

THE HIGHLAND PRODUCE COMPANY LIMITED

ALAPPUZHA

BOARD OF DIRECTORS

Mr. Dilip Thomas (Chairman)
Mrs. Priyalatha Thomas
Mr. K. Suresh (Managing Director)
Mr. K. Ashok
Mr. S. Ganesan (w.e.f. 12.02.2020)

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 FOURTH ANNUAL GENERAL MEETING of the Company will be held at the Registered Office, at W-21/674, Beach Road, Alappuzha-688 012, at 11.30 A.M. on Thursday the 17th December, 2020 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, 2020, the reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on
 - (i) 7% Cumulative Redeemable Preference shares for the period from 1st April, 2011 to 31st March, 2020.
 - (ii) Equity shares for the year ended 31st March, 2020.
3. To appoint a Director in place of Mr.Dilip Thomas (DIN:00052185) who retires by rotation and being eligible has offered himself for re-appointment.

SPECIAL BUSINESS:

4. Appointment of Mr.S.Ganesan (DIN:08588380) as a Director

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 Sections 152, 161(1) and other applicable provisions of the Companies Act, 2013 Mr. S.Ganesan (DIN:08588380) who was appointed as an Additional Director of the Company at the Board Meeting held on 12th February, 2020 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 (1) 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".

5. Re-appointment of Mr.K.Suresh (DIN:00255162) as Managing Director

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

RESOLVED: "That consent and / or approval be and is hereby accorded by the shareholders, pursuant to Section 196 and other applicable provisions, if any, of The Companies Act, 2013, read together with Part I of Schedule V of the said Act, (including any statutory modifications and / or re-enactments thereof, for the time being in force), Mr.K.Suresh (DIN:00255162) be and is hereby re-appointed, as Managing Director of the Company for a tenure of three years commencing from 1st June, 2020 and ending on 31st May, 2023, who shall not be subject to retirement by rotation during the tenure and shall not be taken into account for the purpose of computing one third of the total number of Directors liable to retire by rotation under Section 152 of The Companies Act, 2013".

6. To fix Managerial Remuneration to Mr.K.Suresh , Managing Director

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

(i) RESOLVED: "That consent and / or approval be and is hereby accorded pursuant to Sections 197 and other applicable provisions, if any, of The Companies Act, 2013, read together with Section II in Part II of Schedule V of the said Act, (including any statutory modifications and/or re-enactments thereof for the time being in force) Mr. K.Suresh on his re-appointment as Managing Director of the Company for a period of three years from 1st June 2020 to 31st May 2023, be and is hereby remunerated without entitlement to sitting fees and notwithstanding the fact that, Mr.K.Suresh is also the Joint Managing Director of The Rajagiri Rubber and Produce Company Limited for the said period and paid by way of monthly salary and allowances, perquisites and/or benefits as may be determined by the Board within the monetary ceiling limit as prescribed in Paragraph (A) in Section II in

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Part II of Schedule V of the Companies Act, 2013 or such other sum as may be statutorily applicable from time to time within the higher maximum limit admissible from any of the two companies as applicable and prescribed in paragraph (A) in Section II in Part II of the said Schedule, read together with Section V in Part II of the said Schedule computed with reference to "Effective Capital" of the two Companies as prescribed therein and notwithstanding the fact that the Company has no profits and/or its profits are inadequate in any financial year and the above remuneration be shared by this Company with The Rajagiri Rubber and Produce Company Limited in the proportion at 60% and 40% respectively and/or such other proportion as may be decided from time to time by the Board of Directors of this Company and The Rajagiri Rubber and Produce Co. Ltd., during the tenure of his office as Managing Director from 1st June, 2020 to 31st May, 2023 "

(ii) RESOLVED FURTHER : "That Mr.K.Suresh shall be paid the following remuneration during the tenure with effect from 1st June, 2020 to 31st May, 2023 as Managing Director by this Company to be shared with The Rajagiri Rubber and Produce Company Limited in the proportion at 60% and 40% respectively and /or such other proportion as may be decided from time to time by the Board of Directors of this Company and The Rajagiri Rubber and Produce Co. Ltd.

- 1) Basic Salary from 1st June, 2020 : Rs.4,60,000/- (Rupees Four lakhs sixty thousand only) per month.
- 2) Allowances towards Company's Leased Accommodation, Expenditure on Leave Travel Allowance , Attendant's salary , Expenditure on Medical for self and family as per the Rules of the Company as are in force from time to time, personal accident insurance premia etc. whether payable monthly or otherwise, Subject to maximum limit of Rs.14,80,000/-(Rupees Fourteen lakhs eighty thousand only) in any financial year and subject further to the allowances, being interchangeable to monthly salary as may be decided from time to time by the Board.
- 3) Perquisites and other benefits, which shall not be included and/or considered as remuneration for purpose of calculating the ceiling limit, specified by the statute from time to time, in Section IV of Part II of Schedule V to The Companies Act, 2013.
 - a) Contribution to Provident Fund at 12% (Twelve Percent) of the monthly salary in accordance with the Rules of the Company and are in force, or at the rate as specified by the statute from time to time.
 - b) Contribution to Superannuation Fund at the rate of 15% (Fifteen percent) of the monthly salary, in accordance with the rules of the Company as are in force, or at the rate as specified by the statute from time to time.
 - c) Gratuity payable at a rate not exceeding half-a-month's salary for each completed year of service, subject to the monetary ceiling limit as may be prescribed by the statute from time to time.
 - d) Encashment of leave at the end of the tenure.
 - e) Provision for use of Company's Car and communication facilities at his residence for official purpose".

(iii) RESOLVED FURTHER: "That the re-appointment of Mr.K.Suresh as Managing Director and payment of remuneration to him shall be upon the terms and conditions as set out in the agreement to be entered into between the Company and Mr.K.Suresh and is specifically sanctioned, with the liberty and power to the Board of Directors, at its discretion, to revise the payment of salary and allowances, to re-fix perquisites and/or benefits within the ceiling limits as prescribed in Paragraph (A) in Section II in Part II of Schedule V of the Companies Act, 2013 and also to alter and vary from time to time the said agreement prescribing the terms and conditions of re-appointment in such manner, the Board of Directors may deem it appropriate and expedient and that the Board of Directors be and is hereby authorised to do such acts, deeds and things as are considered necessary to give effect to these resolutions without further reference to the shareholders".

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

Chennai
9th September, 2020

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NOTES:

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

In view of the ongoing COVID-19 pandemic, the Company will implement the following measures at the Annual General Meeting (AGM) venue to safeguard the health and safety of our shareholders attending the AGM of the Company to be held on 17th December , 2020: -

- compulsory body temperature checks will be conducted for every attending shareholder of the Company, proxy and other attendees at the entrance of the AGM venue. Any person with a body temperature of over 37.5 degrees Celsius will not be allowed entry into the AGM venue;
- each attendee will be asked to fill up a health declaration form, based on which his/her entry into the AGM venue will be decided.
- each attendee would be provided with and should wear face mask throughout the AGM and inside the AGM venue;
- the Company will provide hand wash and sanitizer at the AGM venue;
- the Company will maintain safe distance between seats; and
- no refreshments and beverages will be served.

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

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

- 4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the Annual General Meeting on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to vsureshpcs@gmail.com with a copy marked to avt.alapuzha@gmail.com**
- 5. An explanatory statement pursuant to Section 102(1) of the Act is annexed hereto forms part of the notice.**
- 6. The Company has appointed M/s Cameo Corporate Services Limited, Chennai as its Registrar & Share Transfer Agent and depository interface of the Company with CDSL and NSDL. Shareholders intending to hold their shares in electronic form may approach their depository participants for dematerialisation of shares. Shareholders may send their shares for effecting transmission / transposition to M/s Cameo Corporate Services Limited.**
- 7. The Register of Members and Share Transfer Books of the Company will remain closed from 10.12.2020 to 17.12.2020 both days inclusive.**

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8. The dividend as recommended by the Board, if approved at this meeting, will be paid within 30 days from the date of declaration to those members whose names appear in the Register of Members on that date subject to deduction of tax as applicable.
9. Members are requested to notify immediately any change in their address to the Company's Share Transfer Agent, M/s. Cameo Corporate Services Limited, Subramanian Building, No. 1, Club House Road, Chennai- 600 002 in the case of physical holdings and to their respective Depository Participants in case of dematted shares.
10. The shareholders of the Company, who have not yet registered / updated their e-mail address, are requested to register / update their e-mail address by sending the form/mandate enclosed along with the Annual Report for the F.Y. 2019-2020, mentioning their folio number / DPID/CLID and valid e-mail id for registration to the Company's Registrar & Transfer Agent, M/s Cameo Corporate Services Ltd., or to the Company or to their Depository Participant.
11. Members are requested to furnish to the Company's Share Transfer Agent immediately their bank account details in the case of physical holdings, and to their respective Depository Participants in case of dematted shares, so that the payment of dividend when made through National Electronic Clearing Service (NECS), National Electronic Fund Transfer (NEFT), Direct Credit, Dividend Warrants/ Cheques etc., can be made without delay.
12. 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.
13. Shareholders who have multiple folios in identical names or in joint names in the same order, are requested to intimate to the Company these folios, to enable the Company to consolidate all such shareholdings into one folio.
14. Pursuant to provisions of Section 124(6) of the Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividends from time to time on due dates, up to the financial year 2010-11 to the Investor Education and Protection Fund (the IEPF) established by the Central Government.

Pursuant to Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules 2017 (Rules) notified by the Ministry of Corporate Affairs on 28th February 2017, the Company is required to transfer all shares in respect of which dividend has not been paid or claimed for seven consecutive years to the IEPF. The shareholders are requested to claim the unpaid dividend amount(s) immediately, failing which their shares shall be transferred to the demat account of the IEPF Authority as per the procedure stipulated in the Rules as amended from time to time.
15. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
16. Members are requested to submit attested copy of PAN CARD of the transferee(s), surviving holder(s), legal heir(s) and joint holder(s) in case of transmission of shares, deletion of name of deceased shareholder(s) and transposition of shares, in respect of shares held in physical form, along with necessary documents at the time of lodgement of request for transmission/ transposition. Ministry of Corporate Affairs (MCA) , vide notification dated 10th September, 2018 mandated that transfer of securities of unlisted public companies shall be carried out in dematerialized form only with effect from 2nd October, 2018. Accordingly members who have not yet converted their holdings into electronic form may do so immediately for their own interest.
17. Documents referred to in the Notice and the 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.
18. As per Secretarial Standard-2 a route map with prominent Landmark of the venue of the meeting is attached as a separate sheet.

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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 facility to exercise their right to vote at the 94th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting services provided by Central Depository Services (India) Limited (CDSL). The e-voting facility is available at www.evotingindia.com.
- ii. The facility for voting either through ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
- iii. Members who have cast their vote by remote e-voting prior to the Meeting may also attend the meeting but shall not be entitled to cast their vote again.

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

- (i) The remote e-voting period begins on 14th December, 2020, Monday (9:00 a.m.) and ends on 16th December, 2020, Wednesday (5:00 p.m.). During this period shareholders' of the Company, holding shares in physical form, as on the cut-off date of 9th December, 2020 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 a earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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

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

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General Instructions

- (i) Mr. V. Suresh, Practising Company Secretary (CP No.6032) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (ii) The Scrutinizer shall after the conclusion of voting at the General Meeting, will first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him, in writing, who shall countersign the same and declare the result of the voting forthwith. The resolutions will be deemed having been passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions.
- (iii) The results declared along with the Report of the Scrutinizer shall be placed on the Company's website www.highlandproduce.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 9th December, 2020. A person who is not a Member as on the cut off date should treat this Notice for information purposes only.

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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.4

The Board of Directors have appointed Mr.S.Ganesan as an Additional Director of the Company with effect from 12th February, 2020. As per the provisions of Section 161(1) of the companies Act, 2013 Mr.S.Ganesan holds office upto the date of the forthcoming Annual General Meeting of the Company and is eligible for appointment as Director. Mr.S.Ganesan has filed with the Company a letter of consent to act as a Director of the Company if appointed. 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.S.Ganesan a Chartered Accountant by profession, as Director who has considerable knowledge and experience in Accounts, Finance, Auditing and Taxation matters more particularly in Plantation 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.S.Ganesan is interested in the resolution with regard to his appointment. None of the other Directors or Key Managerial personnel/their relatives are 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.4 of the notice for approval of the shareholders.

Item No. 5 and 6 of the Notice

Mr.K.Suresh, Whole-time Director designated as Managing Director is in-charge of all the business operations of the Company. Considering his rich experience and considerable knowledge in the plantations industry and his contribution for the business development of the Company, the Board of Directors at their Meeting held on 12th February, 2020 decided to re-appoint Mr.K.Suresh as Managing Director for the period from 1st June, 2020 to 31st May, 2023 subject to the approval of the shareholders at the General Meeting as required under Section 196 read with Part I of Schedule V of The Companies Act, 2013. Mr.K.Suresh is also holding the office of Joint Managing Director of The Rajagiri Rubber and Produce Company Ltd., effective from 1st June, 2020.

The Board of Directors of the Company at their meeting held on 12th February, 2020 had approved payment of managerial remuneration to Mr.K Suresh, in consideration of the performance of his duties as Managing Director of the Company, by resolutions passed by the Board, which shall not exceed the monetary ceiling limit of Rs.7,00,000/- (Rupees Seven lakhs only) per month prescribed in Paragraph (A) in Section II in Part II of Schedule V of the Companies Act, 2013 or such other sum within the higher maximum limit admissible from any of the two companies as applicable and prescribed in Paragraph (A) in Section II in Part II of Schedule V of The Companies Act, 2013 read together with Section V in Part II of the said Schedule, computed with reference to "Effective Capital" of two Companies as prescribed therein during his tenure of office. It has also been decided that the managerial remuneration to Mr.K.Suresh is within the ceiling limit shall be shared by this Company with The Rajagiri Rubber and Produce Co. Ltd. in which Mr.K.Suresh is the Joint Managing Director, in the proportion at 60% and 40% respectively or at such proportion as may be decided from time to time by the Board of Directors of this Company and The Rajagiri Rubber and Produce Company Ltd.

Statement of disclosure pursuant to Schedule V to the Companies Act, 2013

The following disclosures are being made in relation to the re-appointment and payment of remuneration to Mr.K.Suresh, Managing Director.

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I GENERAL INFORMATION ABOUT THE COMPANY :

1. The Company is mainly engaged in the business of plantations.
2. The Company is an existing Company, having commenced the business on 18th May, 1926.
3. Clause 3 is not applicable since it is an existing Company.
4. Income from operations during 2019-20 was Rs.8930.26 lakhs and the operating profit before charging depreciation was Rs.494.27 lakhs against income from operations of Rs.8776.23 lakhs and profit before charging of depreciation of Rs.381.50 lakhs during the year 2018 - 19.
5. The Company has not made any exports during 2019-20 and 2018-19 and no foreign investments are made and the Company has not entered into any foreign collaborations.
6. The Company has not made any default in repayment of its debts (including public deposits) or interest payable thereon for a continuous period of thirty days in the preceding financial year.

II INFORMATION ABOUT APPOINTEE :

- (i) Mr. K.Suresh aged 64 years, and a graduate in Commerce with PG Diploma in Advanced Marketing had held middle and senior management positions with Hindustan Lever Ltd., Caltex and General Electrical Company before he joined the Company as Chief Executive Officer on 1st February, 2003. He has rich experience in operations, marketing, logistics and materials and general management, by holding extensive, multi-management and cross-functional portfolios with tea plantations division of Hindustan Lever Ltd., his previous employer.
- (ii) Mr. K.Suresh , Managing Director has been remunerated during the financial year ended 31st March, 2020 by the two companies The Highland Produce Company Limited and The Rajagiri Rubber and Produce Company Limited as detailed hereunder.

	The Highland Produce Company Limited	The Rajagiri Rubber and Produce Company Limited
Salary	Rs.29,14,560	Rs.19,43,040
Contribution to Provident and other funds (excluded from computing the ceiling limit)	Rs. 3,97,440	Rs. 2,64,960
Allowances and Perquisites	Rs. 8,68,800	Rs. 5,79,200
Total	<u>Rs.41,80,800</u>	<u>Rs. 27,87,200</u>

- (iii) Mr. K.Suresh has been entrusted with powers of management of all the business operations of the two Companies, subject to the superintendence, control and directions of the Board of Directors and he is responsible for the day to day management of all the business operations.
- (iv) The Board has proposed the managerial remuneration to Mr. K.Suresh, Managing Director effective from 1st June, 2020 to 31st May, 2023 until otherwise determined by the Board within the ceiling limit of Rs.7,00,000/- (Rupees Seven lakhs only) per month, as prescribed by Paragraph (A) in Section II in Part II of Schedule V of the Companies Act, 2013 and shall be shared by this company and The Rajagiri Rubber and Produce Company Limited in which Mr. K.Suresh is the Joint Managing Director , in the proportion at 60% and 40% respectively and /or such other proportion as may be decided from time to time by the Board thereof of this Company and The Rajagiri Rubber and Produce Company Limited during the tenure.
- (v) The proposed remuneration package with respect to the industry is not comparable, considering the nature and size of the business operations carried on by the Company. However, taking into consideration the profile of the appointee and the responsibilities shouldered by him, the proposed remuneration is considered to be commensurate with the remuneration packages given by other companies, though not in the same industry, to similar senior level appointees.

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(vi) Mr. K.Suresh besides receiving remuneration for his services rendered as Managing Director does not have any other pecuniary relationship with the Company and its managerial personnel.

III OTHER INFORMATION

- (1) The Company earned profit during the year on account of improved performance .
- (2) The Company has undertaken various measures to further improve profitability by ensuring operational efficiencies in its plantations besides implementing several cost reduction measures.
- (3) These are expected to yield positive results in the coming years and lead to better financial performances.

After the resolutions are passed by the shareholders of the Company in the Annual General Meeting, the Company shall enter into an agreement with Mr. K.Suresh incorporating therein the terms, conditions of his re-appointment as Managing Director and discharge of functions and duties and payment of remuneration to him.

A copy of the draft agreement to be entered into with the Managing Director is available for inspection during office hours on any working day at the Registered office of the Company.

Mr. K Suresh is holding 125 Equity shares in the Company, is interested in the Ordinary Resolutions relating to his re-appointment and to the extent of remuneration received from the Company.

None of the other Directors/Key Managerial Personnel of the Company / their relatives are in any way is concerned and/or interested, financially or otherwise in the Resolutions.

The Directors recommend the Ordinary Resolutions in Item No.5 and 6 of the Notice for approval of the shareholders.

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

Chennai
9th September, 2020

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.3

Particulars	Mr. Dilip Thomas
Date of Birth	7th August 1958
DIN	00052185
Qualifications	B.Com
Expertise in Specific functional areas	Mr. Dilip Thomas is an industrialist and has rich knowledge & experience in Finance and Business Management and expertise in Plantation Industry
Date of appointment on the Board	25.04.1985
Number of Board Meetings attended during the year 2019-20	4 (Four)
Relationship with Other directors	Husband of Mrs. Priyalatha Thomas, Director
Directorship held in other Companies (excluding foreign companies)	<p>Executive Vice-Chairman A.V Thomas and Co.Ltd.</p> <p>Chairman A.V Thomas International Ltd. The Rajagiri Rubber and Produce Co. Ltd. L.J International Ltd. Dalp Trading & Manufacturing Ltd.</p> <p>Director A.V Thomas Leather & Allied Products (P) Ltd. A.V Thomas Investments Co. Ltd. A.V Thomas Exports Ltd. AVT S2 Virtual Lifestyle Pvt. Ltd.(in Liquidation)</p>
Membership of Committees in other Companies	-
Number of shares held in the Company	113347

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.4

Particulars	Mr. S Ganesan
Date of Birth	21st June 1950
DIN	08588380
Qualifications	Chartered Accountant
Expertise in Specific functional areas	Vast experience in Corporate Audit and Corporate Taxation more particularly in Plantation Industry.
Date of appointment on the Board	12.02.2020
Number of Board Meetings attended during the year 2019-20	1 (One)
Relationship with Other directors	Not related to any Director
Directorship held in other Companies (excluding foreign companies)	1. Neelamalai Agro Industries Ltd. 2. Midland Rubber and Produce Company Ltd. 3. The Nelliampathy Tea and Produce Company Ltd. 4. L.J International Ltd.
Membership of Committees in other Companies	NIL
Number of shares held in the Company	NIL

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.5 & 6

Particulars	Mr. K.Suresh
Date of Birth	3rd February, 1956
DIN	00255162
Qualifications	B.Com, Post Graduate Diploma in Advanced Marketing
Expertise in Specific functional areas	Mr. K.Suresh has rich experience in operations, marketing, logistics, materials and general Management
Date of appointment on the Board	01.08.2003
Number of Board Meetings attended during the year 2019-20	4 (Four)
Relationship with other Directors	Not related to any Director
Directorship held in other Companies (excluding foreign companies)	Joint Managing Director - The Rajagiri Rubber and Produce Co. Ltd. Director - L.J.International Ltd. - A.V.Thomas International Ltd. - Dalp Trading and Manufacturing Ltd. - Doors & More Wood Products Ltd. - Rajagiri Impex Ltd. - AVR Edge Networks Private Ltd. - AVT S2 Virtual Life Style Private Ltd. (In Liquidation)
Membership of Committees in other Companies	-
Number of shares held in the Company	125

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

DIRECTORS' REPORT

Your Directors have pleasure in presenting the NINTY FOURTH Annual Report with the Audited Accounts for the year ended 31st , March , 2020.

FINANCIAL RESULTS :

	2019-20 Amount Rs.	2018-19 Amount Rs.
Income from operations & other income	89,30,26,592	87,76,23,337
Profit before Depreciation	4,94,26,772	3,81,49,871
Depreciation	1,61,16,720	1,25,42,740
Profit before Taxation	3,33,10,052	2,56,07,131
Less: Provision for taxation	Nil	7,00,000
Profit after Taxation	3,33,10,052	2,49,07,131
Add : Surplus brought forward	3,40,55,376	91,48,245
Surplus	6,73,65,428	3,40,55,376

* Proposed dividend on equity shares and preference shares have not been recognized as a distribution of profit in the current year's accounts in accordance with the revised accounting standard – 4 'Contingencies and Events occurring after the Balance Sheet Date' (effective from 01.04.2016).

DIVIDEND

The Board of Directors have recommended payment of arrears of 7% Preference Dividend on the Preference Share capital for the period from 1.4.2011 to 31.3.2019 amounting to Rs.85,48,993/- together with the Preference Dividend of 7% on the said capital for the year 2019-20 amounting to Rs.8,40,000/-. The aggregate of preference dividend amounts to Rs.93,88,993/-. The Board of Directors have also recommended a Dividend of Rs.2.50 per Equity share (25%) for approval of the shareholders at the ensuing Annual General Meeting.

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

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

The production of Cardamom also increased during the year under report and the prices realised were substantially higher.

As regards the Doors and Panel Boards unit, the proposed buyer has informed his inability to take over the unit and as accepted by him the current year's loss on operations has been adjusted against the sum payable to him. The Company is trying to find a new buyer for the unit.

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.

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors regretfully inform the sad demise of the Company's former Director Mr. W. D. Nelson on 28th April, 2020 and place on record its appreciation for the valuable services and guidance rendered by him during the tenure.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and rules made there under Mr.Dilip Thomas, Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Directors recommend re-appointment of Mr.Dilip Thomas at the ensuing Annual General Meeting.

Mr. S.Ganesan has been appointed as an Additional Director by the Board of Directors on 12th February, 2020 to hold office upto the ensuing Annual General Meeting of the Company. A resolution for his appointment as a Director liable to retire by rotation is proposed and included in the notice calling the ensuing Annual General Meeting of the Company for the approval of the shareholders.

The Board of Directors have re-appointed Mr.K.Suresh as Managing Director of the Company for a further period of three years from 1st June 2020 to 31st May, 2023 subject to the approval of shareholders in the General Meeting . Necessary resolutions for the re-appointment and payment of remuneration to Mr .K.Suresh, Managing Director are incorporated in the notice convening the ensuing Annual General Meeting.

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

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 2019-20 the Board of Directors met four times. The dates on which the meetings held were 12.06.2019, 01.08.2019, 25.11.2019 and 12.02.2020. 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 and Mr. K.Suresh 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

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

COST AUDITORS

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

AUDITORS REPORT

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

SECRETARIAL AUDIT

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

INTERNAL AUDIT & CONTROLS

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

RISK MANAGEMENT PLAN

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

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

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

SUBSIDIARY/ASSOCIATE COMPANIES

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

TRANSACTIONS WITH RELATED PARTIES

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

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

FOREIGN EXCHANGE EARNINGS/OUTGO

During the year under review, total outgo on Foreign Exchange amounted to Rs.2,78,04,559 /- 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.

DEPOSIT FROM PUBLIC

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

DISCLOSURE OF ACCOUNTING TREATMENT

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a. in the preparation of the annual accounts for the financial year ended 31st March, 2020, 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 2719 Equity shares during the Financial Year 2019-20.

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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

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

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

ACKNOWLEDGEMENT

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

Chennai,
9th September, 2020

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, 2020

[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	68%
2	Cardamom	01283	15%
3	Doors & Panel Boards	16221	13%

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 - 1.4.2019				No. of Shares Held at the End of the Year - 31.3.2020				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	122175	122175	22.63	119583	2592	122175	22.63	0
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	223941	223941	41.47	0	223941	223941	41.47	0
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	346116	346116	64.10	119583	226533	346116	64.10	0
(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	346116	346116	64.10	119583	226533	346116	64.10	0
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	16812	0	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)	16812	1875	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 - 1.4.2019				No. of Shares Held at the End of the Year - 31.3.2020				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non Institutions									
a) Bodies Corp									
i) Indian	5274	2550	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	15341	71612	86953	16.10	17926	66208	84134	15.58	-0.52
ii) Individual shareholders holding nominal share capital in excess of Rs.1 Lakh	45483	0	45483	8.42	45583	0	45583	8.44	0.02
c) Others (specify)									
Hindu Undivided Family	0	0	0	0	0	0	0	0	0
IEPF Authority	34897	0	34897	6.46	37616	0	37616	6.96	0.50
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)	100995	74202	175197	32.44	106399	68798	175197	32.44	0
Total Public Shareholding (B) = (B)(1) + (B)(2)	117807	76077	193884	35.90	123211	70673	193884	35.90	0
Total (A) + (B)	117807	422193	540000	100	242794	297206	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)	117807	422193	540000	100	242794	297206	540000	100	0

(ii) Shareholding of Promoters

Sl. No.	Shareholders Name	Shareholding at the beginning of the Year - 1.4.2019			Shareholding at the end of the Year - 31.3.2020			% 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	113347	20.99	0	113347	20.99	0	0
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	12208	2.26	0	12208	2.26	0	0
6.	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-2019	113347	20.99	113347	20.99
	At the end of the year 31-Mar-2020	113347	20.99	113347	20.99
2	Mrs. Lily Thomas				
	At the beginning of the year 01-Apr-2019	2592	0.48	2592	0.48
	At the end of the year 31-Mar-2020	2592	0.48	2592	0.48
3	Mrs. Priyalatha Thomas				
	At the beginning of the year 01-Apr-2019	6236	1.15	6236	1.15
	At the end of the year 31-Mar-2020	6236	1.15	6236	1.15
4	M/s Dalp Trading and Manufacturing Ltd.				
	At the beginning of the year 01-Apr-2019	211633	39.19	211633	39.19
	At the end of the year 31-Mar-2020	211633	39.19	211633	39.19
5.	The Rajagiri Rubber and Produce Co.Ltd				
	At the beginning of the year 01-Apr-2019	12208	2.26	12208	2.26
	At the end of the year 31-Mar-2020	12208	2.26	12208	2.26
6	L.J International Limited				
	At the beginning of the year 01-Apr-2019	100	0.02	100	0.02
	At the end of the year 31-Mar-2020	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	Investor Education and Protection Fund Authority				
	At the beginning of the year 01-Apr-2019	34897	6.46	34897	6.46
	Transferred on 17-May-2019	2719	0.50	37616	6.97
	At the end of the Year 31-Mar-2020	37616	6.97	37616	6.97
2	Mr. P.P Zibi Jose				
	At the beginning of the year 01-Apr-2019	32852	6.08	32852	6.08
	At the end of the year 31-Mar-2020	32852	6.08	32852	6.08
3	Life Insurance Corporation of India				
	At the beginning of the year 01-Apr-2019	16812	3.11	16812	3.11
	At the end of the year 31-Mar-2020	16812	3.11	16812	3.11
4	Mr. Mahendra Girdharilal				
	At the beginning of the year 01-Apr-2019	12631	2.34	12631	2.34
	Equity shares transmitted on 06-May-2019	100	0.02	12731	2.36
	At the end of the year 31-Mar-2020	12731	2.36	12731	2.36
5	Mr.Pinackin C.Shah				
	At the beginning of the year 01-Apr-2019	6671	1.24	6671	1.24
	At the end of the year 31-Mar-2020	6671	1.24	6671	1.24
6	Mr.Chimanlal Shantilal Shah				
	At the beginning of the year 01-Apr-2019	4550	0.84	4550	0.84
	At the end of the year 31-Mar-2020	4550	0.84	4550	0.84
7	Mr.D.A.S.Gnanadoss				
	At the beginning of the year 01-Apr-2019	4544	0.84	4544	0.84
	At the end of the year 31-Mar-2020	4544	0.84	4544	0.84
8	M/s.Coastline Stocks and Shares Pvt.Ltd.				
	At the beginning of the year 01-Apr-2019	4030	0.75	4030	0.75
	At the end of the year 31-Mar-2020	4030	0.75	4030	0.75
9	M/s.Rander Anjuman Islam				
	At the beginning of the year 01-Apr-2019	2700	0.50	2700	0.50
	At the end of the year 31-Mar-2020	2700	0.50	2700	0.50
10	Bank of India				
	At the beginning of the year 01-Apr-2019	1800	0.33	1800	0.33
	At the end of the year 31-Mar-2020	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-2019	113347	20.99	113347	20.99
	At the end of the year 31-Mar-2020	113347	20.99	113347	20.99
2	Mrs. Priyalatha Thomas				
	At the beginning of the year 01-Apr-2019	6236	1.15	6236	1.15
	At the end of the year 31-Mar-2020	6236	1.15	6236	1.15
3	Mr. K. Suresh				
	At the beginning of the year 01-Apr-2019	125	0.02	125	0.02
	At the end of the year 31-Mar-2020	125	0.02	125	0.02

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	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
Change in Indebtedness during the financial year				
i) Addition	-	640.00	-	640.00
ii) Reduction	(405.09)	-	-	(405.09)
iii) Net change	(405.09)	640.00	-	234.91
Indebtedness at the end of the financial year				
i) Principal Amount	1153.65	765.00	-	1918.65
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.01	-	-	2.01
TOTAL (i + ii + iii)	1155.66	765.00	-	1920.66

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	12.17
	(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)	45.29
	Ceiling as per the Act (per annum)	54.47

* 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	0.4	-	-	0.4
	Mrs. Priyalatha Thomas	0.4	-	-	0.4
	Mr. K.Ashok	0.4	-	-	0.4
	Mr. S. Ganesan	0.1	-	-	0.1
	Total (2)	1.3	-	-	1.3
	Total Managerial Remuneration	1.3	-	-	1.3
	Overall Ceiling as per the Act	NA	-	-	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, 2020.

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 2019 – 20.

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
9th September, 2020

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	43,92,35,923	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 Cost of 2700 Kgs of Staff gratis tea	On going transactions	14,00,000	Market Rate	Not Applicable	Nil
Doors and More Wood Products Limited	Common Control through constitution of Board / shareholding	Cost of Doors/ Boards etc sold Rent received for door unit factory premises godown	On going transactions On going transactions	10,16,18,140 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 922 kgs of Staff gratis tea	On going transactions	1,01,420	Market Rate	Not Applicable	Nil
L.J International Limited	Common Control through constitution of Board / shareholding	Sale of 765 kgs of Staff gratis tea Sale of flowering plants Sale of Pepper Plants Sale of vermicompost / wood charcoal	On going transactions On going transactions On going transactions On going transactions	88,185 40,23,070 4,600 14,880	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 26003 Kgs of Cardamom Sales Expenses paid	On going transactions On going transactions	8,46,46,714 20,06,348	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	7,93,971	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	98,96,372 65,64,489	Market Rate Market Rate	Not Applicable Not Applicable	Nil Nil
The Rajagiri Rubber and Produce Company Limited	Common Control through constitution of Board / shareholding	Purchase of rubber firewood Purchase of Vanilla Plants	On going transactions On going transactions	5,88,969 33,000	Market Rate Market Rate	Not Applicable Not Applicable	Nil Nil
L.J International Limited	Common Control through constitution of Board / shareholding	Purchase of flowering plants	On going transactions	49,66,111	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 our activities and is continuing with our efforts to conserve energy.

- A new line of CTC machine with Energy efficient motors is installed for conservation of energy.
- In factory, cardamom curing house, retail outlets and offices the lighting was converted to LED lighting to conserve electrical energy
- For rain water harvesting for conservation of water, earth bund dykes 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 2020, 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, 2020, 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

Emphasis of Matter

As more specifically explained in Note 25(11) to the financial statements, the Company has made a detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The Company continues to evaluate them as highly probable considering the orders in hand. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 pandemic which may be different from that estimated as at the date of approval of the financial results. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

As more specifically explained in note number 25(4)(b) to the financial statements, the company had an obligation to make export of goods manufactured at the Annur unit for which they had imported machinery without payment of duty. The wood division could not comply with the obligation and had sought extension for time to complete the obligation. Subsequently the company had proposed to transfer the unit for which it had entered into a Memorandum of Understanding with prospective buyer. This MOU could not be executed fully. Due to the non-execution of the transfer of the unit, the possible liability of EPCG may have to be borne by the company for which detailed submissions have been made by the company to DGFT. The company does not foresee any possible outflow of the EPCG liability and hence the same has been disclosed as contingent liability as on 31-03-2020.

Our opinion is not modified in respect of this matter.

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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 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.

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by The Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give an Annexure A, a Statement on matters specified in paragraph 3 and 4 of the said order, to the extent applicable

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

- (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 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 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) 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, 2020.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place : Chennai
Date : 09.09.2020

For SURI & CO.,
Chartered Accountants
Firm Regn. No.004283S
G.RENGARAJAN
Partner
Membership No.219922
UDIN: 20219922AAAAJP5374

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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

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

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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

Name of the Statute	Nature of the dues	Amount (Rs.)	Amount paid (Rs.)	Forum where dispute is pending
Kerala Central Sales Tax Act	CST 1997-1998	5,85,523	Nil	Kerala Agricultural Income Tax and Sales Tax Appellate Tribunal
	CST 1992-93 to 1996-97 & 1998-99, 2004-05	18,08,580	4,03,134	Deputy Commissioner (Appeals)
Kerala Value Added Tax Act	AY 2013-14 & 2014-15	28,88,813	Nil	Deputy Commissioner (Appeals)
Tamil Nadu Central sales Tax Act	2009-10	1,06,759	Nil	Commissioner (Appeals)
	2011-12 & 2012-13	4,50,582	Nil	High Court of Madras
Tamilnadu Value Added Tax Act	TNVAT 2006-07	4,55,636	1,96,910	Commissioner (Appeals)

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

**For SURI & CO.,
Chartered Accountants
Firm Regn. No.004283S
G.RENGARAJAN
Partner
Membership No.219922
UDIN: 20219922AAAAJP5374**

**Place : Chennai
Date : 09.09.2020**

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-2020 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-2020 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Chennai
Date : 09.09.2020

For SURI & CO.,
Chartered Accountants
Firm Regn. No.004283S
G.RENGARAJAN
Partner
Membership No.219922
UDIN: 20219922AAAAJP5374

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

BALANCE SHEET AS AT 31ST MARCH 2020

	NOTES	As at 31-03-2020	Amount in ₹ As at 31-03-2019
I. EQUITY AND LIABILITIES:			
(1) Shareholders' Funds:			
(a) Share Capital	2	1,74,00,000	1,74,00,000
(b) Reserves and Surplus	3	7,04,00,192	3,70,90,140
		<u>8,78,00,192</u>	<u>5,44,90,140</u>
(2) Non-Current Liabilities:			
(a) Long Term borrowings	4	2,49,13,292	3,10,46,204
(b) Long-Term Provisions	5	9,75,263	8,81,507
		<u>2,58,88,555</u>	<u>3,19,27,711</u>
(3) Current Liabilities:			
(a) Short-Term borrowings	6	16,08,17,900	13,62,12,691
(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		94,25,588	64,26,888
(c) Other Current Liabilities	8	9,26,39,608	8,68,38,498
(d) Short-Term Provisions	9	9,41,06,742	10,70,37,511
		<u>1,75,90,919</u>	<u>2,08,33,897</u>
		<u>37,45,80,757</u>	<u>35,73,49,485</u>
	TOTAL	<u>48,82,69,504</u>	<u>44,37,67,336</u>
II. ASSETS:			
(1) Non-Current assets:			
(a) Property, Plant and Equipments			
(i) Tangible Assets	10	14,16,04,859	13,29,04,808
(ii) Capital Work-in-progress			
a) Bearer Plants		1,95,26,514	1,44,22,484
b) Others		1,11,26,629	4,22,856
(b) Non-current Investements	11	8,33,395	8,33,395
(c) Other non-current assets	12	39,41,821	38,89,035
		<u>17,70,33,218</u>	<u>15,24,72,578</u>
(2) Current assets:			
(a) Inventories	13	11,50,14,095	11,76,42,442
(b) Trade Receivables	14	12,88,05,021	12,82,03,139
(c) Cash and Cash equivalents	15	3,80,99,062	1,41,09,683
(d) Short term Loans and Advances	16	2,93,18,108	3,13,39,494
		<u>31,12,36,286</u>	<u>29,12,94,758</u>
Significant Accounting Policies	1		
	TOTAL	<u>48,82,69,504</u>	<u>44,37,67,336</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.

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 : 09.09.2020

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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

	Notes	For the year ended 31-03-2020	Amount in ₹ For the year ended 31-03-2019
REVENUE:			
I. Revenue from Operations:			
Sale of Products	17	86,05,11,790	86,98,97,242
Less: Excise Duty and Cess		Nil	Nil
		86,05,11,790	86,98,97,242
II. Other Income:	18	3,25,14,802	77,26,095
		89,30,26,592	87,76,23,337
III. Total Revenue			
EXPENSES:			
Cost of Materials Consumed	19	32,81,86,810	39,51,43,677
Other Manufacturing Expenses	20	17,55,73,963	18,94,95,631
Purchase of Stock-in-Trade - Tea		86,867	68,559
(Increase)/Decrease in Inventory	21	1,29,73,000	(3,60,40,000)
Employee benefit expenses	22	26,38,62,352	23,12,84,397
Finance Costs	23	1,85,40,147	1,66,96,306
Depreciation and amortization expense		1,61,16,720	1,25,42,740
Other expenses	24	4,43,76,681	4,28,24,896
		85,97,16,540	85,20,16,206
IV. Total Expenses		85,97,16,540	85,20,16,206
V. Profit/(Loss) before exceptional and extraordinary items(III-IV)		3,33,10,052	2,56,07,131
VI. Exceptional/Extraordinary items		Nil	Nil
VII. Profit/(Loss) after exceptional/Extraordinary items		3,33,10,052	2,56,07,131
VIII. Profit/(Loss) before Tax (PBT)		3,33,10,052	2,56,07,131
IX. Tax Expenses:			
- Current Tax (CIT)		-	-
Less: MAT credit entitlement		-	7,00,000
		-	7,00,000
X. Profit/(Loss) for the period (VIII-IX)		3,33,10,052	2,49,07,131
Earnings per Share (Basic & Diluted)	25 (3)	60.13	44.25

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 : 09.09.2020

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2020

	In ₹	In ₹	Previous Year In ₹
A. CASH FLOW FROM OPERATING ACTIVITIES :			
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS		3,33,10,052	2,56,07,131
ADJUSTMENTS FOR :			
Depreciation	1,61,16,720		1,25,42,740
Fixed assets discarded	Nil		2,57,225
Provision for Leave Encashment	2,80,539		3,49,485
Provision for Gratuity	(21,56,353)		18,83,659
Profit on sale of Investments/Assets	(18,518)		(5,87,683)
Interest /Dividend Received	(46,96,537)		(20,70,936)
Interest Paid	1,85,40,147		1,66,96,306
		<u>2,80,65,998</u>	
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		6,13,76,050	5,46,77,927
ADJUSTMENTS FOR :			
Trade and other receivables	(6,01,882)		(1,02,04,051)
Inventories	26,28,347		(2,76,01,176)
Trade Payables	(41,19,824)		2,19,03,961
Other Current Assets	(7,20,195)		55,25,751
		<u>(28,13,554)</u>	
CASH GENERATED FROM OPERATIONS		5,85,62,496	4,43,02,412
Taxes Paid		(7,51,140)	8,61,911
CASH FLOW BEFORE EXTRAORDINARY ITEMS		5,78,11,356	4,51,64,323
Extraordinary Items		Nil	Nil
NET CASH FROM OPERATING ACTIVITIES		<u>5,78,11,356</u>	<u>4,51,64,323</u>
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(4,06,29,257)	(2,84,69,964)
Investment Subsidy			
Sale of Fixed Assets		23,201	7,17,248
Interest Received		10,98,237	6,83,914
Dividend Received		34,25,700	5,32,200
NET CASH USED IN INVESTING ACTIVITIES		<u>(3,60,82,119)</u>	<u>(2,65,36,602)</u>

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2020 (Contd.)

	In ₹	Previous Year In ₹
C. CASH FLOW FROM FINANCING ACTIVITIES		
Public Deposits/Loan from Directors	6,40,00,000	(10,00,000)
Term Loan	(61,32,912)	35,64,186
Cash Credit	(3,93,94,791)	(49,84,676)
Interest Paid	(1,81,51,282)	(1,66,85,720)
NET CASH USED IN FINANCING ACTIVITIES	<u>(78,985)</u>	<u>(1,91,06,210)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>2,16,50,252</u>	<u>(4,78,489)</u>
CASH AND CASH EQUIVALENTS AS AT 01.04.2019 (Beginning of the year)	10,66,413	
CASH AND CASH EQUIVALENTS AS AT 31.03.2020 (Closing of the year)	2,27,16,665	
	<u>2,16,50,252</u>	<u>(4,78,489)</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 : 09.09.2020

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020

NOTE: 1

A. SIGNIFICANT ACCOUNTING POLICIES

BACKGROUND:

The Company is a Public Limited Company incorporated and domiciled in India during the year 1925, having its Registered office at W-21/674, Beach Road, Alappuzha, Kerala India. The Company is engaged in Plantation activity 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) Leasehold land are capitalised at acquisition cost and amortised over the lease period.
- e) Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis, commencing from the date the asset is available to the company for its use. Depreciation and Amortization methods, useful lives and residual value are reviewed periodically, including at each financial year end.

4 IMPAIRMENT OF ASSETS

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

5 BORROWING COSTS

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

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

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

6 INVESTMENTS :

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

7 INVENTORIES :

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

8 REVENUE RECOGNITION :

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

Sale of Goods:

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

Interest

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

Dividends:

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

9 EMPLOYEE BENEFITS :

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

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

10 FOREIGN CURRENCY TRANSACTIONS :

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

11 GOVERNMENT GRANTS

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

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

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

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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, 2020

	As at 31-03-2020	(Amount in ₹) As at 31-03-2019
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 31.03.2020) 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 31.03.2020).		
d. RECONCILIATION OF SHARES:		
Number of Equity Shares at the beginning of the year	5,40,000	5,40,000
Add/(Less) Shares issued/buyback etc.	Nil	Nil
Number of Equity Shares at the end of the reporting period	5,40,000	5,40,000
 Number of Preference Shares at the beginning of the year	 12,00,000	 12,00,000
Add/(Less) Shares issued/buyback etc.	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, 2020

		As at 31-03-2020	As at 31-03-2019	(Amount in ₹)
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	1,13,347	20.99
Dalp Trading and Manufacturing Limited	2,11,633	39.19	2,11,633	39.19
Mr.Zibi Jose P P	32,852	6.08	32,852	6.08
IEPF Authority	37,616	6.97	34,897	6.46
2. Preference:				
The Rajagiri Rubber & Produce Company Limited	12,00,000	100	12,00,000	100
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	NIL
i. The aggregate value of calls unpaid (including directors and Officers of the Company)				
			NIL	NIL
NOTE: 3				
RESERVES AND SURPLUS				
CAPITAL REDEMPTION RESERVE:				
As per last Balance Sheet			3,00,000	3,00,000
GENERAL RESERVE:				
As per last Balance Sheet	27,34,764			
Add : Transfer from statement of Profit and Loss	-			
	27,34,764		27,34,764	27,34,764
SURPLUS				
Profit/(Loss) for the period			3,33,10,052	2,49,07,131
Add : Profit/(Loss) Brought forward			3,40,55,376	91,48,245
Total Profit/(Loss)			6,73,65,428	3,40,55,376
Total			7,04,00,192	3,70,90,140

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2020

	As at 31-03-2020	(Amount in ₹) As at 31-03-2019
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)	2,11,65,000	2,64,65,000
Vehicle Loan from Banks Secured against hypothecation of vehicles:		
Repayable in 84 monthly instalments starting from July 2017 (last instalment June 2024) - Interest Rate 10.90% per annum	4,52,062	5,61,654
Repayable in 60 monthly instalments starting from December 2018 (last instalment November 2023) - Interest Rate 8.75% per annum	13,61,867	17,90,365
Repayable in 84 monthly instalments starting from April 2019 (last instalment March 2026) - Interest Rate 8.75% per annum	19,34,363	22,29,185
	<u>2,49,13,292</u>	<u>3,10,46,204</u>
No loans have been guaranteed by Directors or others		
Period and amount of continuous default as on 31.03.2020	Nil	
NOTE: 5		
LONG TERM PROVISIONS		
Provision for Employee Benefits:		
For Leave Encashment	9,75,263	8,81,507
	<u>9,75,263</u>	<u>8,81,507</u>

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2020

	As at 31-03-2020	(Amount in ₹) As at 31-03-2019
NOTE : 6		
SHORT TERM BORROWINGS:		
FROM BANKS - SECURED:		
The Company's borrowing facilities comprising cash credit of Rs.1650 lakhs (PY Rs.1450 Lakhs) secured against hypothecation of stock-in-trade, Standing crops, movable and immovable properties of the Company (Previous year - Secured against hypothecation of stock-in-trade, Standing crops, movable and immovable properties of the Company)		
Cash Credit	8,43,17,900	12,37,12,691
No loans have been guaranteed by Directors or others		
Period and amount of default as on 31.03.2020	Nil	
ADVANCE FROM RELATED PARTIES - Unsecured:		
Loans from Directors	7,65,00,000	1,25,00,000
	16,08,17,900	13,62,12,691
NOTE : 7		
TRADE PAYABLES:		
Sundry Creditors (Refer Note No.25(5) for details of dues to Micro and Small enterprises)	10,20,65,196	9,32,65,386
NOTE : 8		
OTHER CURRENT LIABILITIES:		
Interest accrued and due on borrowings	2,00,621	2,11,756
Advance received on sale of Wood Division [Refer Note 25(9)]	7,95,83,821	9,57,10,000
Investor Education and Protection Fund		
- Unpaid/unclaimed dividends	Nil	Nil
Security Deposits	6,57,979	22,95,973
Unpaid Preference Capital Refund	Nil	Nil
Term Loans - Current maturities of Long term Debts (Refer Note 4)	61,34,163	11,15,201
Other payables - Statutory Liabilities	75,30,158	77,04,581
	9,41,06,742	10,70,37,511
NOTE : 9		
SHORT TERM PROVISIONS:		
Provision for employee benefits:		
For Leave Encashment [Refer Note 25(8)]	60,71,294	58,84,511
For Gratuity [Refer Note 25(8)]	27,48,803	49,05,156
Other Provisions:		
Provision for Income tax	87,70,822	1,00,44,230
	1,75,90,919	2,08,33,897

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2020

**NOTE : 10
TANGIBLE ASSETS**

(Amount in ₹)

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2019	Additions	Deductions	As at 31.03.2020	Upto 31.03.2019	For the Year	Withdrawn	Upto 31.03.2020	As at 31.03.2020	As at 31.03.2019
FREEHOLD LAND	64,81,829 64,81,829	Nil Nil	Nil Nil	64,81,829 64,81,829	Nil Nil	Nil Nil	Nil Nil	Nil Nil	64,81,829 64,81,829	64,81,829 64,81,829
LEASEHOLD LAND	Nil Nil	6,19,500.00 Nil	Nil Nil	6,19,500.00 Nil	Nil Nil	78,470.00 Nil	Nil Nil	78,470.00 Nil	5,41,030.00 Nil	Nil Nil
DEVELOPMENT	5,10,77,795 4,69,27,186	26,71,198 41,50,609	Nil Nil	5,37,48,993 5,10,77,795	Nil Nil	Nil Nil	Nil Nil	Nil Nil	5,37,48,993 5,10,77,795	5,10,77,795 4,69,27,186
BUILDINGS	10,02,59,406 10,00,04,139	1,13,03,744 2,55,267	Nil Nil	11,15,63,150 10,02,59,406	6,75,67,409 6,36,53,613	39,55,057 39,13,796	Nil Nil	7,15,22,466 6,75,67,409	4,00,40,684 3,26,91,997	3,26,91,997 3,63,50,526
MACHINERY	18,25,71,713 17,61,53,387	1,01,39,728 1,12,98,147	Nil 48,79,821	19,27,11,441 18,25,71,713	14,85,16,477 14,65,58,669	95,67,404 65,85,366	Nil 46,27,558	15,80,83,881 14,85,16,477	3,46,27,560 3,40,55,236	3,40,55,236 2,95,94,718
FURNITURE AND FITTINGS	56,63,834 58,75,381	87,284 18,051	Nil 2,29,598	57,51,118 56,63,834	53,65,762 55,10,634	64,174 79,765	Nil 2,24,637	54,29,936 53,65,762	3,21,182 2,98,072	2,98,072 3,64,747
VEHICLES	2,77,67,296 2,53,73,555	Nil 50,23,914	3,98,409 26,30,173	2,73,68,887 2,77,67,296	1,94,67,417 2,00,04,211	24,51,615 19,63,813	3,93,726 25,00,607	2,15,25,306 1,94,67,417	58,43,581 82,99,879	82,99,879 53,69,344
Previous year	37,38,21,873 36,08,15,477	2,48,21,454 2,07,45,988	3,98,409 77,39,592	39,82,44,918 37,38,21,873	24,09,17,065 23,57,27,127	1,61,16,720 1,25,42,740	3,93,726 73,52,802	25,66,40,059 24,09,17,065	14,16,04,859 13,29,04,808	13,29,04,808 12,50,88,350

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

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2020

NOTE : 11 NON CURRENT INVESTMENTS (AT COST)

Description	As at 01-04-2019			Additions			Deductions			As at 31-03-2020		
	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 Consumer Products Ltd. (Face Value Rs.1/- per share)	1680	750							1680	750		
(formerly Tata Global Beverages Limited)												
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		
A V 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		

31-03-2020 **31-03-2019**

Aggregate amount of Quoted Investments
(Market Value ₹ 6,08,168/-, Previous year ₹ 5,23,656/-)

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, 2020

	As at 31-03-2020	(Amount in ₹) As at 31-03-2019
NOTE: 12		
OTHER NON-CURRENT ASSETS:		
Unsecured, Considered good		
Deposits	39,41,821	38,89,035
	39,41,821	38,89,035
 NOTE: 13		
INVENTORIES(Valued at Lower of Cost and net realisable value)		
Work-in-progress	3,35,67,000	4,00,55,000
Finished goods - Tea, Cardamom	4,09,08,000	4,73,93,000
Stores and Spares	2,51,17,441	2,11,41,842
Live Flowering Plants	1,39,61,282	87,06,708
Nurseries	14,60,372	3,45,892
	11,50,14,095	11,76,42,442
 NOTE: 14		
TRADE RECEIVABLES:		
Unsecured, Considered good		
Outstanding for more than six months from the date they become due for payment		
Considered good	1,58,42,027	2,38,56,287
Considered doubtful	Nil	36,74,098
Less : Allowance for bad and doubtful advances	Nil	36,74,098
Total	1,58,42,027	2,38,56,287
 Others		
Unsecured, Considered good	11,29,62,994	10,43,46,852
	12,88,05,021	12,82,03,139

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2020

	As at 31-03-2020	(Amount in ₹) As at 31-03-2019
NOTE: 15		
CASH AND CASH EQUIVALENTS:		
Cash and Stamps on hand	1,01,260	66,967
Balances with Scheduled Banks		
in Current Account	26,15,405	9,99,446
in Deposit Account	2,00,00,000	Nil
	2,26,15,405	9,99,446
	2,27,16,665	10,66,413
in Margin Money deposits accounts	1,53,82,397	1,30,43,270
	1,53,82,397	1,30,43,270
	3,80,99,062	1,41,09,683
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	52,500	70,500
Advances recoverable in cash or in kind or for value to be received.	1,56,79,020	1,82,13,433
Input tax credits receivable	26,10,080	24,37,480
Balance with Port Trust	9,40,195	59,500
Deposits with NABARD	234	234
Tax payments pending adjustments	64,32,707	63,08,347
MAT Credit Entitlement	36,03,372	42,50,000
	2,93,18,108	3,13,39,494

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2020

	For the year ended 31-03-2020	(Amount in ₹) For the year ended 31-03-2019
NOTE: 17		
SALE OF PRODUCTS:		
Tea	58,93,14,993	60,38,98,605
Cardamom	12,80,92,200	5,56,96,267
Coffee	43,93,311	1,23,82,455
Pepper	21,11,318	33,89,896
Doors/Boards etc	11,03,25,498	15,47,90,100
Minor Produce	9,31,163	7,28,331
Live Flowering Plants	40,39,605	44,50,330
Furnitures/Architraves etc.	1,41,73,982	2,16,05,078
Tea waste	30,27,500	25,57,500
Sundry receipts	41,02,220	1,03,98,680
	86,05,11,790	86,98,97,242

NOTE: 18

OTHER INCOME:

Income from non-current Investments	34,25,700	5,32,200
Interest Received		
- From Banks	9,71,985	12,71,655
- Others	2,98,852	2,67,081
Profit on Sale of Assets	18,518	5,87,683
Rent Received	23,67,102	23,64,614
Insurance claim received	4,73,537	3,28,880
Subsidy	8,12,891	Nil
Miscellaneous Receipts	2,38,68,460	23,73,982
Provision written back	2,77,757	Nil
	3,25,14,802	77,26,095

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2020

	(Amount in ₹)	
	For the year ended 31-03-2020	For the year ended 31-03-2019
NOTE: 19		
COST OF MATERIAL CONSUMED:		
- Bought Leaf	25,11,04,510	28,51,96,971
- Wood	7,70,82,300	10,99,46,706
	<u>32,81,86,810</u>	<u>39,51,43,677</u>
NOTE: 20		
OTHER MANUFACTURING EXPENSES:		
Processing Charges	1,85,05,541	1,69,53,466
Power and fuel consumed	7,68,54,962	8,02,25,116
Stores, spares, chemicals and packing materials consumed	4,67,57,383	5,42,43,164
Transport and Warehousing	1,12,85,544	1,24,27,291
Repairs - Plant and Machinery	1,04,47,037	1,05,56,435
Repairs - Buildings	67,44,054	95,23,362
Installation Charges	49,79,442	55,66,797
	<u>17,55,73,963</u>	<u>18,94,95,631</u>

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2020

(Amount in ₹)

	For the year ended 31-03-2020	For the year ended 31-03-2019
NOTE: 21		
INCREASE/DECREASE IN INVENTORY		
Inventory at the beginning of the year		
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
Inventory at the end of the year		
Finished Goods		
Tea	3,07,95,000	4,50,56,000
Cardamom	1,01,13,000	23,37,000
	4,09,08,000	4,73,93,000
Stock in process:		
Doors/Boards	3,35,67,000	4,00,55,000
	7,44,75,000	8,74,48,000
	(+) 1,29,73,000	(-) 3,60,40,000
NOTE: 22		
EMPLOYEES BENEFIT EXPENSES:		
Salaries, Wages and Bonus	23,55,74,539	20,38,65,229
Contribution to Provident and Other Funds	1,96,19,937	1,54,10,564
Provision for Gratuity [Refer Note No. 25 (8)]	27,48,803	49,05,156
Provision for Leave Encashment [Refer Note No.25 (8)]	2,80,539	3,49,485
Staff Welfare Expenses	56,38,534	67,53,963
	26,38,62,352	23,12,84,397
NOTE: 23		
FINANCE COSTS:		
Interest	1,79,65,081	1,59,05,536
Other Borrowing Costs	5,75,066	7,90,770
	1,85,40,147	1,66,96,306

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2020

(Amount in ₹)

	For the year ended 31-03-2020	For the year ended 31-03-2019
NOTE: 24		
OTHER EXPENSES:		
Rent and Amenities	19,58,351	14,13,240
Rates and Taxes	20,36,652	21,22,964
Brokerage and Commission	22,24,685	12,61,906
Sales tax	5,04,913	Nil
Repairs and Maintenance :		
Roads and Buildings	75,316	1,34,438
Machinery	5,76,618	9,84,291
Vehicles	41,77,420	63,64,888
Others	5,99,955	14,17,922
Printing and Stationery	6,36,177	7,19,617
Postage and Telephones	9,38,373	10,14,132
Legal Expenses	61,918	1,23,100
Directors' Sitting Fees	1,50,000	90,000
Auditors' Remuneration:-		
For Audit	8,50,000	8,00,000
For Certification / Tax Audit	3,57,000	3,47,000
For Tax Representation	3,00,000	3,00,000
For Travelling and other Expenses	75,000	1,55,000
Insurance	24,07,001	15,05,113
Advertisement	5,62,340	2,21,826
Bank Charges	14,36,277	7,95,166
Professional fees and expenses	18,96,559	23,49,713
Travelling Expenses	1,66,48,885	1,60,78,313
Assets discarded written off	Nil	2,57,225
Exchange conversion loss	1,90,422	Nil
Bad and doubtful debts written off	24,59,423	10,04,652
Miscellaneous Expenses	32,53,396	33,64,390
	4,43,76,681	4,28,24,896

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020

NOTE : 25

(Amount in ₹)

OTHER NOTES

1. PARTICULARS OF CONSUMPTION:	Year Ended 31st March 2020		Previous Year	
	Value ₹	Percen- tage	Value ₹	Percen- tage
a) Raw Materials				
Bought Leaf - Indigenous	25,11,04,510	100	28,51,96,971	100
Wood - Indigenous	6,22,17,442	81	8,81,35,703	80
Wood - Imported	1,48,64,858	19	2,18,11,003	20
	7,70,82,300		10,99,46,706	
b) Stores and Spares				
Indigenous	4,67,57,383	100	5,42,43,164	100
Imported	Nil		Nil	
	4,67,57,383	100	5,42,43,164	100
2. EARNINGS IN FOREIGN CURRENCY:				
FOB value of exports		Nil		Nil
a. EXPENDITURE IN FOREIGN CURRENCY:				
Travelling Expenses	44,14,658		78,98,513	
Others	62,42,314		1,79,15,184	
b. CIF VALUE OF IMPORTS:				
Raw materials	1,71,47,587		1,87,57,902	
Stores and spares	Nil		Nil	
3. EARNINGS PER SHARE:				
Profit after Taxation	3,33,10,052		2,49,07,131	
Less: Preference Dividend and taxes thereon	8,40,000		10,12,665	
Profit available for Equity Shareholders	3,24,70,052		2,38,94,466	
Number of Equity Shares outstanding				
at the end of the year	5,40,000		5,40,000	
Earnings per Share (Basic and Diluted)	60.13		44.25	
4. CONTINGENT LIABILITIES:				
(a) Sales tax demands disputed in appeals against which ₹ 6,00,000/- is paid and included under other current assets	63,00,000		70,00,000	

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020

NOTE : 25 (Contd.)

OTHER NOTES (Contd.)

For the year ended Previous year
31-03-2020

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 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 processing of selling the Door Factory unit and had entered into a MOU with Mr.Somasundaran (Transferee) for the sale. Considering the MOU, the Company had 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. However, during the current year Mr. Somasundaran had communicated his inability to take over the unit, the responsibility of fulfilling the obligation was transferred to the Company. Further, the Company received a notice from DGFT on 02-01-2020 for non compliance of the conditions of export within the stipulated time along with a 'Del order' by which the directors and the company were marked as Denied Entities. The company wide its letter dated 16-01-2020 had submitted a request to consider the export made by its group companies for fulfilment of the condition as per the Foreign Trade Policy. A detailed working was also filed on 24-01-2020 seeking cancellation of the demand. The final communication relating to the demand were pending as on 31st March 2020.

- (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. 23,94,000 35,79,000
- (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 2020 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 | 94,25,588 | 64,26,888 |
| (ii) Principal due to Medium Enterprise | Nil | Nil |
| (iii) Interest | 5,75,066 | 7,90,770 |
| (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) | 5,75,066 | 7,90,770 |
| (d) The amount of interest accrued and remaining unpaid at the end of the accounting year | 5,75,066 | 7,90,770 |
| (e) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23. | 4,96,364 | 2,44,714 |

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020

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 31.03.2020		As on 31.03.2019	
	Gratuity (Funded Plan) ₹	Leave Encashment (Non Funded Plan) ₹	Gratuity (Funded Plan) ₹	Leave Encashment (Non Funded Plan) ₹
Present Value of the Obligation as on 1.04.2019	7,85,58,875	67,66,018	7,17,39,460	64,16,533
Current Service Cost	59,47,104	5,51,985	54,76,323	6,69,028
Interest Cost	57,34,680	5,02,285	50,85,679	4,68,407
Benefits Paid	(35,78,783)	(83,983)	(41,45,252)	
Actuarial loss / (gain)	(29,90,549)	(6,89,748)	4,02,665	(7,87,950)
Present Value of the Obligation as on 31.03.2020	<u>8,36,71,327</u>	<u>70,46,557</u>	<u>7,85,58,875</u>	<u>67,66,018</u>

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

Fair Value of Plan Assets as on 1.04.2019	7,36,53,719	Nil	6,87,17,963	Nil
Adjustment to Opening Fair Value of Plan Assets	0	Nil	0	Nil
Expected return on plan assets	55,79,300	Nil	52,40,600	Nil
Contribution by the Company	56,50,773	83,983	37,19,757	Nil
Benefits Paid	(35,78,783)	(83,983)	(41,45,252)	Nil
Actuarial gain / (loss)	(3,82,485)	Nil	1,20,651	Nil
Fair Value of Plan Assets as on 31.03.2020	<u>8,09,22,524</u>	<u>Nil</u>	<u>7,36,53,719</u>	<u>Nil</u>

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

Current Service Cost	59,47,104	5,51,985	54,76,323	6,69,028
Interest Cost	57,34,680	5,02,285	50,85,679	4,68,407
Expected return on plan assets	(55,79,300)	NA	(52,40,600)	NA
Net Actuarial (gain) / loss recognised in the year	<u>-26,08,064</u>	<u>(6,89,748)</u>	<u>2,82,014</u>	<u>-7,87,950</u>
	<u>34,94,420</u>	<u>3,64,522</u>	<u>56,03,416</u>	<u>3,49,485</u>

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020

NOTE : 25 (Contd.)

OTHER NOTES (Contd.)

Employee Benefits (Contd.)

(Amount in ₹)

	As on 31.03.2020		As on 31.03.2019	
	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	49,05,156	67,66,018	30,21,497	64,16,533
Adjustment to Opening Fair Value of Plan Assets				
Add : Expense as (d) above	34,94,420	3,64,522	56,03,416	3,49,485
Less: Employers Contribution / Payment	56,50,773	83,983	37,19,757	
Net Liability as at the end of the year	27,48,803	70,46,557	49,05,156	67,66,018
f) Constitution of Plan Assets:				
Investments in LIC Group Gratuity Scheme	8,09,22,524	Not Applicable	7,36,53,719	Not Applicable
g) Principal actuarial assumptions used as at the Balance Sheet date:				
Discount Rate	6.80%	6.80%	7.47%	7.47%
Salary Escalation Rate	6.00%	6.00%	6.00%	6.00%
Attrition Rate	5.00%	5.00%	5.00%	5.00%
Expected rate of return on plan assets	6.80%	NA	7.47%	NA

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

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

	31.03.2020	31.03.2019	31.03.2018	31.03.2017	31.03.2016
Gratuity funded plan					
Defined Benefit Obligation	8,36,71,327	7,85,58,875	7,17,39,460	6,65,79,769	6,09,82,779
Plan Assets	8,09,22,524	7,36,53,719	6,87,17,963	6,23,87,167	5,62,66,846
Surplus/(Deficit)	(27,48,803)	(49,05,156)	(30,21,497)	(41,92,602)	(47,15,933)
Experience adjustment - Plan Liability	(29,90,549)	4,02,665	(9,57,762)	4,04,505	12,43,370
Experience adjustment - Plan Assets	(3,82,485)	1,20,651	4,59,065	(38,066)	(3,20,401)

The Company expects to fund Rs.55 lakhs towards its Gratuity Plan during the year 2020-2021

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020

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. 1,76,78,369/- as expenses towards contributions to these plans.

9 Pursuant to the Memorandum of Understanding which was entered into by the company dated 24.03.2014 with Mr. Somasundaran Peedikaparambil for the sale of Wood Manufacturing unit situated in Annur in Tamil Nadu for a sum of Rs. 15 Crores (net of liabilities amounting Rs.4 Crores), a sum of Rs. 9.57 crores have been received towards the sale consideration up to 31st March 2020. 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 Mr. Somasundaran Peedikaparambil vide his letter dated 10th August 2014 had requested company to run the business on his behalf till the completion of transfer. The consequential losses if any till the completion of the transfer would be borne / made good by him vide undertaking given in the letter dated 10th August 2014. During the current year, Mr. Somasundaran has communicated his inability to take over the unit. The company is trying to identify a buyer for the division. For the year ended the wood division had incurred a loss of Rs 2.16 Crores and an amount of Rs.39 Lakhs towards GST which Mr. Somasundaran has accepted the adjustment against the sum payable to him. The balance due to Mr Somasundaran Peedikaparambil of Rs.7.95 crores has been disclosed under the head 'Other Current Liabilities'.

10 RELATED PARTY TRANSACTIONS:

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

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

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

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020

NOTE : 25 (Contd.)

OTHER NOTES (Contd.)

10. RELATED PARTY TRANSACTIONS: (Contd.)

Details of Transactions:	Year ended 31.03.2020		Year ended 31.03.2019	
	Associates	Key Management Personnel (Including Relatives)	Associates	Key Management Personnel (Including Relatives)
INCOME:				
Sales	63,00,44,782	Nil	67,19,57,784	Nil
Rent received	14,36,000	Nil	14,36,000	Nil
Dividend Received	34,18,500	Nil	5,25,000	Nil
EXPENDITURE:				
Purchases	1,21,52,569	Nil	2,49,60,664	Nil
Warehousing Charges	7,93,971	Nil	7,12,162	Nil
Employee Cost	98,96,372	Nil	1,03,98,387	Nil
Rent Paid	12,000	Nil	12,000	Nil
Remuneration paid to				
Managing Director	Nil	50,94,240	Nil	50,94,240
Sitting Fees	Nil	80,000	Nil	60,000
Interest Paid	Nil	24,10,965	Nil	12,57,121
Commission/Other selling expenses paid	20,06,348	Nil	7,27,979	Nil
OTHERS:				
Loan Accepted	Nil	7,65,00,000	Nil	Nil
Loan Repaid	Nil	1,25,00,000	Nil	10,00,000
Rent Advance	Nil	5,20,000	Nil	5,20,000
BALANCE AS ON 31st MARCH 2020				
Debit Balances	8,92,13,954	5,20,000	8,11,29,379	5,20,000
Credit Balances	Nil	7,65,00,000	Nil	1,25,00,000

11 The Board of Directors in its meeting on 9th September 2020, have proposed a dividend of Rs.2.50 per Equity Share for financial year ended 31st March 2020. The proposal is subject to the approval of Shareholders at the Annual General Meeting to be held on 17th December 2020 and if approved, would result in a cash outflow of approximately Rs.13.50 Lakhs.

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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

NOTE : 25 (Contd.)

OTHER NOTES (Contd.)

12 Impact of COVID 19

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

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

13 7% Cumulative Dividend and tax on dividend payable on Preference Shares for the year 2019-20 amounts to Rs. 8,40,000. The Company's obligation towards Preference Shares dividend is pending from 2011-12, amounting to Rs. 85,48,993/-. This amount is proposed to be paid after the Annual General Meeting.

14 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 : 09.09.2020

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 %
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	-	-
2019-2020	3,33,10,052	1,61,16,720	-	7,04,00,192	13,50,000	25*

* Recommended

AREA : AS ON 01-04-2020

	Pasuparai Estate		Carady Goody Estate		Total
	Hectares	Hectares	Hectares	Hectares	
Tea	193.42	104.51	315.42	222.81	508.84
Cardamom					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

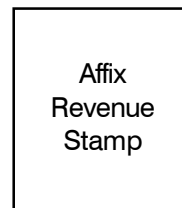
3. Name :
Address :
E-mail Id :
Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 94th Annual General Meeting of the Company, to be held on Thursday , 17th day of December, 2020 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 2020

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 31st March, 2020, the Reports of the Board of Directors and Auditors thereon.
2.	Declaration of Dividend on (i) 7% Cumulative Redeemable Preference shares for the period from 1st April, 2011 to 31st March, 2020. (ii) Equity shares for the year ended 31st March, 2020.
3.	Appointment of Director in the place of Mr. Dilip Thomas who retires by rotation and is eligible for re-appointment.
Special Business	
4.	Appointment of Mr.S.Ganesan as a Director liable to retire by rotation.
5.	Re-appointment of Mr.K.Suresh as Managing Director for a period of three years commencing from 1st June, 2020 to 31st May, 2023.
6.	Payment of remuneration to Mr. K.Suresh, on his re-appointment as Managing Director.

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 94th Annual General Meeting of the Company at 11.30 A.M on Thursday the 17th December, 2020 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

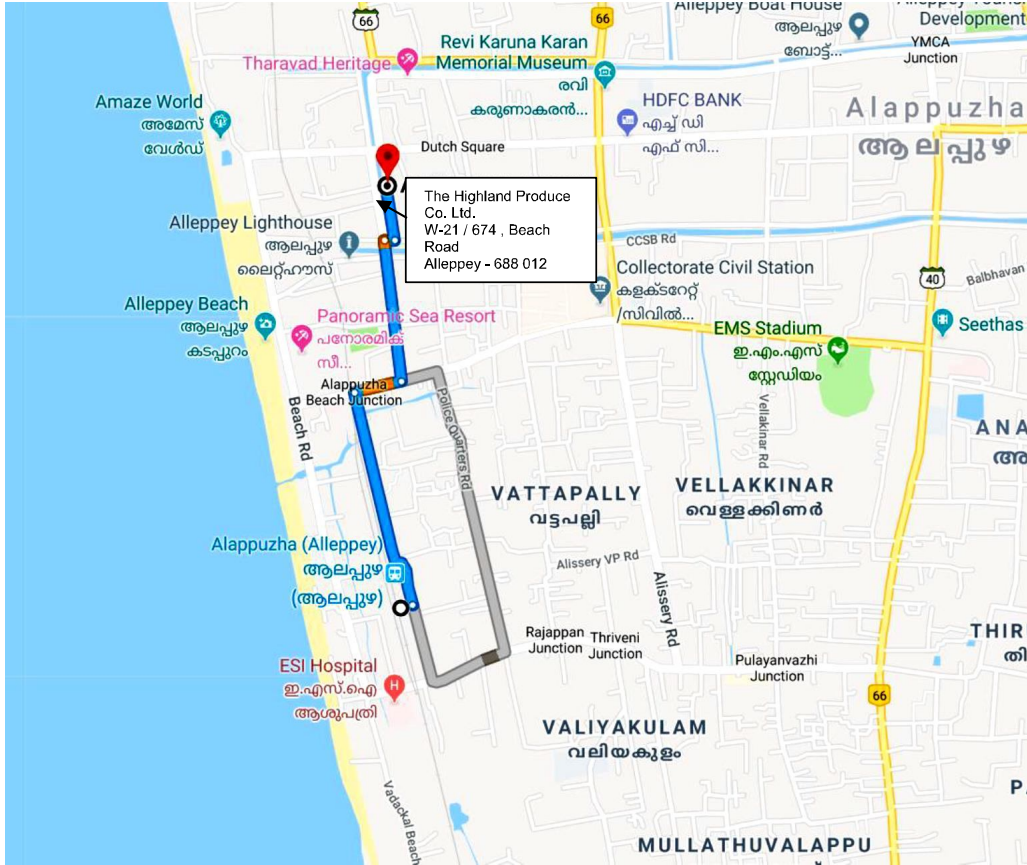
Email ID:.....

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.

