3,64,522
Less: Employers Contribution / Payment	34,71,313	3,92,101	56,50,773	83,983
Net Liability as at the end of the year	63,06,390	74,35,792	27,48,803	70,46,557
f) Constitution of Plan Assets:				
Investments in LIC Group Gratuity Scheme	8,50,12,473	Not Applicable	8,09,22,524	Not Applicable
g) Principal actuarial assumptions used as at the Balance Sheet date:				
Discount Rate	6.32%	6.32%	6.80%	6.80%
Salary Escalation Rate	6.00%	6.00%	6.00%	6.00%
Attrition Rate	5.00%	5.00%	5.00%	5.00%
Expected rate of return on plan assets	6.32%	NA	6.80%	NA

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market.

h) The amount pertaining to defined benefit plan are as follows:

	31.03.2021	31.03.2020	31.03.2019	31.03.2018	31.03.2017
Gratuity funded plan					
Defined Benefit Obligation	9,13,18,863	8,36,71,327	7,85,58,875	7,17,39,460	6,65,79,769
Plan Assets	8,50,12,473	8,09,22,524	7,36,53,719	6,87,17,963	6,23,87,167
Surplus/(Deficit)	(63,06,390)	(27,48,803)	(49,05,156)	(30,21,497)	(41,92,602)
Experience adjustment - Plan Liability	6,88,425	(29,90,549)	4,02,665	(9,57,762)	4,04,505
Experience adjustment - Plan Assets	1,56,629	(3,82,485)	1,20,651	4,59,065	(38,066)

The Company expects to fund Rs.55 lakhs towards its Gratuity Plan during the year 2021-2022

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE: 25 (Contd.)

OTHER NOTES (Contd.)

8 Employee Benefits: (Contd.)

ii) Defined Contribution Plans:

The Company makes contribution towards employees' provident fund, family pension fund, super annuation fund and employees' state insurance scheme. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company during the year recognised Rs. 1,57,40,483/- as expenses towards contributions to these plans.

9 Pursuant to the Memorandum of Understanding which was entered into by the company dated 24.03.2014 with Mr. Somasundaran Peedikaparambil for the sale of Wood Manufacturing unit situated in Annur in Tamil Nadu for a sum of Rs. 15 Crores (net of liabilities amounting Rs.4 Crores), a sum of Rs. 9.57 crores have been received towards the sale consideration up to 31st March 2021. Adjustment entries for the transfer of land, building, plant and machinery and other assets including current assets net of current liabilities will be made on receipt of the full consideration. Mr. Somasundaran had communicated his inability to take over the unit during the financial year 2019-20, however, subsequently he has confirmed the completion of taking over of the unit and has paid an additional sum of Rs.2.00 crores during the financial year 2021-22

Further Mr. Somasundaran Peedikaparambil vide his letter dated 10th August 2014 had requested company to run the business on his behalf till the completion of transfer. The consequential losses if any till the completion of the transfer would be borne / made good by him vide undertaking given in the letter dated 10th August 2014. For the year ended the wood division had incurred a loss of Rs 4.17 Crores and an amount of Rs.44 Lakhs towards GST which Mr. Somasundaran has accepted to adjust against the sum payable to him. The balance due from Mr.Somasundaran Peedikaparambil of Rs.6.22 crores has been disclosed under the head 'Sundry Debtors'.

10 RELATED PARTY TRANSACTIONS:

Following associate Companies are related to the Company on account of common control through Constitution of Board / Shareholdings:

- A V Thomas & Company Limited
- A V Thomas International Limited
- L.J International Limited
- A V Thomas Investments Company Limited
- The Rajagiri Rubber and Produce Company Limited
- DALP Trading and Manufacturing Limited
- A V Thomas Leather and Allied Products Private Limited
- A V Thomas Exports Limited
- Doors and More Wood Products Limited
- DALP Benevolent Trust
- J.Thomas Educational and Benevolent Trust
- Rajagiri Impex Limited
- AVR Edge Networks Private Limited

Key Management Personnels - Mr. Dilip Thomas, Chairman
Mr. K. Suresh, Managing Director

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE : 25 (Contd.)

OTHER NOTES (Contd.)

10. RELATED PARTY TRANSACTIONS: (Contd.)

Details of Transactions:	Year ended 31.03.2021		Year ended 31.03.2020	
	Associates	Key Management Personnel (Including Relatives)	Associates	Key Management Personnel (Including Relatives)
INCOME:				
Sales	76,41,74,422	Nil	63,00,44,782	Nil
Rent received	14,36,000	Nil	14,36,000	Nil
Dividend Received	7,00,000	Nil	34,18,500	Nil
EXPENDITURE:				
Purchases	64,69,904	Nil	1,21,52,569	Nil
Warehousing Charges	16,54,114	Nil	7,93,971	Nil
Employee Cost	87,10,292	Nil	98,96,372	Nil
Rent Paid	12,000	Nil	12,000	Nil
Remuneration paid to Managing Director	Nil	50,77,680	Nil	50,94,240
Sitting Fees	Nil	80,000	Nil	80,000
Dividend Paid	85,01,984	3,05,750	Nil	Nil
Interest Paid	Nil	41,09,633	Nil	24,10,965
Commission/other selling expenses paid	69,51,188	Nil	20,06,348	Nil
OTHERS:				
Redemption of Investments	1,20,00,000	Nil	Nil	Nil
Loan Accepted	Nil	6,90,00,000	Nil	7,65,00,000
Loan Repaid	Nil	9,75,00,000	Nil	1,25,00,000
Rent Advance	Nil	Nil	Nil	Nil
BALANCE AS ON 31st MARCH 2021				
Debit Balances	9,67,86,606	5,20,000	8,92,13,954	5,20,000
Credit Balances	Nil	4,80,00,000	Nil	7,65,00,000

- 11 The Board of Directors in its meeting on 9th September 2021, have proposed a dividend of Rs.10 per Equity Share for financial year ended 31st March 2021. The proposal is subject to the approval of Shareholders at the Annual General Meeting to be held on 21st October 2021 and if approved, would result in a cash outflow of approximately Rs.54 Lakhs.

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE : 25 (Contd.)

OTHER NOTES (Contd.)

12 Impact of COVID 19

The outbreak of CORONA Virus (COVID 19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In the preparation of financial statements, the Company has considered probable effects from the pandemic relating to COVID 19 on the carrying amount of the Inventories, Receivables, Other Assets and the possible impacts of non-fulfilment of Liabilities. The Company has evaluated impact of this pandemic on its business operations and based on its review and current indicators of future economic conditions. The Company is engaged in the business of harvesting and manufacturing of Tea and Cardamom which is considered as an essential commodity. Therefore, the pandemic has so far had a minimal impact on the business operations of the Company. There is no material impact on the financial results of the Company.

The extent of the impact of COVID 19 on the future operational and finance performance will depend on certain developments including the duration and spread of the out-break, the future impact on employees, vendors all of which are uncertain and cannot be predicted. As the impact of COVID 19, if any on the future operational and financial performance of the Company would be different from management estimates in this regard, the Company will continue to closely monitor any changes as they emerge.

13 a) Provision for Doubtful Debts:

	31.03.2021	31.03.2020
Movement of Provision for Doubtful Debts:		
Opening balance (a)	Nil	Nil
Additional provision recognised during the year (b)	12100000	Nil
Amount used during the year (c)	Nil	Nil
Unused amount reversed during the year (d)	Nil	Nil
Closing Balance (e) = (a+b-c-d)	12100000	Nil

b) Provision for EPCG Scheme:

Movement of Provision for EPCG Scheme Liability

Opening balance (a)	Nil	Nil
Additional provision recognised during the year (b)	17500000	Nil
Amount used during the year (c)	Nil	Nil
Unused amount reversed during the year (d)	Nil	Nil
Closing Balance (e) = (a+b-c-d)	17500000	Nil

14 The Code on Social Security, 2020

The Social Security Code relating to Employee Benefit during employment and post employment benefit received presidential assent in September 2020. The Code has been published in the Gazzatte of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the code when it comes into effect.

15 Previous year's figures have been re-grouped wherever necessary.

Vide our report of date attached
For SURI & CO.

Chartered Accountants
Firm Regn.No.004283S

G. RENGARAJAN

Partner

Membership No. 219922

For and on behalf of the Board

DILIP THOMAS

Chairman

DIN: 00052185

K. SURESH

Managing Director

DIN: 00255162

Place : Chennai,
Date : 09.09.2021

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

Particulars of Profits, Provisions, Dividends paid, etc. (For the last 10 years)

Season	Net Profit before taxation Rs.	Depreciation written off Rs.	Provision for taxation Rs.	Reserve funds todate Rs.	DIVIDENDS PAID ON	
					Equity Shares	
					Amount Rs.	%
2011-2012	(3,57,32,920)	1,57,32,577	4,50,000	5,11,57,814	-	-
2012-2013	(3,26,53,928)	1,32,54,228	-	1,85,03,886	-	-
2013-2014	1,80,50,634	1,18,18,489	-	3,65,54,520	-	-
2014-2015	2,03,30,101	1,55,34,396	21,00,000	5,37,02,909	-	-
2015-2016	(2,27,77,044)	1,53,68,897	-	3,09,25,865	-	-
2016-2017	(2,78,91,101)	1,32,56,441	-	30,34,764	-	-
2017-2018	91,48,245	1,22,86,344	-	1,21,83,009	-	-
2018-2019	2,56,07,131	1,25,42,740	7,00,000	3,70,90,140	-	-
2019-2020	3,33,10,052	1,61,16,720	-	7,04,00,192	13,50,000	25
2020-2021	10,01,05,648	1,69,50,346	2,29,00,000	13,83,13,709	54,00,000	100*

* Recommended

AREA PARTICULARS AS ON 01-04-2021

	(In Hectares)		
	Pasuparai Estate	Carady Goody Estate	Total
Tea	194.42	315.42	509.84
Cardamom	104.51	222.81	327.32
Nurseries, Fuel & Timber Clearings, Minor Produce, Buildings, Roads, etc.	1.96	9.06	11.02
Total	300.89	547.29	848.18

THE HIGHLAND PRODUCE COMPANY LIMITED

Registered Office :W-21/674, BEACH ROAD, ALAPPUZHA-688012

CIN: U01119KL1925PLC000416

Email id: avt.alapuzha@gmail.com Website: www.highlandproduce.in

Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Corporate Identity Number (CIN) : U01119KL1925PLC000416
Name of the Company : THE HIGHLAND PRODUCE COMPANY LIMITED
Registered Office : W-21/674, Beach Road, Alappuzha-688 012

Name of the member (s) :
Registered address :

E-mail Id :
Folio No :

Name of the member(s) :
Registered address :

E-mail Id :
Folio No/Client Id :
DP ID :

I/We, being the member (s) holding shares of the above named company, hereby appoint

1. Name :
Address :
E-mail Id :
Signature : or failing him

2. Name :
Address :
E-mail Id :
Signature : or failing him

3. Name :
Address :
E-mail Id :
Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 95th Annual General Meeting of the Company, to be held on Thursday, 21st day of October 2021 at 11.30 A.M at its Registered Office at W-21/674, Beach Road, Alappuzha-688 012 and at any adjournment thereof in respect of such resolutions as are indicated overleaf.

Signed this..... day of 2021

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting

Resolution Number	Resolution
Ordinary Business	
1.	Adoption of Audited Financial Statements for the year ended 31 st March 2021, the Reports of the Board of Directors and Auditors thereon
2.	Declaration of Dividend on Equity shares for the year ended 31 st March 2021
3.	To appoint a Director in the place of Mrs. Priyalatha Thomas who retires by rotation and is eligible for re-appointment

THE HIGHLAND PRODUCE COMPANY LIMITED

Registered Office :W-21/674, BEACH ROAD, ALAPPUZHA-688012

CIN: U01119KL1925PLC000416

Email id: avt.alapuzha@gmail.com Website: www.highlandproduce.in

ATTENDANCE SLIP

I hereby record my presence at the 95th Annual General Meeting of the Company at 11.30 A.M on Thursday the 21st day of October 2021 at the Registered Office of the Company at W-21/674, Beach Road, Alleppey-688012

Folio No/DP ID

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Full Name of the *Shareholder / Proxy (in Block letters)

Signature of *Shareholder/ Proxy

* Strike out whichever is not applicable

Email ID:.....

NOTE: Shareholders attending the meeting in Person/ Proxy are requested to complete the Attendance Slip and handover at the entrance of the Meeting Hall.

THE HIGHLAND PRODUCE COMPANY LIMITED
 Registered Office: W-21/674, Beach Road, Alappuzha-688012
 CIN: U01119KL1925PLC000416

ROUTE MAP

Alappuzha Railway station to The Highland Produce Company Ltd.



Alappuzha KSRTC bus stand to The Highland Produce Company Ltd.

