

THE HIGHLAND PRODUCE COMPANY LIMITED ALAPPUZHA

BOARD OF DIRECTORS

Mr. Dilip Thomas (Chairman)
Mrs. Priyalatha Thomas
Mr. K. Suresh (Managing Director)
Mr. W.D. Nelson
Mr. K. Ashok

AUDITORS

Suri & Co.
Chartered Accountants
No.4, Chevaliar Shivaji Ganesan Salai
T.Nagar, Chennai-600 017

BANKERS

Bank of Baroda
The Federal Bank Ltd.

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

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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 THIRD 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 Wednesday the 25th September, 2019 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, 2019, the reports of the Board of Directors and Auditors thereon.
2. 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.

SPECIAL BUSINESS :

3. To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution

RESOLVED : "That in accordance with the provisions of Section 161(4) and other applicable provisions of the Companies Act, 2013 Mr. K.Ashok (DIN : 02272068) who was appointed as a Director of the Company at the Board Meeting held on 11th July, 2018 and who holds office as a Director upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director of the Company be and is hereby appointed as a Director of the Company liable to retire by rotation".

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

Chennai
1st August, 2019

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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. Corporate members intended to send their authorized representatives to attend the meeting are requested to send to the Company a Certified true copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 19th September, 2019 to 25th September, 2019 (both days inclusive).
5. Members are requested to notify any change in their addresses , e.mail Id and Bank account details to the Company or to the Company's Registrar and Share Transfer Agents immediately.
6. 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 or from the Company's Share Transfer Agents.
7. Pursuant to provisions of Section 124 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 claimed for seven consecutive years to the IEPF Authority. The shareholders are requested to claim any 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.
8. 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.
9. Documents referred to in the Notice and explanatory statement 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.
10. As per Secretarial Standard -2 a route map with prominent Landmark of the venue of the meeting is attached as a separate sheet.

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

11. 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 the facility to exercise their right to vote at the 93rd 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).
- 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 voting are as under:-

- (i) The remote e-voting period begins on 22nd September, 2019, Sunday (9:00 a.m.) and ends on 24th September, 2019 Tuesday (5:00 p.m.). During this period shareholders' of the Company, holding shares in physical/demat form, as on the cut-off date of 18th September, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter
- (ii) The shareholders should Log on to the e-voting website www.evotingindia.com
- (iii) Click on "Shareholders" tab.
- (iv) 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
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you 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. If you are a first time user follow the steps given in points (vii) and (viii).
- (vii) Fill up the following details in the appropriate boxes:

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 SI.No. 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 (iv) in order to login

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach 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 the 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.
- (x) For Members holding shares in physical form, the details can be used only for e- voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for The Highland Produce Company Ltd.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for 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.
- (xviii) Additional instructions for non- individual shareholders and custodians.
- Non- individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and custodians voting for the first time 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.
 - 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.
 - 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.
 - 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.
 - 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.
- (xix) 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

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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-evoting 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 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.com 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 18th September, 2019. A person who is not a Member as on the cut off date should treat this Notice for information purposes only.

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

The Explanatory statement pursuant to Section 102 of the Companies Act 2013, which sets out the details relating to special business at the meeting is annexed hereto and shall be taken as forming part of this notice.

SPECIALBUSINESS:

Item No.3

Mr.K.Ashok was co-opted as a Director of the Company , in the casual vacancy caused by the resignation of Director Mr.M.Thomas Jacob. As per the provisions of Section 161(4) of the companies Act, 2013 Mr. K.Ashok holds office upto the date of the forthcoming Annual General Meeting of the Company and is eligible for appointment as Director. Mr.K.Ashok has filed a letter of consent to act as a Director if appointed as a Director of the Company. The Company has received a notice under Section 160 of the Act proposing his candidature for the office of Director of the Company.

The Board of Directors decided to appoint Mr.K.Ashok as Director who has considerable experience in Tea Industry The Board considered that his appointment will be in the interest of the Company and the appointment is subject to accord of approval by the shareholders at the Annual General Meeting.

Mr.K.Ashok is interested in the resolution set out as Item no. 3 of the notice with regard to his appointment. None of the other Directors or Key Managerial personnel/their relatives is in any way concerned or interested financially or otherwise in the resolution.

The Board of Directors recommend the resolution as set out in Item No.3 of the notice for approval of the shareholders.

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

Chennai
1st August, 2019

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

**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.2 & 3

Particulars	Mrs. Priyalatha Thomas	Mr. K.Ashok
Date of Birth	15th July 1960	10th December 1955
DIN	0052237	02272068
Qualifications	M.A	M.A (Economics)
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	Mr. K.Ashok has considerable experience in Tea Industry
Date of appointment on the Board	29.07.1998	11.07.2018
Number of Board Meetings attended during 2018-19	3 (Three)	2 (Two)
Relationship with Other directors	Wife of Mr. Dilip Thomas, Chairman	NIL
Directorship held in other Companies (excluding foreign companies)	<p>Managing Director The Rajagiri Rubber and Produce Co.Ltd</p> <p>Director A.V Thomas Leather and Allied Products (P) Ltd Dalp Trading and Manufacturing Ltd L.J International Ltd A.V Thomas International Ltd AVT S2 Virtual Life Style Private Limited (in liquidation)</p>	NIL
Membership of Committees in other Companies	-	-
Number of shares held in the Company	6236	NIL

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

DIRECTORS' REPORT

Your Directors have pleasure in presenting the NINETY THIRD Annual Report with the Audited Accounts for the year ended 31 March, 2019.

FINANCIAL RESULTS :

	2018-19 Amount Rs.	2017-18 Amount Rs.
Income from operations & other income	87,76,23,337	85,07,00,631
Profit before Depreciation	3,81,49,871	2,14,34,589
Depreciation	1,25,42,740	1,22,86,344
Profit before Taxation	2,56,07,131	91,48,245
Less: Provision for taxation	7,00,000	NIL
Profit after Taxation	2,49,07,131	91,48,245
Add : Surplus brought forward	91,48,245	Nil
Surplus	3,40,55,376	91,48,245

DIVIDEND

The Board of Directors have not proposed any dividend for the year ended 31st March, 2019 considering the uncertainty prevailing in tea and commodity market and lower reserves of the Company.

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

There was 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

Due to unfavourable weather conditions the production of Tea was lower during the year and prices realised were better. The production of Cardamom also decreased considerably due to unfavourable weather conditions during the year and the prices realised were better.

As regards the Doors and Panel Boards unit, the transfer of unit consequent to its sale is expected to complete in the ensuing year and the current year's profit on operations has been adjusted against the receivables from the buyer.

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.

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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, 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. Mr. K.Ashok appointed at the Board Meeting held on 11th July, 2018 holds office upto the date of the ensuing Annual General Meeting and is eligible for appointment.

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

EXTRACT OF ANNUAL RETURN

The extract of Annual Return as provided under Sub-Section (3) of Section 92 of the Companies Act, 2013 (the "Act") is enclosed as **Annexure-I** in the prescribed form MGT-9 and forms part of this Report.

BOARD MEETINGS

During the financial year 2018-19 the Board of Directors met three times. The dates on which the meetings held were 11.07.2018, 7.11.2018 & 27.02.2019. 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. W.D Nelson 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

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.

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

INTERNAL 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 at the basis of Arm's Length pricing. Details of the transaction are provided in Form AOC-2 which is attached as **Annexure – II** 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.

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 – III**.

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 4,45,71,599/-. 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

The Company does not fall within the ambit of the provisions of Section 135 of the Companies Act, 2013 on Corporate Social Responsibility and hence report on Corporate Social Responsibility (CSR) Activities is not annexed.

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

DEPOSIT FROM PUBLIC

The Company has not accepted any deposits from public during the year.

EXIT OFFER TO PUBLIC SHAREHOLDERS

Pursuant to the Exit Offer provided by the Promoters of the Company to its public shareholders in accordance with SEBI circular No. SEBI/HO/MRD/DSA/ CIR/P/2016/110 dated October 10, 2016, the name of the Company was removed from the Dissemination Board of The National Stock Exchange of India Ltd. with effect from 29th November, 2017. The Exit Offer option to public shareholders were provided during the period 10th April, 2017 to 23rd October, 2018 and the shareholders had tendered 43,508 Equity shares.

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, 2019, 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. 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. Accordingly, the Company had transferred to the IEPF Authority the unclaimed and unpaid dividends and 8226 Equity shares during the Financial Year 2018-19.

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 and that 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

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

Chennai,
1st August, 2019

By Order of the Board
DILIP THOMAS
Chairman

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

ANNEXURE - I

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2019

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN - U01119KL1925PLC000416
- ii) Registration Date - 14/07/1925
- iii) Name of the Company - THE HIGHLAND PRODUCE CO. LTD
- iv) Category / Sub-Category of the Company - Company Limited by Shares
- v) Address of the Registered office and contact details - W-21/674, BEACH ROAD, ALLEPPEY, KERALA - 688012
- vi) Whether listed company - NO
- vii) Name, Address and Contact details of Registrar and Transfer Agent: - Cameo Corporate Services Limited
Subramanian Building, No.1
Club House Road, Chennai – 600 002.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main Products/Services	NIC Code of the Product/Service	% to total turnover of the company
1	Tea	01271	70%
2	Cardamom	01283	6%
3	Doors & Panel Boards	16221	22%

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

III. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category - wise Share Holding

Category of shareholders	No. of Shares Held at the Beginning of the Year - 1.4.2018				No. of Shares Held at the end of the Year - 31.3.2019				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	120775	120775	22.37	0	122175	122175	22.63	0.26
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	212019	212019	39.26	0	223941	223941	41.47	2.21
e) Banks/Fl	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub Total (A) (1)	0	332794	332794	61.63	0	346116	346116	64.10	2.47
(2) Foreign									
a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
b) Other-Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/Fl	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub Total (A)(2)	0	0	0	0	0	0	0	0	0
Total shareholding of promoter(A)=(A)(1) + (A)(2)	0	332794	332794	61.63	0	346116	346116	64.10	2.47
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/Fl	0	1875	1875	0.35	0	1875	1875	0.35	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	16812	16812	3.11	16812	0	16812	3.11	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
i) Any others-Foreign Portfolio Investors	0	0	0	0	0	0	0	0	0
Sub Total (B)(1)	0	18687	18687	3.46	16812	1875	18687	3.46	0

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

Category of shareholders	No. of Shares Held at the Beginning of the Year - 1.4.2018				No. of Shares Held at the end of the Year - 31.3.2019				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non Institutions									
a) Bodies Corp									
i) Indian	0	7824	7824	1.45	5274	2550	7824	1.45	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs.1 Lakh	0	108501	108501	20.09	15341	71612	86953	16.10	-3.99
ii) Individual shareholders holding nominal share capital in excess of Rs.1 Lakh	0	45483	45483	8.42	45483	0	45483	8.42	0
c) Others (specify)									
Hindu Undivided Family	0	0	0	0	0	0	0	0	0
IEPF Authority	26671	0	26671	4.94	34897	0	34897	6.46	1.52
Foreign Corporate bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Non-resident Indians	0	40	40	0.01	0	40	40	0.01	0
Sub- Total (B)(2)	26671	161848	188519	34.91	100995	74202	175197	32.44	-2.47
Total Public Shareholding (B) = (B)(1) + (B)(2)	26671	180535	207206	38.37	117807	76077	193884	35.90	-2.47
Total (A) + (B)	26671	513329	540000	100	117807	422193	540000	100	0
C) Shares held by Custodian for GDRs and ADRs	0	0	0	0	0	0	0	0	0
GRAND TOTAL (A)+(B)+(C)	26671	513329	540000	100	117807	422193	540000	100	0

(ii) Shareholding of Promoters

Sl. No.	Shareholders Name	Shareholding at the beginning of the Year - 1.4.2018			Shareholding at the end of the Year - 31.3.2019			% change during the year
		No. of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1.	Mr.Dilip Thomas	111947	20.73	0	113347	20.99	0	0.26
2.	Mrs. Lily Thomas	2592	0.48	0	2592	0.48	0	0
3.	Mrs.Priyalatha Thomas	6236	1.15	0	6236	1.15	0	0
4.	M/s Dalp Trading and Manufacturing Limited	211633	39.19	0	211633	39.19	0	0
5.	The Rajagiri Rubber and Produce Company Ltd	286	0.05	0	12208	2.26	0	2.21
6.	M/s L.J. International Ltd	100	0.02	0	100	0.02	0	0

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Dilip Thomas				
	At the beginning of the year 01-Apr-2018	111947	20.73	111947	20.73
	Purchases on 20.08.2018	1400	0.26	113347	20.99
	At the end of the year 31-Mar-2019	113347	20.99	113347	20.99
2	Mrs. Lily Thomas				
	At the beginning of the year 01-Apr-2018	2592	0.48	2592	0.48
	At the end of the year 31-Mar-2019	2592	0.48	2592	0.48
3	Mrs. Priyalatha Thomas				
	At the beginning of the year 01-Apr-2018	6236	1.15	6236	1.15
	At the end of the year 31-Mar-2019	6236	1.15	6236	1.15
4	M/s Dalp Trading and Manufacturing Ltd.				
	At the beginning of the year 01-Apr-2018	211633	39.19	211633	39.19
	At the end of the year 31-Mar-2019	211633	39.19	211633	39.19
5.	The Rajagiri Rubber and Produce Co.Ltd				
	At the beginning of the year 01-Apr-2018	286	0.05	286	0.05
	Purchases on 18.04.2018	3562	0.66	3848	0.71
	Purchases on 15.05.2018	3425	0.63	7273	1.35
	Purchases on 11.06.2018	1114	0.21	8387	1.55
	Purchases on 13.07.2018	450	0.08	8837	1.64
	Purchases on 12.09.2018	246	0.04	9083	1.68
	Purchases on 25.10.2018	1500	0.28	10583	1.96
	Purchases on 19.11.2018	1625	0.30	12208	2.26
	At the end of the year 31-Mar-2019	12208	2.26	12208	2.26
6	L.J International Limited				
	At the beginning of the year 01-Apr-2018	100	0.02	100	0.02
	At the end of the year 31-Mar-2019	100	0.02	100	0.02

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. PP Zibi Jose				
	At the beginning of the year 01-Apr-2018	32852	6.08	32852	6.08
	At the end of the year 31-Mar-2019	32852	6.08	32852	6.08
2	Life Insurance Corporation of India				
	At the beginning of the year 01-Apr-2018	16812	3.11	16812	3.11
	At the end of the year 31-Mar-2019	16812	3.11	16812	3.11
3	Mr. Mahendra Girdharilal				
	At the beginning of the year 01-Apr-.2018	12631	2.34	12631	2.34
	At the end of the year 31-Mar-.2019	12631	2.34	12631	2.34
4	Mr.Pinackin C.Shah				
	At the beginning of the year 01-Apr-.2018	6671	1.24	6671	1.24
	At the end of the year 31-Mar-.2019	6671	1.24	6671	1.24
5	Mr.Chimanlal Shantilal Shah				
	At the beginning of the year 01-Apr-.2018	4550	0.84	4550	0.84
	At the end of the year 31-Mar-.2019	4550	0.84	4550	0.84
6	Mr.D.A.S.Gnanadoss				
	At the beginning of the year 01-Apr-.2018	4544	0.84	4544	0.84
	At the end of the year 31-Mar-.2019	4544	0.84	4544	0.84
7	M/s.Coastline Stocks and Shares Pvt.Ltd.				
	At the beginning of the year 01-Apr-.2018	4030	0.75	4030	0.75
	At the end of the year 31-Mar-.2019	4030	0.75	4030	0.75
8	M/s.Rander Anjuman Islam				
	At the beginning of the year 01-Apr-.2018	2700	0.50	2700	0.50
	At the end of the year 31-Mar-.2019	2700	0.50	2700	0.50
9	Mr. Malcolm Noshir Variava				
	At the beginning of the year 01-Apr-.2018	1800	0.33	1800	0.33
	At the end of the year 31-Mar-.2019	1800	0.33	1800	0.33
10	Bank of India				
	At the beginning of the year 01-Apr-.2018	1800	0.33	1800	0.33
	At the end of the year 31-Mar-.2019	1800	0.33	1800	0.33

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr.Dilip Thomas				
	At the beginning of the year 01-Apr-2018	111947	20.73	111947	20.73
	Purchases on 20.08.2018	1400	0.26	113347	20.99
	At the end of the year 31-Mar-2019	113347	20.99	113347	20.99
2	Mrs.Priyalatha Thomas				
	At the beginning of the year 01-Apr-2018	6236	1.15	6236	1.15
	At the end of the year 31-Mar-2019	6236	1.15	6236	1.15
3	Mr. K.Suresh				
	At the beginning of the year 01-Apr-2018	125	0.02	125	0.02
	At the end of the year 31-Mar-2019	125	0.02	125	0.02
4	Mr. W.D Nelson				
	At the beginning of the year 01-Apr-2018	NIL	NIL	NIL	NIL
	At the end of the year 31-Mar-2019	NIL	NIL	NIL	NIL
5	Mr. K.Ashok				
	At the beginning of the year 01-Apr-2018	NIL	NIL	NIL	NIL
	At the end of the year 31-Mar-2019	NIL	NIL	NIL	NIL

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

(Rs. in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1570.60	135.00	-	1705.60
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.01	-	-	2.01
TOTAL (i + ii + iii)	1572.61	135.00	-	1707.61
Change in Indebtedness during the financial year				
i) Addition	-	-	-	-
ii) Reduction	(11.75)	(10.00)	-	(21.75)
iii) Net change	(11.75)	(10.00)	-	(21.75)
Indebtedness at the end of the financial year				
i) Principal Amount	1558.74	125.00	-	1683.74
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.12	-	-	2.12
TOTAL (i + ii + iii)	1560.86	125.00	-	1685.86

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager * Mr.K.Suresh, Managing Director
1	Gross salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	33.12
	(b) value of perquisites u/s 17(2) of the Income-tax Act, 1961	13.34
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	
	- as % of profit	-
	- others specify	-
5	Others please specify	-
	Total (A)	46.46
	Ceiling as per the Act	63.74

* Mr.K.Suresh is also Joint Managing Director of The Rajagiri Rubber and Produce Co. Ltd., and drawing managerial remuneration at 40% of the ceiling limit from that company.

B. Remuneration to other Directors :

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Fee for attending board/committee meetings	Commission	Others Please specify	Total Amount
1.	Independent Directors	Nil	-	-	-
	Total (1)	Nil	-	-	-
2.	Other Non-Executive Directors				
	Mr. Dilip Thomas	0.30	-	-	0.30
	Mrs. Priyalatha Thomas	0.30	-	-	0.30
	Mr. W.D Nelson	0.10	-	-	0.10
	Mr. K.Ashok	0.20	-	-	0.20
	Total (2)	0.90	-	-	0.90
	Total Managerial Remuneration	0.90	-	-	0.90
	Overall Ceiling as per the Act		NA		

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

The Company is not required to appoint any Key managerial Personnel.

VI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2019.

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

ANNEXURE -II

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 2018 – 19.

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

For and on behalf of the Board of Directors

DILIP THOMAS
Chairman

Chennai
1st August, 2019

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

Annexure IIA

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 Co.Ltd	Common Control through constitution of Board / shareholding	Sale of Tea	On going transactions	47,33,89,391	Market Rate	Not Applicable	Nil
A.V Thomas and Co.Ltd W/Island	Common Control through constitution of Board / shareholding	Godown Rent received for Building Sale of 2700 Kgs of Staff gratis tea	On going transactions On going transactions	14,00,000 2,97,000	Market Rate Market Rate	Not Applicable Not Applicable	Nil 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	16,89,71,760 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 865 kgs od Staff gratis tea	On going transactions	95,150	Market Rate	Not Applicable	Nil
L.J International Limited	Common Control through constitution of Board / shareholding	Sale of 713 kgs of Staff gratis tea Sale of flowering plants Sale of Pepper Plants Sale of vermicornpost / wood charcoal	On going transactions On going transactions On going transactions On going transactions	84,428 44,37,160 3,750 18,920	Market Rate Market Rate Market Rate Market Rate	Not Applicable Not Applicable Not Applicable Not Applicable	Nil Nil Nil Nil
M/s Rajagiri Impex Limited	Common Control through constitution of Board / shareholding	Sale of 18003 Kgs of Cardamom Sales Expenses paid	On going transactions On going transactions	2,46,45,375 7,27,978	Market Rate Market Rate	Not Applicable Not Applicable	Nil Nil
A.V Thomas and Co.Ltd. W/Island	Common Control through constitution of Board / shareholding	Warehousing and C & F charges	On going transactions	7,12,162	Market Rate	Not Applicable	Nil
A.V Thomas and Co.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	1,03,98,387 1,71,17,298	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	On going transactions	5,14,666	Market Rate	Not Applicable	Nil
L.J International Limited	Common Control through constitution of Board / shareholding	Purchase of flowering plants	On going transactions	73,28,700	Market Rate	Not Applicable	Nil

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 its activities and is continuing with its efforts to conserve energy.

- In factory and offices the lighting was converted to LED lighting to conserve electrical energy
- For rain water harvesting for conservation of water, earth bund dyke are constructed.
- Continues to use Hot air from the drier for withering of green leaf in the trough.
- To conserve ground water, Estates are using the rain water harvesting tanks.

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 2019, 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, 2019, 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, implementation

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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.

We communicate with those charged with governance of, 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.

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 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:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 25(4)(e) 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, 2019.
 - 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 : 01.08.2019

For SURI & CO.,
Chartered Accountants
Firm Regn. No.004283S
G.RENGARAJAN
Partner
Membership No.219922
UDIN: 19219922AAAAFJ1723

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) Physical verification of major items of these assets has been conducted by the Management during the financial year and 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 and no material discrepancies were noticed.
- 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) (d) 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, Sales tax, Service Tax, Customs duty, Excise duty, Value Added Tax, 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.
- 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.)	Forum where dispute is pending
Kerala Central Sales Tax Act	CST 1997-1998	5,85,523	Kerala Agricultural Income Tax and Sales Tax Appellate Tribunal
	CST 1992-93 to 1996-97 & 1998-99 to 2004-05	14,05,436	Deputy Commissioner (Appeals)
Kerala Value Added Tax Act	AY 2010-11, 2012-13 to 2014-15	35,07,977	Deputy Commissioner (Appeals)
Tamil Nadu Central sales Tax Act	2009-10	1,06,759	Commissioner (Appeals)
	2011-12 & 2012-13	4,50,582	High Court of Madras
Tamilnadu Value Added Tax Act	TNVAT 2006-07	2,58,726	Commissioner (Appeals)

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

- 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.
- 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.

Place : Chennai
Date : 01.08.2019

For SURI & CO.,
Chartered Accountants
Firm Regn. No.004283S
G.RENGARAJAN
Partner
Membership No.219922
UDIN: 19219922AAAAFJ1723

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-2019 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-2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Chennai
Date : 01.08.2019

For SURI & CO.,
Chartered Accountants
Firm Regn. No.004283S
G.RENGARAJAN
Partner
Membership No.219922
UDIN: 19219922AAAAFJ1723

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

BALANCE SHEET AS AT 31ST MARCH 2019

	NOTES	As at 31-03-2019	Amount in ₹ As at 31-03-2018
I. EQUITY AND LIABILITIES:			
(1) Shareholders' Funds:			
(a) Share Capital	2	1,74,00,000	1,74,00,000
(b) Reserves and Surplus	3	3,70,90,140	1,21,83,009
		<u>5,44,90,140</u>	<u>2,95,83,009</u>
(2) Non-Current Liabilities:			
(a) Long Term borrowings	4	3,10,46,204	2,74,82,018
(b) Long-Term Provisions	5	8,81,507	8,43,946
		<u>3,19,27,711</u>	<u>2,83,25,964</u>
(3) Current Liabilities:			
(a) Short-Term borrowings	6	13,62,12,691	14,21,97,367
(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		64,26,888	64,25,307
(c) Other Current Liabilities	8	8,78,94,277	7,19,94,775
(d) Short-Term Provisions	9	10,59,81,732	9,99,68,268
		<u>2,08,33,897</u>	<u>1,65,25,444</u>
		<u>35,73,49,485</u>	<u>33,71,11,161</u>
	TOTAL	<u>44,37,67,336</u>	<u>39,50,20,134</u>
II. ASSETS:			
(1) Non-Current assets:			
(a) Property, Plant and Equipments			
(i) Tangible Assets	10	13,29,04,808	12,50,88,350
(ii) Capital Work-in-progress			
a) Bearer Plants		1,44,22,484	66,32,085
b) Others		4,22,856	4,89,279
(b) Non-current Investments	11	8,33,395	8,33,395
(c) Other non-current assets	12	38,89,035	49,12,129
		<u>15,24,72,578</u>	<u>13,79,55,238</u>
(2) Current assets:			
(a) Inventories	13	11,76,42,442	9,00,41,266
(b) Trade Receivables	14	11,76,15,308	10,74,11,257
(c) Cash and Cash equivalents	15	1,41,09,683	2,02,94,966
(d) Short term Loans and Advances	16	4,19,27,325	3,93,17,407
		<u>29,12,94,758</u>	<u>25,70,64,896</u>
Significant Accounting Policies	1		
	TOTAL	<u>44,37,67,336</u>	<u>39,50,20,134</u>

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

Vide our report of date attached
For SURI & CO.

For and on behalf of the Board

Chartered Accountants
Firm Regn.No.004283S

G. RENGARAJAN

DILIP THOMAS

K. SURESH

Place : Chennai,
Date : 01.08.2019

Partner
Membership No. 219922

Chairman

Managing Director

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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

	Notes	For the year ended 31-03-2019	Amount in ₹ For the year ended 31-03-2018
REVENUE:			
I. Revenue from Operations:			
Sale of Products	17	86,98,26,517	84,92,40,204
Less: Excise Duty and Cess		Nil	51,91,247
		86,98,26,517	84,40,48,957
II. Other Income:	18	77,96,820	66,51,674
III. Total Revenue		87,76,23,337	85,07,00,631
EXPENSES:			
Cost of Materials Consumed	19	39,51,43,677	35,62,62,283
Other Manufacturing Expenses	20	18,94,95,631	18,76,44,378
Purchase of Stock-in-Trade - Tea		68,559	1,15,332
(Increase)/Decrease in Inventory	21	(3,60,40,000)	18,15,000
Employee benefit expenses	22	23,12,84,397	22,65,35,234
Finance Costs	23	1,66,96,306	1,45,69,718
Depreciation and amortization expense		1,25,42,740	1,22,86,344
Other expenses	24	4,28,24,896	4,23,24,097
IV. Total Expenses		85,20,16,206	84,15,52,386
V. Profit/(Loss) before exceptional and extraordinary items(III-IV)		2,56,07,131	91,48,245
VI. Exceptional/Extraordinary items		Nil	Nil
VII. Profit/(Loss) after exceptional/Extraordinary items		2,56,07,131	91,48,245
VIII. Profit/(Loss) before Tax (PBT)		2,56,07,131	91,48,245
IX. Tax Expenses			
- Current Tax (CIT)	18,00,000		-
Less : MAT credit entitlement	11,00,000	7,00,000	-
X. Profit/(Loss) for the period (VIII-IX)		2,49,07,131	91,48,245
Earnings per Share (Basic & Diluted)	25 (3)	44.25	15.07

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

K. SURESH

Managing Director

Place : Chennai,
Date : 01.08.2019

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2019

	In ₹	In ₹	Previous Year In ₹
A. CASH FLOW FROM OPERATING ACTIVITIES :			
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS		2,56,07,131	91,48,245
ADJUSTMENTS FOR :			
Depreciation	1,25,42,740		1,22,86,344
Fixed assets discarded	2,57,225		Nil
Provision for Leave Encashment	3,49,485		21,21,135
Provision for Gratuity	18,83,659		(11,71,105)
Profit on sale of Investments/Assets	(5,87,683)		(1,625)
Interest /Dividend Received	(20,70,936)		(19,94,011)
Interest Paid	1,66,96,306		1,45,69,718
		<u>2,90,70,796</u>	
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		5,46,77,927	3,49,58,701
ADJUSTMENTS FOR :			
Trade and other receivables	(1,02,04,051)		79,60,612
Inventories	(2,76,01,176)		35,67,353
Trade Payables	2,19,03,961		(1,44,92,078)
Other Current Assets	55,25,751		(74,29,825)
		<u>(1,03,75,515)</u>	
CASH GENERATED FROM OPERATIONS		4,43,02,412	2,45,64,763
Taxes Paid		8,61,911	(4,52,342)
CASH FLOW BEFORE EXTRAORDINARY ITEMS		<u>4,51,64,323</u>	2,41,12,421
Extraordinary Items		Nil	Nil
NET CASH FROM OPERATING ACTIVITIES		<u>4,51,64,323</u>	<u>2,41,12,421</u>
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(2,84,69,964)	(2,17,82,062)
Investment Subsidy		Nil	Nil
Sale of Fixed Assets		7,17,248	1,92,084
Interest Received		6,83,914	14,61,563
Dividend Received		5,32,200	5,32,448
NET CASH USED IN INVESTING ACTIVITIES		<u>(2,65,36,602)</u>	<u>(1,95,95,967)</u>

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2019 (Contd.)

	In ₹	Previous Year In ₹
C. CASH FLOW FROM FINANCING ACTIVITIES		
Public Deposits/Loan from Directors	(10,00,000)	1,30,00,000
Term Loan	35,64,186	(1,75,514)
Cash Credit	(49,84,676)	(51,49,095)
Interest Paid	(1,66,85,720)	(1,45,69,718)
NET CASH USED IN FINANCING ACTIVITIES	<u>(1,91,06,210)</u>	<u>(68,94,327)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(4,78,489)</u>	<u>(23,77,873)</u>
CASH AND CASH EQUIVALENTS AS AT 01.04.2018 (Beginning of the year)	15,44,902	
CASH AND CASH EQUIVALENTS AS AT 31.03.2019 (Closing of the year)	10,66,413	
	<u>(4,78,489)</u>	<u>(23,77,873)</u>

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

K. SURESH

Managing Director

Place : Chennai,
Date : 01.08.2019

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2019

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, Alapuzha, Kerala India. The Company is engaged in Plantation activity and the crop dealt with by the Company is Tea, Cardamom and Treated wood. 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) 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, 2019

	As at 31-03-2019	(Amount in ₹) As at 31-03-2018
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	1,20,00,000	1,20,00,000
	1,74,00,000	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 (Option not utilised till 31.03.2019) 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 (Option not utilised till 31.03.2019).		
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.	Nil	Nil
Number of Preference Shares at the end of the reporting period	12,00,000	12,00,000

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2019

		(Amount in ₹)	
		As at	As at
		31-03-2019	31-03-2018
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	1,13,347	20.99	1,11,947
Dalp Trading and Manufacturing Limited	2,11,633	39.19	2,11,633
Mr.Zibi Jose P P	32,852	6.08	32,852
2. Preference:			
The Rajagiri Rubber & Produce Company Limited	12,00,000	100	12,00,000
f. No bonus shares/buyback of shares in last 5 years.			
g. The company has both Equity and Preference Shares. 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
i. The aggregate value of calls unpaid (including directors and Officers of the Company)			NIL
NOTE: 3			
RESERVES AND SURPLUS			
CAPITAL REDEMPTION RESERVE:			
As per last Balance Sheet		3,00,000	3,00,000
GENERAL RESERVE:			
As per last Balance Sheet	27,34,764		
Add : Transfer from statement of Profit and Loss	-		
	<u>27,34,764</u>	27,34,764	27,34,764
SURPLUS			
Profit/(Loss) for the period		2,49,07,131	91,48,245
Add : Profit/(Loss) Brought forward		91,48,245	-
Surplus		<u>3,40,55,376</u>	<u>91,48,245</u>
Total		<u>3,70,90,140</u>	<u>1,21,83,009</u>

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2019

	As at 31-03-2019	(Amount in ₹) As at 31-03-2018
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.		
Repayable in 10 half yearly instalments starting from September 2020 and last instalment falling due on September 2025 (Interest Rate 11.75% PA)	2,64,65,000	2,64,65,000
Vehicle Loan from Banks Secured against hypothecation of vehicles:		
Repayable in 60 monthly instalments starting from April 2015 (last instalment March 2020) - Interest Rate 10.10% per annum	Nil	3,55,709
Repayable in 84 monthly instalments starting from July 2017 (last instalment June 2024) - Interest Rate 10.90% per annum	5,61,654	6,61,309
Repayable in 60 monthly instalments starting from December 2018 (last instalment November 2023) - Interest Rate 8.75% per annum	17,90,365	Nil
Repayable in 84 monthly instalments starting from April 2019 (last instalment March 2026) - Interest Rate 8.75% per annum	22,29,185	Nil
	<u>3,10,46,204</u>	<u>2,74,82,018</u>
No loans have been guaranteed by Directors or others		
Period and amount of continuous default as on 31.03.2019	Nil	
NOTE: 5		
LONG TERM PROVISIONS		
Provision for Employee Benefits:		
For Leave Encashment	8,81,507	8,43,946
	<u>8,81,507</u>	<u>8,43,946</u>

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2019

	As at 31-03-2019	(Amount in ₹) As at 31-03-2018
NOTE : 6		
SHORT TERM BORROWINGS:		
FROM BANKS - SECURED:		
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	12,37,12,691	12,86,97,367
No loans have been guaranteed by Directors or others		
Period and amount of default as on 31.03.2019	Nil	
ADVANCE FROM RELATED PARTIES - Unsecured:		
Loans from Directors	1,25,00,000	1,35,00,000
	13,62,12,691	14,21,97,367
NOTE : 7		
TRADE PAYABLES:		
Sundry Creditors (Refer Note No.25(5) for details of dues to Micro and Small enterprises)	9,43,21,165	7,84,20,082
NOTE : 8		
OTHER CURRENT LIABILITES:		
Interest accrued and due on borrowings	2,11,756	2,01,170
Advance received on sale of Wood Division [Refer Note 25(9)]	9,57,10,000	8,57,10,000
Investor Education and Protection Fund - Unpaid/unclaimed dividends	Nil	2,10,795
Security Deposits	22,95,973	44,94,783
Unpaid Preference Capital Refund	Nil	40,050
Term Loans - Current maturities of Long term Debts (Refer Note 4)	11,15,201	8,81,473
Other payables - Statutory Liabilities	66,48,802	84,29,997
	10,59,81,732	9,99,68,268
NOTE : 9		
SHORT TERM PROVISIONS:		
Provision for employee benefits:		
For Leave Encashment [Refer Note 25(8)]	58,84,511	55,72,587
For Gratuity [Refer Note 25(8)]	49,05,156	30,21,497
Other Provisions:		
Provision for Income tax	1,00,44,230	79,31,360
	2,08,33,897	1,65,25,444

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2019

NOTE : 10
TANGIBLE ASSETS * (Amount in ₹)

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.04.2018	Additions	Deductions	As at 31.03.2019	For the Year	Upto 31.03.2018	Upto 31.03.2019	As at 31.03.2019	As at 31.03.2018
FREEHOLD LAND	64,81,829	Nil	Nil	64,81,829	Nil	Nil	Nil	64,81,829	64,81,829
DEVELOPMENT	4,69,27,186	41,50,609	Nil	5,10,77,795	Nil	Nil	Nil	5,10,77,795	4,69,27,186
BUILDINGS	10,00,04,139	2,55,267	Nil	10,02,59,406	39,13,796	6,36,53,613	6,75,67,409	3,26,91,997	3,63,50,526
MACHINERY	17,61,53,387	1,12,98,147	48,79,821	18,25,71,713	65,85,366	14,65,58,669	14,85,16,477	3,40,55,236	2,95,94,718
FURNITURE									
AND FITTINGS	58,75,381	18,051	2,29,598	56,63,834	79,765	55,10,634	53,65,762	2,98,072	3,64,747
VEHICLES	2,53,73,555	50,23,914	26,30,173	2,77,67,296	19,63,813	2,00,04,211	1,94,67,417	82,99,879	53,69,344
	36,08,15,477	2,07,45,988	77,39,592	37,38,21,873	73,52,802	23,57,27,127	24,09,17,065	13,29,04,808	12,50,88,350
Previous Year	34,01,41,783	2,16,54,155	9,80,461	36,08,15,477	7,90,002	22,42,30,785	23,57,27,127	12,50,88,350	11,59,10,998

* The Company does not have any Leased assets.

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2019

NOTE : 11 NON CURRENT INVESTMENTS (AT COST)

Description	As at 01-04-2018			Additions			Deductions			As at 31-03-2019		
	No. of Shares/Units	Amount (in ₹)	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 Global Beverages Ltd. (Face Value Rs.1/- per share)	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		
		<u>6,100</u>								<u>6,100</u>		
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		
AV Thomas International Limited	100	20,000							100	20,000		
		<u>8,27,295</u>								<u>8,27,295</u>		
TOTAL		8,33,395								8,33,395		

31-03-2019 **31-03-2018**

Aggregate amount of Quoted Investments
(Market Value ₹ 5,23,656/-, Previous year ₹ 6,61,220/-)
Aggregate amount of Unquoted Investments

(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, 2019

	As at 31-03-2019	(Amount in ₹) As at 31-03-2018
NOTE: 12		
OTHER NON-CURRENT ASSETS:		
Unsecured, Considered good		
Deposits	38,89,035	39,07,477
Others	Nil	10,04,652
	38,89,035	49,12,129
 NOTE: 13		
INVENTORIES(Valued at Lower of Cost and net realisable value)		
Work-in-progress	4,00,55,000	3,14,34,000
Finished goods - Tea, Cardamom	4,73,93,000	1,99,74,000
Stores and Spares	2,11,41,842	3,65,63,894
Live Flowering Plants	87,06,708	17,52,914
Nurseries	3,45,892	3,16,458
	11,76,42,442	9,00,41,266
 NOTE: 14		
TRADE RECEIVABLES:		
Unsecured, Considered good		
Outstanding for more than six months from the date they become due for payment		
Considered good	2,38,56,287	1,59,50,187
Considered doubtful	36,74,098	36,74,098
Less : Allowance for bad and doubtful advances	36,74,098	36,74,098
Total	2,38,56,287	1,59,50,187
Others		
Unsecured, Considered good	9,37,59,021	9,14,61,070
	11,76,15,308	10,74,11,257

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2019

	As at 31-03-2019	(Amount in ₹) As at 31-03-2018
NOTE: 15		
CASH AND CASH EQUIVALENTS:		
Cash and Stamps on hand	66,967	60,498
Balances with Scheduled Banks		
in Current Account	9,99,446	14,84,404
in Deposit Account	Nil	Nil
	9,99,446	14,84,404
	10,66,413	15,44,902
in Unpaid Dividend Bank Account	Nil	2,10,795
in Unpaid Preference Capital Refund Bank Account	Nil	40,050
in Margin Money deposits accounts	1,30,43,270	1,84,99,219
	1,30,43,270	1,87,50,064
	1,41,09,683	2,02,94,966
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	70,500	88,500
Advances recoverable in cash or in kind or for value to be received.	2,88,01,264	2,72,53,546
Input tax credits receivable	24,37,480	15,82,658
Balance with Port Trust	59,500	57,700
Deposits with NABARD	234	3,27,615
Tax payments pending adjustments	63,08,347	68,57,388
MAT Credit Entitlement	42,50,000	31,50,000
	4,19,27,325	3,93,17,407

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2019

	For the year ended 31-03-2019	(Amount in ₹) For the year ended 31-03-2018
NOTE: 17		
SALE OF PRODUCTS:		
Tea	60,38,98,605	58,67,11,063
Cardamom	5,56,96,267	7,73,28,800
Coffee	1,23,82,455	40,10,873
Pepper	33,89,896	53,50,793
Doors/Boards etc	15,47,90,100	16,10,65,150
Minor Produce	6,57,606	4,13,208
Live Flowering Plants	44,50,330	9,07,395
Furnitures/Architraves etc.	2,16,05,078	17,47,872
Tea waste	25,57,500	28,55,000
Subsidy	Nil	75,000
Sundry receipts	1,03,98,680	87,75,050
	86,98,26,517	84,92,40,204
Less: Excise Duty	Nil	51,91,247
	86,98,26,517	84,40,48,957

NOTE: 18

OTHER INCOME:

Income from non-current Investments	5,32,200	5,32,448
Interest Received		
- From Banks	12,71,655	11,16,383
- Others	2,67,081	3,45,180
Profit on Sale of Assets	5,87,683	1,625
Rent Received	23,64,614	23,07,056
Insurance claim received	3,28,880	60,384
Miscellaneous Receipts	24,44,707	21,83,598
Sundry Creditors no longer payable written back	Nil	1,05,000
	77,96,820	66,51,674

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2019

	For the year ended 31-03-2019	For the year ended 31-03-2018
(Amount in ₹)		
NOTE: 19		
COST OF MATERIAL CONSUMED:		
- Bought Leaf	28,51,96,971	26,20,76,705
- Wood	10,99,46,706	9,41,85,578
	39,51,43,677	35,62,62,283
 NOTE: 20		
OTHER MANUFACTURING EXPENSES:		
Processing Charges	1,69,53,466	1,58,09,722
Power and fuel consumed	8,02,25,116	7,17,79,022
Stores, spares, chemicals and packing materials consumed	5,42,43,164	6,43,39,387
Transport and Warehousing	1,24,27,291	1,10,67,912
Repairs - Plant and Machinery	1,05,56,435	1,14,69,720
Repairs - Buildings	95,23,362	80,67,470
Installation Charges	55,66,797	51,11,145
	18,94,95,631	18,76,44,378

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2019

(Amount in ₹)

	For the year ended 31-03-2019	For the year ended 31-03-2018
NOTE: 21		
INCREASE/DECREASE IN INVENTORY		
Inventory at the beginning of the year		
Tea	1,70,06,000	1,44,28,000
Cardamom	29,68,000	1,73,84,000
	1,99,74,000	3,18,12,000
Stock in process:		
Doors/Boards	3,14,34,000	2,14,11,000
	5,14,08,000	5,32,23,000
Inventory at the end of the year		
Finished Goods		
Tea	4,50,56,000	1,70,06,000
Cardamom	23,37,000	29,68,000
	4,73,93,000	1,99,74,000
Stock in process:		
Doors/Boards	4,00,55,000	3,14,34,000
	8,74,48,000	5,14,08,000
	(-) 3,60,40,000	(+) 18,15,000
 NOTE: 22		
EMPLOYEES BENEFIT EXPENSES:		
Salaries, Wages and Bonus	20,38,65,229	19,87,16,396
Contribution to Provident and Other Funds	1,54,10,564	1,65,10,804
Provision for Gratuity [Refer Note No. 25 (8)]	49,05,156	30,21,497
Provision for Leave Encashment [Refer Note No.25 (8)]	3,49,485	21,21,135
Staff Welfare Expenses	67,53,963	61,65,402
	23,12,84,397	22,65,35,234
 NOTE: 23		
FINANCE COSTS:		
Interest	1,59,05,536	1,45,69,718
Other Borrowing Costs	7,90,770	Nil
	1,66,96,306	1,45,69,718

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2019

(Amount in ₹)

	For the year ended 31-03-2019	For the year ended 31-03-2018
NOTE: 24		
OTHER EXPENSES:		
Rent and Amenities	14,13,240	10,01,810
Rates and Taxes	21,22,964	57,58,560
Brokerage and Commission	12,61,906	21,57,033
Repairs and Maintenance :		
Roads and Buildings	1,34,438	2,76,866
Machinery	9,84,291	4,11,712
Vehicles	63,64,888	47,70,788
Others	14,17,922	8,64,185
Printing and Stationery	7,19,617	7,96,629
Postage and Telephones	10,14,132	12,09,061
Legal Expenses	1,23,100	1,22,200
Directors' Sitting Fees	90,000	1,60,000
Auditors' Remuneration:-		
For Audit	8,00,000	8,00,000
For Certification / Tax Audit	3,47,000	2,70,176
For Tax Representation	3,00,000	2,75,000
For Travelling and other Expenses	1,55,000	1,45,000
Insurance	15,05,113	15,54,225
Advertisement	2,21,826	2,66,490
Bank Charges	7,95,166	8,18,375
Professional fees and expenses	23,49,713	16,68,110
Travelling Expenses	1,60,78,313	1,54,91,507
Assets discarded written off	2,57,225	Nil
Bad and doubtful debts written off	10,04,652	Nil
Miscellaneous Expenses	33,64,390	35,06,370
	4,28,24,896	4,23,24,097

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE : 25

(Amount in ₹)

OTHER NOTES

	Year Ended 31st March 2019		Previous Year	
	Value ₹	Percen- tage	Value ₹	Percen- tage
1. PARTICULARS OF CONSUMPTION:				
a) Raw Materials				
Bought Leaf - Indigenous	28,51,96,971	100	26,20,76,705	100
Wood - Indigenous	8,81,35,703	80	6,61,16,811	70
Wood - Imported	2,18,11,003	20	2,80,68,767	30
	10,99,46,706		9,41,85,578	
b) Stores and Spares				
Indigenous	5,42,43,164	100	6,43,39,387	100
Imported	Nil		Nil	
	5,42,43,164	100	6,43,39,387	100
2. EARNINGS IN FOREIGN CURRENCY:				
FOB value of exports		Nil		Nil
a. EXPENDITURE IN FOREIGN CURRENCY:				
Travelling Expenses	78,98,513		53,61,817	
Others	1,79,15,184		1,85,57,709	
b. CIF VALUE OF IMPORTS:				
Raw materials	1,87,57,902		3,07,04,326	
Stores and spares	Nil		Nil	
3. EARNINGS PER SHARE:				
Profit after Taxation	2,49,07,131		91,48,245	
Less: Preference Dividend and taxes thereon	10,12,665		10,11,004	
Profit available for Equity Shareholders	2,38,94,466		81,37,241	
Number of Equity Shares outstanding				
at the end of the year	5,40,000		5,40,000	
Earnings per Share (Basic and Diluted)	44.25		15.07	
4. CONTINGENT LIABILITIES:				
(a) Sales tax demands disputed in appeals against which ₹ 6,13,553/- is paid and included under other current assets	70,00,000		70,00,000	

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE : 25 (Contd.)

OTHER NOTES (Contd.)

For the year ended For the year ended
31-03-2019 31-03-2018

4. CONTINGENT LIABILITIES: (Contd..)

- (b) The Company has imported Machineries for the Doors Factory at Annur, Coimbatore by availing concessional Customs duty under EPCG Scheme, for which the Company has to achieve a Export turnover of Rs.6.12 crores within a period of eight years from 29.03.2008, failing which the Company had to repay the Customs duty of Rs.76.47 lakhs together with interest at 5% per annum to the Government. The Company had applied for an extension of time and the Customs Department has granted time till 8th January 2018. The Company had further applied for extension which was not accepted by DGFT vide their letter dated 6th March 2019

The Company is in the process of selling the Door Factory unit and has entered into a MOU with Mr. Somasundaran (Transferee) for the same. Considering the MOU the Company has approached DGFT (EPCG) Delhi for the transfer of the export obligation to the transferee. DGFT vide its communication dated 16-03-2017 has accepted the proposal and has confirmed that the Export obligation is to be met by the transferee. The transferee has accepted to settle the amount due in this regard vide MOU. The final communication relating to the demand are pending as on date.

- (c) 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.

- (d) Estimated amount of contracts remaining to be executed on Capital Account.

35,79,000 5,75,000

- (e) 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.

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 2019 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	64,26,888	64,25,307
(ii) Principal due to Medium Enterprise	Nil	Nil
(iii) Interest	7,90,770	Nil

- (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)

7,90,770 Nil

- (d) The amount of interest accrued and remaining unpaid at the end of the accounting year

7,90,770 Nil

- (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.

2,44,714 Nil

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE : 25 (Contd.)

OTHER NOTES (Contd.)

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.

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 31.03.2019		As on 31.03.2018	
	Gratuity (Funded Plan) ₹	Leave Encashment (Non Funded Plan) ₹	Gratuity (Funded Plan) ₹	Leave Encashment (Non Funded Plan) ₹
Present Value of the Obligation as on 1.04.2018	7,17,39,460	64,16,533	6,65,79,769	42,95,398
Current Service Cost	54,76,323	6,69,028	45,24,470	5,40,789
Interest Cost	50,85,679	4,68,407	44,56,136	2,93,805
Benefits Paid	(41,45,252)		(28,63,153)	
Actuarial loss / (gain)	4,02,665	(7,87,950)	(9,57,762)	12,86,541
Present Value of the Obligation as on 31.03.2019	<u>7,85,58,875</u>	<u>67,66,018</u>	<u>7,17,39,460</u>	<u>64,16,533</u>

c) Reconciliation of changes in the fair value of Plan Assets:

Fair Value of Plan Assets as on 1.04.2018	6,87,17,963	Nil	6,23,87,167	Nil
Adjustment to Opening Fair Value of Plan Assets	0	Nil	(2,00,000)	Nil
Expected return on plan assets	52,40,600	Nil	43,13,700	Nil
Contribution by the Company	37,19,757	Nil	46,21,184	Nil
Benefits Paid	(41,45,252)	Nil	(28,63,153)	Nil
Actuarial gain / (loss)	1,20,651	Nil	4,59,065	Nil
Fair Value of Plan Assets as on 31.03.2019	<u>7,36,53,719</u>	<u>Nil</u>	<u>6,87,17,963</u>	<u>Nil</u>

d) The total expense recognised in the profit and loss account is as follows:

Current Service Cost	54,76,323	6,69,028	45,24,470	5,40,789
Interest Cost	50,85,679	4,68,407	44,56,136	2,93,805
Expected return on plan assets	(52,40,600)	NA	(43,13,700)	NA
Net Actuarial (gain) / loss recognised in the year	<u>2,82,014</u>	<u>(7,87,950)</u>	<u>(14,16,827)</u>	<u>12,86,541</u>
	<u>56,03,416</u>	<u>3,49,485</u>	<u>32,50,079</u>	<u>21,21,135</u>

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE : 25 (Contd.)

OTHER NOTES (Contd.)

Employee Benefits (Contd.)

(Amount in ₹)

	As on 31.03.2019		As on 31.03.2018	
	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	30,21,497	64,16,533	41,92,602	42,95,398
Adjustment to Opening Fair Value of Plan Assets	Nil		2,00,000	
Add : Expense as (d) above	56,03,416	3,49,485	32,50,079	21,21,135
Less: Employers Contribution / Payment	37,19,757		46,21,184	
Net Liability as at the end of the year	49,05,156	67,66,018	30,21,497	64,16,533
f) Constitution of Plan Assets:				
Investments in LIC Group Gratuity Scheme	7,36,53,719	Not Applicable	6,87,17,963	Not Applicable
g) Principal actuarial assumptions used as at the Balance Sheet date:				
Discount Rate	7.47%	7.47%	7.30%	7.30%
Salary Escalation Rate	6.00%	6.00%	6.50%	6.50%
Attrition Rate	5.00%	5.00%	5.00%	5.00%
Expected rate of return on plan assets	7.47%	NA	7.65%	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:

	<u>31.03.2019</u>	<u>31.03.2018</u>	<u>31.03.2017</u>	<u>31.03.2016</u>	<u>31.03.2015</u>
Gratuity funded plan					
Defined Benefit Obligation	7,85,58,875	7,17,39,460	6,65,79,769	6,09,82,779	5,78,07,114
Plan Assets	7,36,53,719	6,87,17,963	6,23,87,167	5,62,66,846	5,14,25,240
Surplus/(Deficit)	(49,05,156)	(30,21,497)	(41,92,602)	(47,15,933)	(63,81,874)
Experience adjustment - Plan Liability	4,02,665	(9,57,762)	4,04,505	12,43,370	31,86,407
Experience adjustment - Plan Assets	1,20,651	4,59,065	(38,066)	(3,20,401)	(95,686)

The Company expects to fund Rs.55 lakhs towards its Gratuity Plan during the year 2019-2020

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2019

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. 1,43,00,057/- as expenses towards contributions to these plans.

- 9 Pursuant to the Memorandum of Understanding (MOU) 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 to Rs.4 Crores), a sum of Rs. 9.57 crores have been received towards the sale consideration up to 31st March 2019. The transferee has acknowledged the balance amount due vide the addendum signed dated 12th July 2018. 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.

Further the sum payable to Mr. Somasundaran Peedikaparambil for running the business on his behalf till 31st March, 2019 are grouped under the head trade payables.

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
- DALP Holdings Singapore PTE Limited (in the process of liquidation)
- 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, 2019

NOTE : 25 (Contd.)

OTHER NOTES (Contd.)

10. RELATED PARTY TRANSACTIONS: (Contd.)

Details of Transactions:	Year ended 31.03.2019		Year ended 31.03.2018	
	Associates	Key Management Personnel (Including Relatives)	Associates	Key Management Personnel (Including Relatives)
INCOME:				
Sales	67,19,57,784	Nil	62,44,93,577	Nil
Rent received	14,36,000	Nil	14,36,000	Nil
Dividend Received	5,25,000	Nil	5,25,000	Nil
EXPENDITURE:				
Purchases	2,49,60,664	Nil	54,96,840	Nil
Warehousing Charges	7,12,162	Nil	8,62,266	Nil
Employee Cost	1,03,98,387	Nil	86,77,857	Nil
Rent Paid	12,000	Nil	12,000	Nil
Remuneration paid to Managing Director	Nil	50,94,240	Nil	49,65,440
Sitting Fees	Nil	60,000	Nil	1,00,000
Interest Paid	Nil	12,57,121	Nil	14,32,331
Commission/Other selling expenses paid	7,27,979	Nil	18,37,582	Nil
OTHERS:				
Loan Accepted	Nil	Nil	Nil	5,65,00,000
Loan Repaid	Nil	10,00,000	Nil	4,35,00,000
Rent Advance	Nil	5,20,000	Nil	5,20,000
BALANCE AS ON 31st MARCH 2019				
Debit Balances	8,11,29,379	5,20,000	4,00,23,662	5,20,000
Credit Balances	Nil	1,25,00,000	3,37,15,979	1,35,00,000

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOTE : 25 (Contd.)

OTHER NOTES (Contd.)

11 Exit Offer from Dissemination Board of NSE

The Board of Directors of the Company along with its Promoters, decided in its meeting held on 24th February 2017 to provide Exit Offer to the existing Public Shareholders. The Exit Offer period concluded on 23rd October 2018. In this regard the promoters of the Company has acquired 43508 number of Public Shares from the Shareholders which constitutes to 8.06 % of the total Share Capital.

The Board of Director of the Company in its meeting held on 24-02-2017 has decided to participate as promoter in the Exit Offer of certain Group Companies namely The Rajagiri Rubber and Produce Company Limited, L J International Limited and A V Thomas International Limited. The exit offer of the group company concluded on 23rd October 2018.

The Company had given a Bank Guarantee to the National Stock Exchange Limited, which was released subsequent to the closure of Exit Offer.

12 7% Cumulative Dividend and tax on dividend payable on Preference Shares for the year 2018-19 amounts to Rs.10,12,665. The Company's obligation towards Preference Shares dividend is pending from 2011-12, amounting to Rs. 66,96,328/-

13 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

K. SURESH

Managing Director

Place : Chennai,

Date : 01.08.2019

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	
					Amount Rs.	Equity Shares %
2009-2010	3,29,88,475	1,69,10,379	49,58,000	8,60,46,962	54,00,000	100
2010-2011	44,19,914	1,72,08,894	(5,00,000)	8,73,40,734	27,00,000	50
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	-	-

AREA : AS ON 01-04-2019

	Pasuparai Estate	Carady Goody Estate	Total
	Hectares	Hectares	Hectares
Tea	193.42	315.42	508.84
Cardamom	104.51	222.81	327.32
Nurseries, Fuel & Timber Clearings, Minor Produce, Buildings, Roads, etc.	2.96	9.06	12.02
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.com

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 93rd Annual General Meeting of the Company, to be held on Wednesday, 25th day of September 2019 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 2019

Signature of shareholder

Signature of Proxy holder(s)



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 Financial Statements for the year ended March 31, 2019, the Reports of the Board of Directors and Auditors thereon
2.	Appointment of Director in the place of Mrs. Priyalatha Thomas who retires by rotation and is eligible for re-appointment
Special Business	
3.	Appointment of Mr.K.Ashok as Director liable to retire by rotation

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.com

ATTENDANCE SLIP

I hereby record my presence at the 93rd Annual General Meeting of the Company at 11.30 A.M on Wednesday the 25th day of September 2019 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

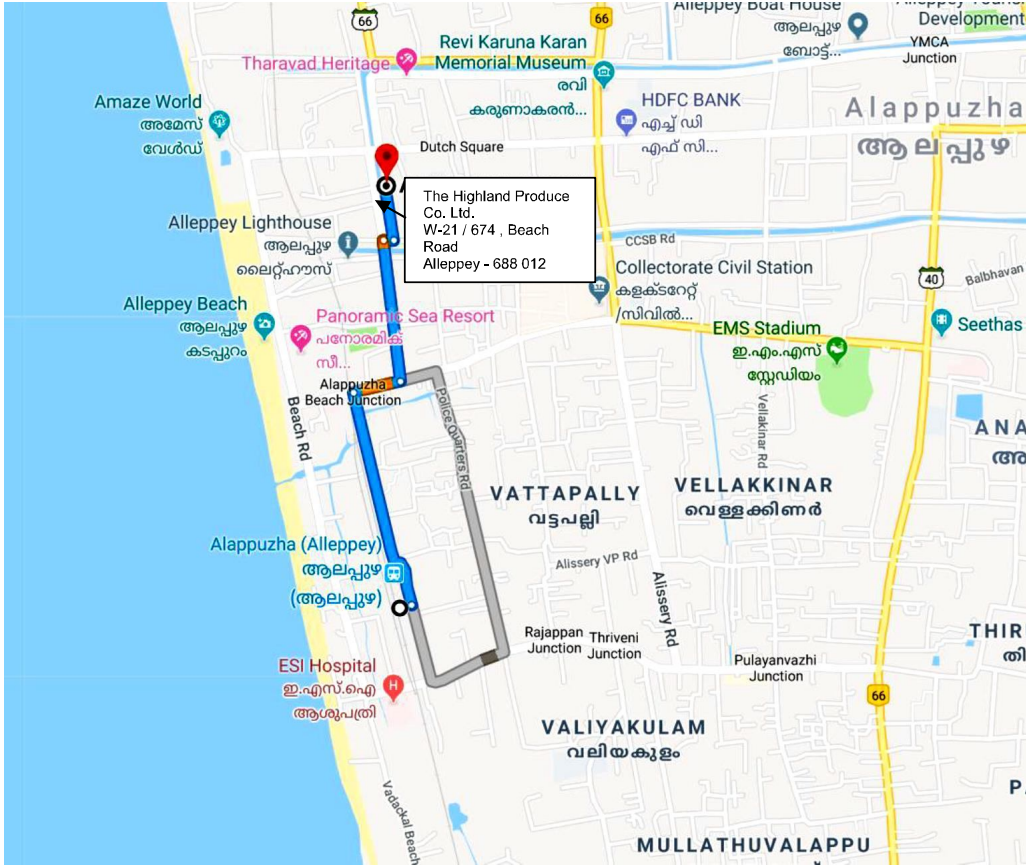
Email ID:.....

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.

