

**THE HIGHLAND  
PRODUCE COMPANY LTD.**

**96<sup>th</sup>**  
**ANNUAL REPORT & ACCOUNTS**  
**2021 - 2022**

# THE HIGHLAND PRODUCE COMPANY LIMITED

## ALAPPUZHA

### BOARD OF DIRECTORS

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

### AUDITORS

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

### BANKERS

The Federal Bank Ltd.  
Bank of Baroda

### REGISTRAR & SHARE TRANSFER AGENT

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

### REGISTERED OFFICE

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

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# THE HIGHLAND PRODUCE COMPANY LIMITED

Registered Office: W-21/674, Beach Road, Alappuzha-688012

CIN : U01119KL1925PLC000416

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## NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the NINETY SIXTH 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 22<sup>nd</sup> September, 2022 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited financial statements of the Company for the year ended 31<sup>st</sup> March, 2022, the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity shares (The Directors have recommended a dividend of Rs10/- per Equity share [100%])
3. To appoint a Director in place of Mr. K.Ashok (DIN:02272068) who retires by rotation and being eligible has offered himself for re-appointment.
4. To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

**RESOLVED:** "That pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. Suri & Co, Chartered Accountants (Firm Registration No. 004283S), be and is hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the 101<sup>st</sup> Annual General Meeting of the Company to be held in the year 2027, at such remuneration plus taxes applicable thereon, out of pocket and travelling expenses as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

### SPECIAL BUSINESS:

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

**RESOLVED :** "That pursuant to the provisions of Section 185, 186, 188 and other applicable provisions if any of the Companies Act, 2013, including any statutory modifications or re-enactments thereof, for the time being in force, read with the relevant rules framed there under and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the members of the company be and is hereby accorded for giving loan to The Rajagiri Rubber & Produce Company Limited (herein referred as "borrowing company"), a company in which the Directors of the company are interested, to the extent of Rs. 3 Crores (Rupees Three Crores only) to be utilized for the principal business activities of the borrowing company".

**RESOLVED FURTHER :** "That for the purpose of giving effect to the foregoing resolution, the Board of Directors of the company (hereinafter referred to as "BOARD", which term shall be deemed to include any committee thereof) be and is hereby authorized to negotiate, finalise and agree the terms and conditions of the aforesaid loan, and to take all necessary steps, to execute all such documents , deeds, instruments writings and to do all such acts, deeds and things in order to comply with all the legal and procedural formalities and to do all such acts, deeds and things in order to comply with all the legal procedural formalities and to do all such acts, deeds or things incidental or expedient thereto, as the Board may think fit and suitable."

By Order of the Board  
For THE HIGHLAND PRODUCE COMPANY LIMITED  
DILIP THOMAS  
Chairman  
DIN: 00052185

Chennai  
25th July, 2022

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## THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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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 22<sup>nd</sup> September, 2022.

- (i) compulsory body temperature checks will be conducted for every attending shareholder of the Company, proxy and other attendees at the entrance of the AGM venue. Any person with a body temperature of over 37.5 degrees Celsius will not be allowed entry into the AGM venue;
- (ii) each attendee will be asked to fill up a health declaration form, based on which his/her entry into the AGM venue will be decided.
- (iii) each attendee would be provided with and should wear face mask throughout the AGM and inside the AGM venue;
- (iv) the Company will provide hand wash and sanitizer at the AGM venue;
- (v) the Company will maintain safe distance between seats; and
- (vi) 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 related details pursuant to Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment at the AGM is annexed.**
- 7. 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.**

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## THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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8. The Register of Members and Share Transfer Books of the Company will remain closed from 16<sup>th</sup> September, 2022 to 22<sup>nd</sup> September, 2022 both days inclusive.
9. The dividend as recommended by the Board, if approved at this meeting, will be paid within 30 days from the date of AGM, to those members whose names appear in the Register of Members on that date.
10. 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.
11. 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. 2021-2022, 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.
12. The Finance Act, 2020 had made the dividend declared from 01<sup>st</sup> April 2020 taxable in the hands of shareholders, where the dividend exceeds Rs.5000/- in a financial year. This has created a requirement for investors to submit 15G/ 15H in case if they would like to be exempted from deduction of tax from their dividend. Form 15G/ 15H can be downloaded from the web link <https://investors.cameoindia.com> to avail the benefit and email to [investor@cameoindia.com](mailto:investor@cameoindia.com) immediately. There is also a provision to upload Form 15G/ 15H in the web link viz; <https://investors.cameoindia.com> provided by the Company's Registrar and Share Transfer Agent M/s Cameo Corporate Services Limited.
13. 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.
14. 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.
15. 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.
16. 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.
17. 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.
18. Members may also note that the Notice of the 96<sup>th</sup> Annual General Meeting and the Annual Report for 2021-2022 will also be available on the Company's website; [www.highlandproduce.in](http://www.highlandproduce.in) for downloading. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. For any communication, the shareholders may also send requests to the Company's Registrar and share transfer agent's email ID: [investor@cameoindia.com](mailto:investor@cameoindia.com)

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## THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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19. Members whose names appear in the Register of Members/ List of Beneficial Owners as on Cut-off date i.e. 15<sup>th</sup> September, 2022 will be considered for the purpose of availing Remote e-voting or Vote in the Annual General Meeting. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.
20. 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.
21. Documents referred to in the Notice shall be open for inspection by the members at the Registered Office of the Company on all working days (Monday to Friday) during business hours, except holidays, upto the date of the meeting.
22. As per Secretarial Standard-2 a route map with prominent Landmark of the venue of the meeting is attached as a separate sheet.
- 23. 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 96th 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](http://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 19th September, 2022 , Monday (9:00 a.m.) and ends on 21st September, 2022, Wednesday (5:00 p.m.). During this period shareholders' of the Company, holding shares in physical form/demat form, as on the cut-off date of 15th September,2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

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

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

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## THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Login method for e-Voting for individual shareholders holding in Demat form & Physical shareholders.

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

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department <ul style="list-style-type: none"> <li>• 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.</li> <li>• <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></li> </ul>
Dividend Bank Details Or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in the company records in order to login.  If both the details are not recorded with the Company please enter the Folio Number in the Dividend Bank details field as mentioned in instruction (v).

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## THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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



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## THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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### General Instructions

- (i) Mr. V. Suresh, Practising Company Secretary ( CP No.6032) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (ii) The Scrutinizer shall after the conclusion of voting at the General Meeting, will first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him, in writing, who shall countersign the same and declare the result of the voting forthwith. The resolutions will be deemed having been passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions.
- (iii) The results declared along with the Report of the Scrutinizer shall be placed on the Company's website [www.highlandproduce.in](http://www.highlandproduce.in) and on the website of CDSL immediately after the result is declared by the Chairman or a person authorised by him in writing who shall countersign the same.
- (iv) The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on 15th September, 2022. 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 HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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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.

### SPECIAL BUSINESS:

#### Item No.5

As per section 185, 186 & 188 of the Companies Act 2013, a company may advance any loan including any loan represented by a book debt, or give any guarantee provide any security in connection with any loan taken by any person in whom any of the director of the company is interested, subject to the condition that: (a) a special resolution is passed by the company in general meeting and (b) the loans are utilised by the borrowing company for its principal business activities.

The loan amount to the extent of Rs.3 Crores (Rupees Three Crores only), to be lent to The Rajagiri Rubber & Produce Company Limited, will be used by the borrowing company for the purpose of its principal business activities only.

Therefore, the said Special Resolution is proposed for the approval of members under item no 5 of the Notice.

All the relevant documents considered at the meeting can be inspected at the office hours on working days at the Corporate office of the company.

Mr.Dilip Thomas and Mrs.Priyalatha Thomas , Directors of the company and their respective relatives are concerned or interested, financially or otherwise, in respect of passing of the Special Resolution set out at Item No.5 of the Notice

None of the Directors/ Key Managerial Personnel , except the above mentioned Directors, of the company or their relatives are concerned or interested, financially or otherwise, in respect of passing Special Resolution set out at Item No. 5 of the Notice.

The Board recommends the passing of the Special Resolution set out in Item No.5 of accompanying Notice.

Chennai  
25th July, 2022

By Order of the Board  
For THE HIGHLAND PRODUCE COMPANY LIMITED  
DILIP THOMAS  
Chairman  
DIN: 00052185

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## THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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

**For Agenda Item No.3**

Name of the Director	Mr. K.Ashok
Date of Birth	10 <sup>th</sup> December 1955
DIN	02272068
Qualifications	M.A ( Economics)
Expertise in Specific functional areas	Mr. K.Ashok has considerable experience in Tea Industry
Date of appointment on the Board	11.07.2018
Number of Board Meetings attended during the year 2021-22	4
Relationship with Other directors	Not related to any Director
Directorship held in other Companies (excluding foreign companies)	<b>Director</b> Gillanders Arbuthnot & Co. Ltd. Ootacamund Club
Membership of Committees in other Companies	-
Number of shares held in the Company	NIL

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# THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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## DIRECTORS' REPORT

Your Directors have pleasure in presenting the **NINTY SIXTH** Annual Report with the Audited Accounts for the year ended March 31, 2022.

### FINANCIAL RESULTS :

(Rs. in lakhs)

	2021-22	2020-21
Income from operations & other income	10,046.83	10,926.38
Profit before Depreciation	594.77	1,170.56
Depreciation	165.58	169.50
Profit before Taxation	429.19	1,001.06
Less: Provision for taxation	92.58	229.00
Profit after Taxation	336.61	772.06
Add : Surplus brought forward	832.79	673.65
Total amount available for appropriation	1,169.40	1,445.71
LESS :		
Transfer to General Reserve	Nil	400.00
Transfer to Capital Redemption Reserve	Nil	120.00
Dividend paid on 7% Cumulative Preference Shares for the period 16.1.2008 to 31.12.2020	Nil	79.42
Dividend paid on Equity shares	54.00	13.50
Surplus carried forward	1,115.40	832.79
	1,169.40	1,445.71

Proposed Dividend for the current year\*

\* Proposed dividend on Equity Shares has not been recognised as a liability in the current year's accounts in accordance with the Indian Accounting Standard 10 event after the reporting year.

### DIVIDEND

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

### 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 lower during the year and prices realised were also lower than the previous year.

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

As regards the Doors and Panel Boards unit, the proposed buyer has consented to proceed with the take over of the unit and as accepted by him the current year's loss on operations has been shown as amount receivable from him. Considering the adverse impact of Covid-19 outbreak, the Company has entered into a revised agreement on the terms of sale and the documentation for sale is expected to complete during the year.

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## THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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### **PARTICULARS OF EMPLOYEES**

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

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

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and rules made there under Mr K.Ashok (DIN: 02272068) 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.K.Ashok.at the ensuing Annual General Meeting.

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

### **ANNUAL RETURN**

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

### **BOARD MEETINGS**

During the financial year 2021-22 the Board of Directors met four times. The dates on which the meetings held were 09.09.2021, 16.12.2021, 10.02.2022 & 07.03.2022. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013. The Company has complied with the Secretarial Standards issued by the ICSI.

### **AUDIT COMMITTEE**

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

### **NOMINATION AND REMUNERATION COMMITTEE**

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

### **SHARE TRANSFER COMMITTEE**

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

### **AUDITORS**

Pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013, the shareholders in their 91<sup>st</sup> 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 96<sup>th</sup> Annual General Meeting. As the tenure ends on ensuing Annual General Meeting, the Board of Directors have recommended the re-appointment of M/s Suri & Co Chartered Accountants as Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of 101<sup>st</sup> AGM.

A certificate from the Auditors that they satisfy the conditions prescribed under the Companies Act, 2013 and Rules made thereunder (including satisfaction of criteria under Section 141 of the Act), has been received from them.

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## THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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### **COST AUDITORS**

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

### **AUDITORS REPORT**

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

### **SECRETARIAL AUDIT**

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

### **DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

The Auditors of the Company have not reported any fraud as specified under section 143 (12) of the Companies Act, 2013.

### **INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS.**

The Company has internal control systems commensurate with the size and nature of its business and adequate with reference to the financial statements as to ensure that the assets of the company are safeguarded and protected and there is regular review by Management on policies, procedures and internal controls.

### **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. Sreejith.K, Senior Manager – Finance has been assigned the task of informing the Board about the various risks and its mitigation by the Company from time to time.

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

### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

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

### **SUBSIDIARY/ASSOCIATE COMPANIES**

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

### **TRANSACTIONS WITH RELATED PARTIES**

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

### **INSURANCE**

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

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

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

### **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

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

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

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## THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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### **FOREIGN EXCHANGE EARNINGS/OUTGO**

During the year under review, total outgo on Foreign Exchange amounted to Rs.190.83 lakhs. Details are set out in Note 26 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 details about the initiatives taken by the Company on CSR during the year as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been disclosed in **Annexure -III**

### **DEPOSIT FROM PUBLIC**

The Company has not accepted any deposits from public during the year. However, the Company has accepted an amount of Rs. 565 lakhs as loan from Directors under section 73 read with The Companies (Acceptance of Deposits) Rules, 2014

### **DISCLOSURE OF ACCOUNTING TREATMENT**

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

### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a) in the preparation of the annual accounts for the financial year ended 31st March, 2022, 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.

### **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.

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## THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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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,  
25th July, 2022

By Order of the Board  
DILIP THOMAS  
Chairman  
DIN:00052185



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# THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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**ANNEXURE –I**

**Form No. AOC-2**

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

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

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

Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2021 – 22.

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

For and on behalf of the Board of Directors  
DILIP THOMAS  
CHARIMAN  
DIN:00052185

Chennai  
25th July, 2022

# THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

Annexure IA

## Form No. AOC 2

Name of the Company	Nature of Relationship	Nature of Transaction	Duration of Transactions	Amount (Rs)	Salient Terms	Date of Approval by the Board	Amount paid as Advance if any
A.V Thomas and Company Ltd	Common Control through constitution of Board / shareholding	Sale of 3574364 kgs of Tea	On going transactions	54,34,41,988	Market Rate	Not Applicable	Nil
		Godown Rent received for W/Island office Building/Godown	On going transactions	14,00,000	Market Rate	Not Applicable	Nil
		Dividend received on Equity shares	On going transactions	7,00,000	-	Not Applicable	Nil
A.V Thomas and Company Ltd W/Island	Common Control through constitution of Board / shareholding	Cost of 2400 Kgs of Staff gratis tea	On going transactions	3,12,000	Market Rate	Not Applicable	Nil
Doors and More Wood Products Limited	Common Control through constitution of Board / shareholding	Cost of Doors/ Boards etc sold	On going transactions	11,97,52,664	Market Rate	Not Applicable	Nil
		Rent received for door unit factory premises godown	On going transactions	36,000	Market Rate	Not Applicable	Nil
The Rajagiri Rubber and Produce Co.Ltd	Common Control through constitution of Board / shareholding	Sale of 862 kgs of Staff gratis tea	On going transactions	1,17,666	Market Rate	Not Applicable	Nil
L.J International Limited	Common Control through constitution of Board / shareholding	Sale of 600 kgs of Staff gratis tea	On going transactions	78,000	Market Rate	Not Applicable	Nil
		Sale of flowering plants	On going transactions	19,11,455	Market Rate	Not Applicable	Nil
		Sale of vermicornpost	On going transactions	9,000	Market Rate	Not Applicable	Nil
M/s Rajagiri Impex Limited	Common Control through constitution of Board / shareholding	Sale of 59135 Kgs of Cardamom	On going transactions	5,93,10,563	Market Rate	Not Applicable	Nil
		Sales Expenses paid	On going transactions	16,08,199	Market Rate	Not Applicable	Nil
A.V Thomas International Ltd.	Common Control through constitution of Board / shareholding	Dividend received on Equity shares	On going transactions	5,000	-	Not Applicable	Nil
Dalp Trading and Manufacturing Limited. Chennai	Common Control through constitution of Board / shareholding	Commission paid for procurement of green leaf	On going transactions	58,82,739	Market Rate	Not Applicable	Nil
		Dividend Paid on Equity shares	On going transactions	21,16,330	-	09.09.2021	Nil
A.V Thomas and Company Ltd. Chennai	Common Control through constitution of Board / shareholding	Rent for the Building at Chennai	On going transactions	12,000	Market Rate	Not Applicable	Nil
Doors and More Wood Products Limited	Common Control through constitution of Board / shareholding	Processing Charges paid for Door unit work at Coimbatore	On going transactions	89,81,265	Market Rate	Not Applicable	Nil
		Purchase of Doors	On going transactions	7,55,221	Market Rate	Not Applicable	Nil
The Rajagiri Rubber and Produce Company Limited	Common Control through constitution of Board / shareholding	Purchase of rubber firewood	On going transactions	5,21,148	Market Rate	Not Applicable	Nil
		Sharing of Employee Cost	On going transactions	50,57,638	Market Rate	Not Applicable	Nil
		Dividend Paid on Equity shares	On going transactions	1,22,080	-	09.09.2021	Nil
L.J International Limited	Common Control through constitution of Board / shareholding	Purchase of flowering plants	On going transactions	3,86,628	Market Rate	Not Applicable	Nil
		Dividend Paid on Equity shares	On going transactions	1,000	-	09.09.2021	Nil
A.V.Thomas and Co.Ltd. W/Island	Common Control through constitution of Board / shareholding	Warehousing and C&F Charges	On going transactions	18,01,427	Market Rate	Not Applicable	Nil

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# THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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Annexure -II

## CONSERVATION OF ENERGY

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

The steps taken or impact on conservation of Energy

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

- Drip irrigation in tea and micro sprinkler system with fertigation in cardamom was introduced to conserve water.
- 600 KVA fuel efficient Genset installed at Caradygoody factory.
- In factory, cardamom curing house, retail outlets and offices the lighting was converted to LED lighting to conserve electrical energy
- To conserve ground water, Estates are using the rain water harvesting tanks
- Continues to use Hot air from the drier for withering of green leaf in the trough.
- For rain water harvesting for conservation of water, earth bund dykes are constructed.
- New Tea Drier machine with energy efficient motor installed in Pasuparai Estate for Conservation of energy.

# THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

## ANNEXURE-III

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of the project or programs proposed to be undertaken.

The Company has undertaken activities relating to the following areas for the financial year 2021-22.

- i. Promotion of Health Care
- ii. Promoting Social and Economic Development.
- iii. Activities envisaged in the Schedule VII of the Companies Act, 2013.

2. Composition of the CSR Committee - Not Applicable since the amount required to be spent is below Rs.50,00,000/-

3. Provide the web-link where composition of CSR committee, CSR policy and CSR projects approved by the Board are disclosed in the website of the company - Not applicable

4. Average net profit of the Company for last three financial years : Rs.525 lakhs

5. Prescribed CSR expenditure (2% of the amount as in item 3 above). The Company was required to spend Rs.10.50 lakhs

6. Details of CSR spent for the financial year

- i. Total amount spent for the financial year:Rs.10.50 lakhs

- ii. Amount unspent if any: NIL.

- iii Manner in which the amount spent during the financial year is detailed hereunder:

In accordance with the Company's CSR policy and in compliance with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has undertaken CSR projects through implementing agency.

7. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014. - Not Applicable.

#### **Details of CSR expenditure incurred by the Company during the financial year 2021-22**

8. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

(Rupees in Lakhs)

SI.No.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be set-off for the financial year, if any
1.	2021-22	NIL	NIL
9. Average net profit of the Company as per Section 135(5)			525
(a) Two percent of average net profit of the Company as per Section 135(5)			10.50
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years			NIL
(c) Amount required to be set off for the financial year,			NIL
(d) Total CSR obligation for the financial year			10.50

## THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

10. (a). CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)			Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)	
10,50,000	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
	NIL	NIL	NIL	NIL	NIL

(b). Details of CSR amount spent against ongoing projects for the financial year : NIL

(c). Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation Direct	Mode of Implementation through Implementing Agency	
				State	District			Name	CSR registration number
1	Roti Foundation	Social and Economic Development	No	Maharashtra	Mumbai	5,00,000	Direct	NA	NA
2	Appollo Cancer Foundation	Health care	No	Tamil Nadu	Chennai	5,50,000	Direct	NA	NA
	<b>TOTAL</b>					<b>10,50,000</b>			

CSR registration will be obtained within the prescribed timeline, wherever applicable as per CSR Amendment Rules. The requirement does not apply to CSR projects or programs approved prior to April 1, 2021

(d). Amount spent in Administrative Overheads NIL

(e). Amount spent on Impact Assessment, if applicable NA

(f). Total amount spent for the Financial Year Rs.10.50 lakhs

(g). Excess amount for set off, if any

Sl. No.	Particulars	Amount Rs. in lakhs
1	Two percent of average net profit of the Company as per Section 135(5)	10.50
2	Total amount spent for the Financial Year	10.50
3	Excess amount spent for the financial year	Nil
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
5	Amount available for set off in succeeding financial years	Nil

11 (a). Details of Unspent CSR amount for the preceding three financial years: Nil

(b). Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

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## THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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12. Details relating to the asset created or acquired through CSR spent in the financial year.  
No capital assets were created or acquired through CSR fund during the financial year 2021-22.
13. Reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5). - NA
14. During the year, the Company has spent an amount of Rs.10.50 lakhs towards amount to be spent Rs.10.50 lakhs . There is no shortfall, The company intends to set off the additional amount of Rs. Nil to the succeeding financial years.
15. The Chairman of the CSR Committee has given a responsibility statement on behalf of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.  
- Not applicable since the CSR amount payable is below Rs. 50 lakhs.

For and on behalf of the Board of Directors  
DILIP THOMAS  
CHARIMAN  
DIN:00052185

Chennai  
25th July, 2022

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# THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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## 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 2022, and the statement of profit and loss, and statement of cash flows for the year 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 fairview in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

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

#### **Responsibilities of Management and Those Charged with Governance for the Standalone 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

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## THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

Materiality is the magnitude of misstatements in the 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.



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## THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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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, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give an Annexure A, a Statement on matters specified in paragraph 3 and 4 of the said order, to the extent applicable

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts of the company.
- (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 31<sup>st</sup> March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2022 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 read with Schedule V of the Companies Act, 2013.

- (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 26(4)(a) to the financial statements

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## THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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- 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, 2022.
- iii. There were no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e), as provided under (a) and (b) above, contain any material misstatement.  
(v) The dividend proposed in the previous year, declared and paid by the Company during the year and until the date of this report are in compliance with Section 123 of the act.

Further, the Board of Directors of the Company have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

**Place : Chennai**  
**Dtae : 25.07.2022**

**For SURI & CO.,**  
**Chartered Accountants**  
**Firm Regn. No.004283S**  
**G.RENGARAJAN**  
**Partner**  
**Membership No.219922**  
**UDIN: 22219922ANPHKV5522**

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## **THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA**

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

The Annexure referred to in Independent Auditors' Report to the members of the company on the financial statements for the year ended 31st March 2022, we report that:

- i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.  
B. The company does not have any intangible assets and hence clause (i)(a)(B) of the Order is not applicable for the year.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties (other than immovable properties where the company is the lessee and the lease agreement are in favour of lessee) disclosed in the Financial Statements are held in the name of the company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year.
- (e) Based on the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii) (a) 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. We were informed that, no material discrepancies in excess of 10% or more in aggregate for each class of inventory were noticed. The discrepancies noticed on verification between the physical stocks and the book records have been properly dealt in the books of accounts.
- (b) According to the information and explanation given to us and on the basis of our examination of the records of the company, the company has been sanctioned overdraft limit in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets along with paripasu charge on estate immovable properties and plant and machinery. The quarterly income statements filed by the company with such banks are in agreement with books of the company.
- iii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made investments or provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. Accordingly Para 3 (iii) (a) to (f) of the Order are not applicable.
- iv) According to the information and explanation given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013.
- v) The Company has not accepted any deposits or amounts which are deemed to be deposits under the directives of the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

## THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

- vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of accounts 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 the cost records under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed accounts and cost records have been made and maintained. However, we have not carried out any detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii) a) According to the information and explanations given to us and based on our examination of the records of the company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employee State Insurance Fund, Income Tax, Goods and Service Tax, cess and other statutory dues applicable to it. No undisputed statutory dues were outstanding as at the last day of the financial year for a period of more than 6 months from the date they became payable than the following:

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which dues relates	Due date	Date of payment	Remarks (if any)
EPF Act, 1952	Provident Fund	23,765	Jul-21	15-08-2021	23-04-2022	
EPF Act, 1952	Provident Fund	6,783	Jul-21	15-08-2021	05-05-2022	
EPF Act, 1952	Provident Fund	25,047	Aug-21	15-09-2021	23-04-2022	
EPF Act, 1952	Provident Fund	5,789	Aug-21	15-09-2021	05-05-2022	

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

Name of the Statute	Nature of the dues	Amount (Rs.)	Amount paid (Rs.)	Forum where dispute is pending
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	23,11,637	4,03,134	Deputy Commissioner (Appeals) / Asst Commissioner (Assmt)
Tamil Nadu Value Added Tax Act	CST 2009-10	1,06,759	Nil	Commissioner (Appeals)
	CST 2011-12 & 2012-13	4,50,582	Nil	High Court of Madras
	TNVAT 2006-07	4,55,636	1,96,910	Commissioner (Appeals)

- viii) Based on the information and explanation given to us, and based on the records verified by us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix) (a) Based on the information and explanations given to us and based on our verification of books of accounts, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

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## THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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- (b) Based on the explanation and information given to us, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) Based on the explanation and information given to us, the company has utilised the money obtained by way of term loans during the year for the purpose for which they were obtained.
- (d) Based on the information and explanation given to us and based on an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- (f) The company has not raised any loans during the year on the pledge of securities held in its any entity or person on account of or to meet the obligation of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- x) (a) The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly Para 3 (x)(a) of the Order is not applicable.
- (b) During the year, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable
- xi) (a) Based on the examination of the books and records of the Company and according to the information and explanations given to us, there was no fraud by the Company and no fraud on the Company has been noticed or reported during the year.
- (b) Based on the information and explanation given to us and based on the examination of the company's records, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and upto the date of this report.
- (c) The company does not fall within the ambit of the provisions of section 177(9) of the Companies Act 2013 regarding Vigil Mechanism. Accordingly, clause 3(xi)(c) of the Order pertaining to whistle blower complaints is not applicable.
- xii) The Company is not a Nidhi Company. Accordingly Para 3 (xii) of the Order is not applicable.
- xiii) In our opinion, the Company is in compliance with Section 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable Accounting Standards. Section 177 of the Companies Act is not applicable.
- xiv) (a) In our opinion, based on the information and explanation given to us, section 138 of the companies act is not applicable to the company. Hence the Para 3(xiv) of the Order is not applicable to the company.
- xv) Based on the information and explanations given to us and based on the audit the books of accounts, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

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## THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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- xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the order is not applicable.
- (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence clause 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable.
- xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors during the year and accordingly, the provisions of clause 3(xviii) of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is incapable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act 2013 pursuant to any project. According clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**Place : Chennai**  
**Date : 25.07.2022**

**For SURI & CO.,**  
**Chartered Accountants**  
**Firm Regn. No.004283S**  
**G.RENGARAJAN**  
**Partner**  
**Membership No.219922**  
**UDIN: 22219922ANPHKV5522**

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# THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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## ANNEXURE B TO THE REPORT OF THE AUDITORS TO THE MEMBERS OF THE HIGHLAND 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-2022 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.

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## THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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### **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-2022 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**  
**Dtae : 25.07.2022**

**For SURI & CO.,**  
**Chartered Accountants**  
**Firm Regn. No.004283S**  
**G.RENGARAJAN**  
**Partner**  
**Membership No.219922**  
**UDIN: 22219922ANPHKV5522**



# THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

CIN : U01119KL1925PLC000416

## BALANCE SHEET AS AT 31ST MARCH 2022

	NOTES	As at 31-03-2022	₹ in lakhs As at 31-03-2021
<b>I. Equity and liabilities:</b>			
<b>(1) Shareholders' funds:</b>			
(a) Share capital	2	54.00	54.00
(b) Reserves and surplus	3	1,665.75	1,383.14
		1,719.75	1,437.14
<b>(2) Non-current liabilities:</b>			
(a) Long term borrowings	4	102.48	230.11
(b) Long-term provisions	5	8.40	12.31
		110.88	242.42
<b>(3) Current liabilities:</b>			
(a) Short-term borrowings	6	932.08	872.60
(b) Trade payables	7		
Total outstanding dues of Micro Enterprises and Small Enterprises [Note No. 26 (5)] and Total outstanding dues of Creditors other than micro enterprises and small enterprises		121.86	74.93
(c) Other current liabilities	8	1,160.97	1,168.74
(d) Short-term provisions	9	1,287.34	1,123.60
		256.35	405.48
		3,758.60	3,645.35
	<b>TOTAL</b>	5,589.23	5,324.91
<b>II. Assets:</b>			
<b>(1) Non-current assets:</b>			
(a) Property, Plant, Equipment and Intangible Assets:			
(i) Property, Plant and Equipment	10	1,782.49	1,444.70
(ii) Capital work-in-progress	11		
a) Bearer plants		230.72	208.74
b) Others		-	280.07
(b) Non-current investments	12	8.33	8.33
(c) Other non-current assets	13	36.05	37.37
		2,057.59	1,979.21
<b>(2) Current assets:</b>			
(a) Inventories	14	954.46	1,059.32
(b) Trade receivables	15	1,991.49	1,722.67
(c) Cash and cash equivalents	16	90.59	75.74
(d) Short term loans and advances	17	495.10	487.97
		3,531.64	3,345.70
Significant Accounting Policies	1		
	<b>TOTAL</b>	5,589.23	5,324.91

See accompanying Notes to the financial statements.

Vide our report of date attached  
For SURI & CO.

*Chartered Accountants*  
Firm Regn.No.004283S

G. RENGARAJAN

*Partner*

Membership No. 219922

For and on behalf of the Board

DILIP THOMAS

*Chairman*

DIN: 00052185

K. SURESH

*Managing Director*

DIN: 00255162

Place : Chennai,  
Date : 25.07.2022

# THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

CIN : U01119KL1925PLC000416

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

	Notes	For the year ended 31-03-2022	For the year ended 31-03-2021
₹ in lakhs			
<b>REVENUE:</b>			
<b>I. Revenue from Operations:</b>			
Sale of Products	18	9,690.75	10,431.71
<b>II. Other Income:</b>	19	356.08	494.67
<b>III. Total Income (I+II)</b>		10,046.83	10,926.38
<b>EXPENSES:</b>			
Cost of materials consumed	20	4,079.48	4,483.66
Other manufacturing expenses	21	1,774.53	1,825.31
Purchase of stock-in-trade - Tea		1.08	1.19
Change in inventory of finished goods, work in progress and stock in trade	22	228.68	(1.39)
Employee benefit expenses	23	2,830.27	2,705.06
Finance costs	24	109.72	124.59
Depreciation and amortization expense		165.58	169.50
Other expenses	25	428.30	617.40
<b>IV. Total expenses</b>		9,617.64	9,925.32
<b>V. Profit/(Loss) before exceptional and extraordinary items(III-IV)</b>		429.19	1,001.06
<b>VI. Exceptional/Extraordinary items</b>		Nil	Nil
<b>VII. Profit/(Loss) after exceptional/Extraordinary items</b>		429.19	1,001.06
<b>VIII. Profit/(Loss) before Tax (PBT)</b>		429.19	1,001.06
<b>IX. Tax expenses:</b>			
- Current Tax (CIT)	91.25		194.30
Add: MAT credit entitlement utilised.	1.33		34.70
		92.58	
<b>X. Profit/(Loss) for the period (VIII-IX)</b>		336.61	772.06
<b>Earnings per Share (in Rs.)</b>			
(1) Basic	26 (3)	62.34	141.81
(2) Diluted		62.34	141.81
Face value per ordinary share - Rs.10/-			

See accompanying Notes to the financial statements.

Vide our report of date attached

For SURI & CO.

*Chartered Accountants*

*Firm Regn.No.004283S*

G. RENGARAJAN

*Partner*

Membership No. 219922

For and on behalf of the Board

DILIP THOMAS

*Chairman*

DIN: 00052185

K. SURESH

*Managing Director*

DIN: 00255162

Place : Chennai,  
Date : 25.07.2022

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**THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA**CIN : U01119KL1925PLC000416

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**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2022**

	₹ in lakhs	₹ in lakhs	Previous Year ₹ in lakhs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>			
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS		429.19	1,001.06
ADJUSTMENTS FOR :			
Depreciation	165.58		169.50
Fixed assets discarded/diminution in Inventories	10.50		Nil
Provision for Leave Encashment	(0.81)		3.89
Provision for Gratuity	(36.00)		35.58
Profit on sale of Investments/Assets	(1.36)		(6.25)
Interest /Dividend Received	(13.36)		(16.02)
Interest Paid	109.72		124.59
		<u>234.27</u>	
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		663.46	1312.35
ADJUSTMENTS FOR :			
Trade and other receivables	(268.82)		(434.62)
Inventories	104.86		90.82
Trade Payables	204.07		531.92
Other Current Assets	(64.76)		(68.48)
		<u>(24.65)</u>	
CASH GENERATED FROM OPERATIONS		638.81	1431.99
Taxes Paid		(169.58)	(70.44)
CASH FLOW BEFORE EXTRAORDINARY ITEMS		469.23	1361.55
Extraordinary Items		Nil	Nil
NET CASH FROM OPERATING ACTIVITIES		<u>469.23</u>	<u>1361.55</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets		(247.72)	(383.73)
Sale of Fixed Assets		(6.70)	9.56
Redemption of preference shares		-	(120.00)
Interest Received		6.22	8.95
Dividend Received		7.14	7.07
NET CASH USED IN INVESTING ACTIVITIES		<u>(241.06)</u>	<u>(478.15)</u>

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**THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA**CIN : U01119KL1925PLC000416

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**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2022 (Contd.)**

	₹ in lakhs	Previous Year ₹ in lakhs
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Public Deposits/Loan from Directors	(300.00)	(285.00)
Term Loan	(123.68)	(19.03)
Cash Credit	355.53	(576.58)
Interest Paid	(110.88)	(124.97)
Dividend Paid	(54.00)	(92.92)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(233.03)</b>	<b>(1098.50)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(4.86)</b>	<b>(215.10)</b>
CASH AND CASH EQUIVALENTS AS AT 01.04.2021 (Beginning of the year)	12.06	
CASH AND CASH EQUIVALENTS AS AT 31.03.2022 (Closing of the year)	7.20	
	<u>(4.86)</u>	<u>(215.10)</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*  
DIN: 00052185K. SURESH  
*Managing Director*  
DIN: 00255162Place : Chennai,  
Date : 25.07.2022

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# THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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## NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2022

### NOTE: 1

#### A. SIGNIFICANT ACCOUNTING POLICIES

##### BACKGROUND :

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

#### 1 ACCOUNTING CONVENTION :

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

#### 2 CURRENT AND NON CURRENT CLASSIFICATION :

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

#### 3 PROPERTY, PLANT AND EQUIPMENT :

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

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

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

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

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

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

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

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

#### 4 IMPAIRMENT OF ASSETS :

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

#### 5 BORROWING COSTS :

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

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

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## THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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### 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.

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## THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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### 12 TAXES ON INCOME:

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

### 13 EXPENDITURE ON NEW PLANTING AND REPLANTING :

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

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

### 14 EARNINGS PER SHARE :

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

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

### 15 PROVISIONS AND CONTINGENT LIABILITY :

Provision is recognised when the Company has a present obligation as a result of past event, is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

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

Contingent Assets are neither recognised nor disclosed.

### 16 DIVIDEND:

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

### 17 CASH FLOW STATEMENT:

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

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

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

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## THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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### NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2022

	As at 31-03-2022	(₹ in lakhs) As at 31-03-2021
<b>NOTE 2:</b>		
<b>SHARE CAPITAL</b>		
<b>a. AUTHORISED:</b>		
9,00,000 - Equity Shares of Rs.10/- each	90.00	90.00
15,00,000 - 7% Cumulative Preference Shares of Rs.10/-each	150.00	150.00
	240.00	240.00
<b>b. ISSUED:</b>		
5,50,000 - Equity Shares of Rs.10/- each,	55.00	55.00
12,00,000 - 7% Cumulative Preference Shares of Rs.10/- each	120.00	120.00
	175.00	175.00
<b>c. SUBSCRIBED AND PAID UP:</b>		
5,40,000 - Equity Shares of Rs.10/- each	54.00	54.00
12,00,000 - 7% Cumulative Preference Shares of Rs.10/- each	Nil	Nil
	54.00	54.00
<b>d. RECONCILIATION OF SHARES:</b>		
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	Nil	12,00,000
Add/(Less) Shares issued/buyback/redeemed	Nil	(12,00,000)
Number of Preference Shares at the end of the reporting period	Nil	Nil
<b>e. DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% OF SHARES:</b>		
	31.03.2022	31.03.2021
Name of the shareholder	No of shares held	% of holding
Mr. Dilip Thomas	1,16,339	21.54
Dalp Trading and Manufacturing Limited	2,11,633	39.19
Mr. Zibi Jose P P	32,852	6.08
IEPF Authority	37,616	6.97
	No of shares held	% of holding
	1,15,939	21.47
	2,11,633	39.19
	32,852	6.08
	37,616	6.97



# THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

## NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2022

(₹ in lakhs)

As at  
31-03-2022                      As at  
31-03-2021

### NOTE 2: (Contd..)

- f. No bonus shares/buyback of shares in last 5 years.
- g. The company has only Equity Shares as on 31.03.2022. 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

### j. DISCLOSURE OF PROMOTERS SHARE HOLDING PATTERN:

Name of the shareholder	31.03.2022		31.03.2021	
	No of shares held	% of holding	No of shares held	% of holding
Mr. Dilip Thomas	1,16,339	21.54	1,15,939	21.47
Mrs. Priyalatha Thomas	6,236	1.16	6,236	1.16
Dalp Trading and Manufacturing Limited The Rajagiri Rubber & Produce Company Limited	2,11,633	39.19	2,11,633	39.19
L J International Limited	12,208	2.26	12,208	2.26
	100	0.02	100	0.02

### NOTE: 3

#### RESERVES AND SURPLUS

##### CAPITAL REDEMPTION RESERVE:

As per last Balance Sheet	123.00	3.00
Add: Reserve for redemption of Preference shares	-	120.00
	123.00	123.00

##### GENERAL RESERVE:

As per last Balance Sheet	427.35	
Add : Transfer from statement of Profit and Loss	-	
	427.35	427.35

##### SURPLUS

Profit/(Loss) for the period	336.61	772.06
Add : Profit/(Loss) Brought forward	832.79	673.65
Surplus	1,169.40	1,445.71

##### APROPRIATIONS:

Transfer to General Reserve		400.00
Transfer to Capital Redemption Reserve		120.00
Dividend paid on 7% Cumulative Preference Shares for the period 16.01.2008 to 31.12.2020		79.42
Final dividend for 2020-21 - Paid on Equity Shares at Rs.10/- per share (Previous year - Rs.2.50 per share)	54.00	13.50
Surplus carried forward	1,115.40	832.79
Grand Total	1,665.75	1,383.14

# THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

## NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2022

	As at 31-03-2022	(₹ in lakhs) As at 31-03-2021
<b>NOTE: 4</b>		
<b>NON CURRENT LIABILITIES:</b>		
<b>LONG TERM BORROWINGS:</b>		
<b>TERM LOANS FROM BANKS - Secured</b>		
Term Loan from Bank, Secured against hypothecation of Stock-in-trade, Standing crops, Plant and Machinery at Estates and Vehicles and also equitable mortgage of land in Estates with Buildings thereon.		
a) Term Loan Repayable in 5 half yearly instalments starting from September 2020 and last instalment falling due on March 2023-Interest Rate 11.75% PA (PY 11.75% pa)	-	72.65
b) Working Capital Term Loan under Guaranteed Emergency Credit Line Repayable in 36 monthly instalments starting from November 2021 and last instalment falling due on October 2024 - Interest rate 9.25% pa (PY 9.25% pa)	84.29	129.17
<b>Vehicle Loan from Banks Secured against hypothecation of vehicles:</b>		
a) Term loan repayable in 84 monthly instalments starting from July 2017 (last instalment June 2024) - Interest Rate 8.75% per annum (PY 8.75% pa)	1.95	3.31
b) Term loan repayable in 60 monthly instalments starting from December 2018 (last instalment November 2023) - Interest Rate 8.75% per annum (PY 8.75% pa)	3.64	8.86
c) Term Loan repayable in 84 monthly instalments starting from April 2019 (last instalment March 2026) - Interest Rate 8.75% per annum (PY 8.75% pa)	12.60	16.12
	102.48	230.11
<i>No loans have been guaranteed by Directors or othersexcept GECL loan for which 100% guarantee given by NCGTCL.</i>		
<i>Period and amount of continuous default as on 31.03.2022</i>	<i>Nil</i>	

### NOTE: 5

#### LONG TERM PROVISIONS

Provision for Employee Benefits:

For Leave Encashment (Refer Note No.26(8))	8.40	12.31
	8.40	12.31

# THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

## NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2022

	As at 31-03-2022	(₹ in lakhs) As at 31-03-2021
<b>NOTE : 6</b>		
<b>SHORT TERM BORROWINGS:</b>		
<b>FROM BANKS - SECURED:</b>		
The Company's borrowing facilities comprising cash credit of Rs.1650 lakhs (PY Rs.1650 Lakhs) secured against hypothecation of stock-in-trade, Standing crops, movable and immovable properties of the Company (Previous year - Secured against hypothecation of stock-in-trade, Standing crops, movable and immovable properties of the Company)		
Cash Credit	622.13	266.60
<i>No loans have been guaranteed by Directors or others</i>		
<i>Period and amount of default as on 31.03.2022 Nil</i>		
Term Loans - Current maturities of Long term Debts (Refer Note 4)	129.95	126.00
<b>ADVANCE FROM RELATED PARTIES - Unsecured:</b>		
Loans from Directors	180.00	480.00
(Rate of interest @ 9% per annum and previous year 9% per annum)	932.08	872.60
<b>NOTE : 7</b>		
<b>TRADE PAYABLES:</b>		
Outstanding dues of Micro Enterprises and Small enterprises	121.86	74.93
Other outstanding dues of Creditors other than Micro Enterprises and Small enterprises	1,160.97	1,168.74
	1,282.83	1,243.67

(Refer Note No.26(5) for details of dues to Micro and Small enterprises)

Particulars	Outstanding for following periods from due date of payment as on 31st March 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	76.42	2.77	42.67	Nil	121.86
(ii) Others	1151.34	4.50	4.93	0.20	1160.97
(iii) Disputed dues - MSME	Nil	Nil	Nil	Nil	Nil
(iv) Disputed dues - Others	Nil	Nil	Nil	Nil	Nil

Particulars	Outstanding for following periods from due date of payment as on 31st March 2021				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	22.06	52.87	Nil	Nil	74.93
(ii) Others	1147.58	20.21	0.65	0.30	1168.74
(iii) Disputed dues - MSME	Nil	Nil	Nil	Nil	Nil
(iv) Disputed dues - Others	Nil	Nil	Nil	Nil	Nil

1) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act 2006" has been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the Auditors. Refer Note No. 26 (5).

2) For related party balances, refer Note no. 26 (10)

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## THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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### NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2022

	As at 31-03-2022	(₹ in lakhs) As at 31-03-2021
<b>NOTE : 8</b>		
<b>OTHER CURRENT LIABILITIES:</b>		
Interest accrued but not due on borrowings	0.47	1.63
Advance received on sale Wood Division [Refer Note 26 (9)]	1,157.10	957.10
Investor Education and Protection Fund		
- Unpaid/unclaimed dividends	2.65	-
Security Deposits	73.60	95.99
Other Payables - Statutory Liabilities	53.52	68.88
	<u>1,287.34</u>	<u>1,123.60</u>
<b>NOTE : 9</b>		
<b>SHORT TERM PROVISIONS:</b>		
Provision for employee benefits:		
For Leave Encashment [Refer Note 26 (8)]	65.15	62.04
For Gratuity [Refer Note 26 (8)]	27.06	63.06
Other Provisions:		
Provision for Income tax	164.14	280.38
	<u>256.35</u>	<u>405.48</u>

## THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

### NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2022

**NOTE : 10**

**PROPERTY, PLANT AND EQUIPMENT :**

( ₹ in lakhs)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2021	Additions	Deductions	As at 31.03.2022	Upto 31.03.2021	For the Year	Withdrawn	Upto 31.03.2022	As at 31.03.2022	As at 31.03.2021
<b>FREEHOLD LAND</b>	<b>64.82</b>	<b>Nil</b>	<b>Nil</b>	<b>64.82</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>64.82</b>	<b>64.82</b>
	<i>64.82</i>	<i>Nil</i>	<i>Nil</i>	<i>64.82</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>64.82</i>	<i>64.82</i>
<b>LEASEHOLD LAND</b>	<b>6.20</b>	<b>Nil</b>	<b>Nil</b>	<b>6.20</b>	<b>0.98</b>	<b>0.20</b>	<b>Nil</b>	<b>1.18</b>	<b>5.02</b>	<b>5.22</b>
	<i>6.20</i>	<i>Nil</i>	<i>Nil</i>	<i>6.20</i>	<i>0.78</i>	<i>0.20</i>	<i>Nil</i>	<i>0.98</i>	<i>5.22</i>	<i>5.41</i>
<b>DEVELOPMENT</b>	<b>556.65</b>	<b>20.90</b>	<b>Nil</b>	<b>577.55</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>577.55</b>	<b>556.65</b>
	<i>537.49</i>	<i>19.16</i>	<i>Nil</i>	<i>556.65</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>556.65</i>	<i>537.49</i>
<b>BUILDINGS</b>	<b>1,152.20</b>	<b>69.57</b>	<b>Nil</b>	<b>1,221.77</b>	<b>760.26</b>	<b>43.26</b>	<b>Nil</b>	<b>803.52</b>	<b>418.25</b>	<b>391.95</b>
	<i>1,115.63</i>	<i>36.57</i>	<i>Nil</i>	<i>1,152.20</i>	<i>715.22</i>	<i>45.03</i>	<i>Nil</i>	<i>760.25</i>	<i>391.95</i>	<i>400.41</i>
<b>MACHINERY</b>	<b>2,020.55</b>	<b>361.06</b>	<b>Nil</b>	<b>2,381.61</b>	<b>1,675.18</b>	<b>85.54</b>	<b>Nil</b>	<b>1,760.72</b>	<b>620.89</b>	<b>345.36</b>
	<i>1,927.02</i>	<i>103.22</i>	<i>9.69</i>	<i>2,020.55</i>	<i>1,580.84</i>	<i>103.15</i>	<i>8.80</i>	<i>1,675.19</i>	<i>345.36</i>	<i>346.28</i>
<b>FURNITURE AND FITTINGS</b>	<b>70.55</b>	<b>6.59</b>	<b>Nil</b>	<b>77.14</b>	<b>56.55</b>	<b>7.14</b>	<b>Nil</b>	<b>63.69</b>	<b>13.45</b>	<b>14.00</b>
	<i>57.58</i>	<i>12.97</i>	<i>Nil</i>	<i>70.55</i>	<i>54.30</i>	<i>2.25</i>	<i>Nil</i>	<i>56.55</i>	<i>14.00</i>	<i>3.21</i>
<b>VEHICLES</b>	<b>282.48</b>	<b>47.69</b>	<b>35.46</b>	<b>294.71</b>	<b>215.78</b>	<b>29.44</b>	<b>33.02</b>	<b>212.20</b>	<b>82.51</b>	<b>66.70</b>
	<i>273.69</i>	<i>29.56</i>	<i>20.77</i>	<i>282.48</i>	<i>215.25</i>	<i>18.88</i>	<i>18.35</i>	<i>215.78</i>	<i>66.70</i>	<i>58.44</i>
	<b>4,153.45</b>	<b>505.81</b>	<b>35.46</b>	<b>4,623.80</b>	<b>2,708.75</b>	<b>165.58</b>	<b>33.02</b>	<b>2,841.31</b>	<b>1,782.49</b>	<b>1,444.70</b>
<i>Previous year</i>	<i>3,982.43</i>	<i>201.48</i>	<i>30.46</i>	<i>4,153.45</i>	<i>2,566.39</i>	<i>169.51</i>	<i>27.15</i>	<i>2,708.75</i>	<i>1,444.70</i>	<i>1,416.06</i>

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

## THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

### NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2022

(₹ in lakhs)

As at 31-03-2022                      As at 31-03-2021

**NOTE: 11**

**CAPITAL WORK IN PROGRESS:**

a) Bearer plants	230.72	208.74
b) Others	-	280.07

a) Bearer plants

Particulars	Amount in Capital Work in Progress for a period as on 31st March 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Tea Replanting	21.98	13.47	51.04	144.23	230.72
(ii) Project temporarily suspended	Nil	Nil	Nil	Nil	Nil

Particulars	Amount in Capital Work in Progress for a period as on 31st March 2021				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Tea Replanting	13.47	51.04	77.90	66.33	208.74
(ii) Project temporarily suspended	Nil	Nil	Nil	Nil	Nil

b) Others

Particulars	Amount in Capital Work in Progress for a period as on 31st March 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Project in progress	Nil	Nil	Nil	Nil	Nil
(ii) Project temporarily suspended	Nil	Nil	Nil	Nil	Nil

Particulars	Amount in Capital Work in Progress for a period as on 31st March 2021				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Project in progress	280.07	Nil	Nil	Nil	280.07
(ii) Project temporarily suspended	Nil	Nil	Nil	Nil	Nil

There are no capital-work-in progress whose completion is overdue or has exceeded its cost compared to its original plan.

# THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

## NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2022

### NOTE : 12

#### NON CURRENT INVESTMENTS (AT COST)

Description	As at 01-04-2021		Additions		Deductions		As at 31-03-2022	
	No. of Shares/Units	Amount (in ₹)	No. of Shares/Units	Amount (in ₹)	No. of Shares/Units	Amount (in ₹)	No. of Shares/Units	Amount (in ₹)
<b>1. EQUITY SHARES IN COMPANIES ( i )</b>								
<b>QUOTED</b>								
Tata Consumer Products Ltd. (Face Value Rs.1/- per share) (formerly Tata Global Beverages Limited)	1680	0.01					1680	0.01
Dunlop India Ltd.	50	0.01					50	0.01
Tata Coffee Ltd. (Face Value Rs.1/- per share).	2000	0.04					2000	0.04
		0.06						0.06
<b>UNQUOTED</b>								
Teaserve (face value Rs.5,000/- per share)	1	0.05					1	0.05
A.V.Thomas Investments Co. Ltd.	22500	2.25					22500	2.25
A.V.Thomas & Co. Ltd.	3500	0.05					3500	0.05
L.J.International Limited	360	0.02					360	0.02
Dalp Trading and Manufacturing Ltd.	5000	0.50					5000	0.50
Rajagiri Impex Limited.	50000	5.00					50000	5.00
The Rajagiri Rubber and Produce Company Ltd	100	0.20					100	0.20
A V Thomas International Limited	100	0.20					100	0.20
		8.27						8.27
<b>TOTAL</b>		8.33						8.33

**31-03-2022**

**31-03-2021**

Aggregate amount of Quoted Investments  
(Market Value ₹ 17,40,164/-, Previous year ₹ 13,02,475/-)

0.06

0.06

Aggregate amount of Unquoted Investments

8.27

8.27

8.33

8.33

(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, 2022

	As at 31-03-2022	(₹ in lakhs) As at 31-03-2021
<b>NOTE: 13</b>		
<b>OTHER NON-CURRENT ASSETS:</b>		
Unsecured, Considered good		
Deposits	36.05	37.37
	36.05	37.37
<b>NOTE: 14</b>		
<b>INVENTORIES (Valued at Lower of Cost and net realisable value)</b>		
Work-in-progress	116.17	197.59
Finished goods - Tea, Cardamom	401.29	548.55
Stores and Spares	362.96	252.28
Live Flowering Plants	48.68	38.42
Nurseries	25.36	22.48
	954.46	1,059.32
<b>NOTE: 15</b>		
<b>TRADE RECEIVABLES:</b>		
<b>Unsecured, Considered good</b>		
Outstanding for more than six months from the date they become due for payment		
Considered good	138.59	174.11
Considered doubtful		
Less: Allowance for doubtful advances	85.49	121.00
Total	53.10	53.11
Others		
Unsecured, Considered good	1,938.39	1,669.56
	1,991.49	1,722.67

Particulars	Outstanding for following periods from due date of payment as on 31.03.2022					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed – considered good	787.64	361.98	277.94	75.68	435.15	1938.39
Undisputed – considered doubtful	Nil	Nil	Nil	Nil	53.10	53.10
Disputed – considered good	Nil	Nil	Nil	Nil	Nil	Nil
Disputed – considered doubtful	Nil	Nil	Nil	Nil	Nil	Nil



# THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

## NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2022

Particulars	Outstanding for following periods from due date of payment as on 31.03.2021					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed – considered good	1273.00	71.40	86.00	195.58	43.58	1669.56
Undisputed – considered doubtful	Nil	Nil	Nil	Nil	53.11	53.11
Disputed – considered good	Nil	Nil	Nil	Nil	Nil	Nil
Disputed – considered doubtful	Nil	Nil	Nil	Nil	Nil	Nil

	As at 31-03-2022	( ₹ in lakhs) As at 31-03-2021
<b>NOTE: 16</b>		
<b>CASH AND CASH EQUIVALENTS:</b>		
Cash and Stamps on hand	0.70	1.00
<b>Bank Balances:</b>		
With Scheduled Banks:		
in Current Account	6.40	11.06
in Deposit Account	0.10	-
	6.50	11.06
	7.20	12.06
With Scheduled Banks - Earmarked balances with bank		
in Unpaid Dividend Bank Account	2.65	-
in Margin Money deposits accounts	80.74	63.68
	83.39	63.68
	90.59	75.74
Deposit with more than 12 months maturity	Nil	Nil

**NOTE: 17**

**SHORT TERM LOANS AND ADVANCES:**

Unsecured, Considered good		
Loans and advances due by Officers of the Company	0.17	0.35
Advances recoverable in cash or in kind or for value to be received.	298.70	278.42
Advances on account of Capital Works	-	28.97
Input tax credits receivable	48.07	36.35
Balance with Port Trust	9.60	9.40
Deposits with NABARD-Tea	43.32	-
Tax payments pending adjustments	95.24	133.15
MAT Credit Entitlement	-	1.33
	495.10	487.97

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## THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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### NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2022

	For the year ended 31-03-2022	(₹ in lakhs) For the year ended 31-03-2021
<b>NOTE: 18</b>		
<b>SALE OF PRODUCTS:</b>		
Tea and Tea waste	7,279.21	8,511.25
Cardamom	847.82	955.40
Coffee	177.35	62.57
Pepper	89.40	50.88
Doors/Boards etc	1,264.32	801.26
Minor Produce	3.04	11.94
Live Flowering Plants	27.84	33.83
Furnitures/Architraves etc.	-	0.17
Sale of Services	1.77	4.41
	9,690.75	10,431.71
<b>NOTE: 19</b>		
<b>OTHER INCOME:</b>		
Income from non-current Investments	7.14	7.07
Interest Received		
- From Banks	3.91	6.61
- Others	2.31	2.34
Profit on Sale of Assets	1.36	6.25
Rent Received	20.40	18.61
Insurance claim received	7.50	21.34
Subsidy	-	4.89
Miscellaneous Receipts	27.40	7.85
Reimbursement towards wood division expenses	250.32	416.52
Provision no longer required written back	35.74	3.19
	356.08	494.67

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## THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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### NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2022

	For the year ended 31-03-2022	(₹ in lakhs) For the year ended 31-03-2021
<b>NOTE: 20</b>		
<b>COST OF MATERIAL CONSUMED:</b>		
[Refer Note No. 26 (1)]		
- Bought Leaf	3,187.17	3,943.63
- Wood	892.31	540.03
	4,079.48	4,483.66
 <b>NOTE: 21</b>		
<b>OTHER MANUFACTURING EXPENSES:</b>		
Processing Charges	188.53	168.40
Power and fuel consumed	858.91	832.97
Stores, spares, chemicals and packing materials consumed [Refer Note No. 26 (1)]	461.63	497.64
Transport and Warehousing	123.91	106.82
Repairs - Plant and Machinery	87.27	103.35
Repairs - Buildings	54.28	113.12
Installation Charges	-	3.01
	1,774.53	1,825.31

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## THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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### NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2022

	For the year ended 31-03-2022	(₹ in lakhs) For the year ended 31-03-2021
<b>NOTE: 22</b>		
<b>INCREASE/DECREASE IN INVENTORY</b>		
<b>Inventory at the beginning of the year</b>		
Tea	513.32	307.95
Cardamom	35.23	101.13
	548.55	409.08
<b>Stock in process:</b>		
Doors/Boards	197.59	335.67
	746.14	744.75
<b>Inventory at the end of the year</b>		
<b>Finished Goods</b>		
Tea	377.49	513.32
Cardamom	23.80	35.23
	401.29	548.55
<b>Stock in process:</b>		
Doors/Boards	116.17	197.59
	517.46	746.14
	(+ ) 228.68	(-) 1.39
<b>NOTE: 23</b>		
<b>EMPLOYEES BENEFIT EXPENSES:</b>		
Salaries, Wages and Bonus	2,558.45	2,420.01
Contribution to Provident and Other Funds	188.35	167.41
Provision for Gratuity [Refer Note No. 26 (8)]	27.06	63.06
Provision for Leave Encashment [Refer Note No.26 (8)]	(0.81)	3.89
Staff Welfare Expenses	57.22	50.69
	2,830.27	2,705.06
<b>NOTE: 24</b>		
<b>FINANCE COSTS:</b>		
Interest	92.40	108.57
Other Borrowing Costs	17.32	16.02
	109.72	124.59

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## THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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### NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2022

	For the year ended 31-03-2022	For the year ended 31-03-2021
		(₹ in lakhs)
<b>NOTE: 25</b>		
<b>OTHER EXPENSES:</b>		
Rent and Amenities	12.19	11.70
Rates and Taxes	19.80	44.27
Brokerage and Commission	21.41	28.53
Repairs and Maintenance :		
Roads and Buildings	0.80	0.64
Machinery	8.67	10.05
Vehicles	62.82	46.23
Others	8.69	5.49
Printing and Stationery	6.67	5.84
Postage and Telephones	8.87	9.70
Legal Expenses	0.97	0.81
Directors' Sitting Fees	1.50	1.40
Auditors' Remuneration:-		
For Audit	8.50	8.50
For Certification / Tax Audit	1.30	1.64
For Tax Representation	4.82	4.80
For Travelling and other Expenses	1.65	1.65
Insurance	24.25	28.64
Advertisement	0.45	0.43
Bank Charges	7.61	6.00
Professional fees and expenses	16.29	16.91
Travelling Expenses	103.78	36.43
CSR Expenditure [Refer Note No 26 (14)]	10.50	-
Charity and Donations	26.20	10.00
Provision for EPCG Scheme liabilities	-	175.00
Provision for doubtful debts	-	121.00
Net loss from foreign currency transaction/translation	4.66	1.94
Bad and doubtful debts written off	35.51	8.98
Miscellaneous Expenses	30.39	30.82
	428.30	617.40

# THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

## NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2022

**NOTE : 26**

( ₹ in lakhs)

**OTHER NOTES**

	Year Ended 31.03.2022		Previous Year	
	Value ₹ in lakhs	Percen- tage	Value ₹ in lakhs	Percen- tage
<b>1. PARTICULARS OF CONSUMPTION:</b>				
a) Raw Materials				
Bought Leaf - Indigenous	3,187	100	3,943	100
Wood - Indigenous	724	81	420	78
Wood - Imported	168	19	120	22
	892		540	
b) Stores and Spares				
Indigenous	462	100.00	498	100.00
Imported	Nil		Nil	
	462	100.00	498	100.00
<b>2. EARNINGS IN FOREIGN CURRENCY:</b>				
FOB value of exports		Nil		Nil
<b>a. EXPENDITURE IN FOREIGN CURRENCY:</b>				
Travelling Expenses		29.13		1.70
<b>b. CIF VALUE OF IMPORTS:</b>				
Raw materials		161.70		112.29
Stores and spares		Nil		Nil
<b>3. EARNINGS PER SHARE:</b>				
Profit after Taxation		336.61		772.06
Less: Preference Dividend and taxes thereon		Nil		6.30
Profit available for Equity Shareholders		336.61		765.75
Number of Equity Shares outstanding at the end of the year		5,40,000		5,40,000
Earnings per Share - Basic and Diluted (in Rs.)		62.34		141.81
<b>4. CONTINGENT LIABILITIES:</b>				
(a) Sales tax demands disputed in appeals against which Rs.6,00,000/- is paid and included under other current assets		Nil		Nil
(b) The retrospective effect from 01.04.2014 of the operations and implementations of the Payment of Bonus (Amendment) Act, 2015 has been stayed by Hon. High Court of Kerala. Considering the same, the Company has not provided for the additional liability.				
(c) Estimated amount of contracts remaining to be executed on capital account		Nil		97.28
(d) The future cash outflow on the above items are determinable only on receipt of decision/judgement that is pending at various forms/authorities. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.				

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# THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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## NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2022

### NOTE : 26 (Contd.)

#### OTHER NOTES (Contd.)

Year ended  
31-03-2022

(₹ in lakhs)  
Previous  
year

#### 5. Total outstanding to Micro and Small Enterprises (SMEs)

The information regarding dues to Micro, Small and Medium Enterprises as required under Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 as on 31st March 2022 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	121.86	74.93
(ii) Principal due to Medium Enterprise	Nil	Nil
(iii) Interest	8.54	15.87
(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)	8.54	15.87
(d) The amount of interest accrued and remaining unpaid at the end of the accounting year	28.51	15.87
(e) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23.	2.75	4.97

#### 6. ACCOUNTING FOR TAXES ON INCOME:

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

#### 7 SEGMENT REPORTING:

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

# THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

## NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2022

### NOTE : 26 (Contd.)

#### OTHER NOTES (Contd.)

#### 8. Employee Benefits:

i) Defined Benefit Plans:

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

i) Gratuity Scheme:

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

ii) Leave Encashment:

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

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

(₹ in lakhs)

	As on 31.03.2022		As on 31.03.2021	
	Gratuity (Funded Plan)	Leave Encashment (Non Funded Plan)	Gratuity (Funded Plan)	Leave Encashment (Non Funded Plan)
Present Value of the Obligation as on 1.04.2021	913.19	74.36	836.71	70.47
Current Service Cost	70.45	6.12	64.28	5.89
Interest Cost	57.08	4.70	55.20	4.66
Benefits Paid	(20.07)	(0.13)	(49.89)	(3.92)
Actuarial loss / (gain)	(30.08)	(11.50)	6.89	(2.74)
Present Value of the Obligation as on 31.03.2022	990.57	73.55	913.19	74.36
c) Reconciliation of changes in the fair value of Plan Assets:				
Fair Value of Plan Assets as on 1.04.2021	850.12	Nil	809.22	Nil
Adjustment to Opening Fair Value of Plan Assets	Nil	Nil	Nil	Nil
Expected return on plan assets	55.31	Nil	54.51	Nil
Contribution by the Company	70.12	0.13	34.71	3.92
Benefits Paid	(20.07)	(0.13)	(49.89)	(3.92)
Actuarial gain / (loss)	8.03	Nil	1.57	Nil
Fair Value of Plan Assets as on 31.03.2022	963.51	Nil	850.12	Nil
d) The total expense recognised in the profit and loss account is as follows:				
Current Service Cost	70.45	6.12	64.28	5.89
Interest Cost	57.08	4.70	55.20	4.66
Expected return on plan assets	(55.31)	NA	(54.51)	NA
Net Actuarial (gain) / loss recognised in the year	(38.11)	(11.50)	5.32	(2.74)
	34.11	(0.68)	70.29	7.81



# THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

## NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2022

### NOTE : 26 (Contd.)

#### OTHER NOTES (Contd.)

#### Employee Benefits (Contd.)

(₹ in lakhs)

	As on 31.03.2022		As on 31.03.2021	
	Gratuity (Funded Plan)	Leave Encashment (Non Funded Plan)	Gratuity (Funded Plan)	Leave Encashment (Non Funded Plan)
e) Reconciliation of Net Liability recognised in the balance sheet				
Net Liability as at the beginning of the year	63.06	74.36	27.48	70.47
Adjustment to Opening Fair Value of Plan Assets				
Add : Expense as (d) above	34.11	(0.68)	70.29	7.81
Less: Employers Contribution / Payment	70.12	0.13	34.71	3.92
Net Liability as at the end of the year	27.06	73.55	63.06	74.36
f) Constitution of Plan Assets:				
Investments in LIC Group Gratuity Scheme	963.51	Not Applicable	850.12	Not Applicable
g) Principal actuarial assumptions used as at the Balance Sheet date:				
Discount Rate	6.85%	6.85%	6.32%	6.32%
Salary Escalation Rate	7.00%	7.00%	6.00%	6.00%
Attrition Rate	5.00%	5.00%	5.00%	5.00%
Expected rate of return on plan assets	6.85%	NA	6.32%	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:

	31.03.2022	31.03.2021	31.03.2020	31.03.2019	31.03.2018
Gratuity funded plan					
Defined Benefit Obligation	990.57	913.19	836.71	785.59	717.39
Plan Assets	963.51	850.13	809.23	736.54	687.18
Surplus/(Deficit)	(27.06)	(63.06)	(27.49)	(49.05)	(30.21)
Experience adjustment - Plan Liability	(30.08)	6.88	(29.91)	4.03	(9.58)
Experience adjustment - Plan Assets	8.03	1.57	(3.82)	1.21	4.59

The Company expects to fund Rs.45 lakhs towards its Gratuity Plan during the year 2022-2023

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# THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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## NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2022

NOTE: 26 (Contd.)

OTHER NOTES (Contd.)

### 8 Employee Benefits: (Contd.)

i) 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. 177.48 Lakhs 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. 1500 Lakhs (net of liabilities amounting Rs.400 Lakhs), a sum of Rs. 1157 Lakhs have been received towards the sale consideration up to 31st March 2022. 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. The Company is pursuing the take over and is reasonably certain that the sale would be completed at the earliest. The delay in execution of the contract was due to the health condition of the buyers and Covid-19 which led to financial stress of the buyer. The Company has been following up with the buyers and has given opportunity for the buyer to complete the deal.

Further Mr. Somasundaran Peedikaparambil vide his letter dated 10<sup>th</sup> 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 10<sup>th</sup> August 2014. For the year ended the wood division had incurred a loss of Rs 250 Lakhs and an amount of Rs.45 Lakhs towards GST which Mr. Somasundaran has accepted to adjust against the sum payable to him. The balance due from Mr Somasundaran Peedikaparambil of Rs.917 Lakhs has been disclosed under the head 'Sundry Debtors'.

### 10 RELATED PARTY TRANSACTIONS:

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

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

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

# THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

## NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2022

NOTE : 26 (Contd.)

OTHER NOTES (Contd.)

**10. RELATED PARTY TRANSACTIONS: (Contd.)**

(₹ in lakhs)

Details of Transactions:	Year ended 31.03.2022		Year ended 31.03.2021	
	Associates	Key Management Personnel (Including Relatives)	Associates	Key Management Personnel (Including Relatives)
<b>INCOME:</b>				
Sales	7249.33	Nil	7641.74	Nil
Rent received	14.36	Nil	14.36	Nil
Dividend Received	7.05	Nil	7.00	Nil
<b>EXPENDITURE:</b>				
Purchases	16.63	Nil	64.70	Nil
Warehousing Charges	18.01	Nil	16.54	Nil
Employee Cost	140.39	Nil	87.10	Nil
Rent Paid	0.12	Nil	0.12	Nil
Remuneration paid to Managing Director	Nil	50.78	Nil	50.78
Sitting Fees	Nil	0.70	Nil	0.80
Dividend Paid	20.15	11.00	85.02	3.06
Interest Paid	Nil	41.10	Nil	41.10
Commission/other selling expenses paid	69.51	Nil	69.51	Nil
<b>OTHERS:</b>				
Redemption of Investments	Nil	Nil	120.00	Nil
Loan Accepted	Nil	565.00	Nil	690.00
Loan Repaid	Nil	865.00	Nil	975.00
<b>BALANCE AS ON 31st MARCH 2022</b>				
Debit Balances	1046.23	5.20	967.87	5.20
Credit Balances	Nil	180.00	Nil	480.00

**11** The Board of Directors in its meeting on 25th July 2022, have proposed a dividend of Rs.10/- per Equity Share for financial year ended 31st March 2022. The proposal is subject to the approval of Shareholders at the Annual General Meeting to be held on 22nd September 2022 and if approved, would result in a cash outflow of approximately Rs. 54 Lakhs.

# THE HIGHLAND PRODUCE COMPANY LIMITED

## NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2022

**NOTE : 26 (Contd.)**

**OTHER NOTES (Contd.)**

### 12. Ratio Analysis

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Ratio	Numerator	Denominator	Current period	Previous period	% Variance	Reason for variance
Current Ratio(in times)	Current Assets	Current Liabilities	0.94	0.92	2.38	
Debt Equity Ratio(in times)	Total Debt (including lease liability)	Total shareholder equity	2.25	2.71	-16.83	
Debt Service Coverage Ratio (in times)	Earning available for debt service (Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.)	Debt Service = Interest & Lease Payments + Principal Repayments	6.43	9.67	-33.47	Decrease in profit and margins in the current year
Return on Equity Ratio (in %)	Profit after Tax	Net worth	21.08%	58.75%	-64.12	Decrease in profit and margins in the current year
Inventory Turn over Ratio (in times)	Cost of goods sold	Average inventory	9.62	9.44	1.92	
Trade Receivable Turn over Ratio (in times)	Net Credit Sales	Average Accounts Receivable	5.22	6.93	-24.70	
Trade Payable Turn over Ratio (in times)	Net Credit Purchases	Average Accounts Payable	3.68	4.58	-19.64	
Net Capital Turn over Ratio (in times)	Net Sales (Sales minus sales return)	Average Working Capital	-36.80	-22.36	64.60	Increase in Current Liabilities when compared to previous year.
Net Profit Ratio (in %)	Net Profit (Net profit after tax)	Net Sales (Sales minus sales return)	3.47%	7.40%	-53.07	Revenue from operations decreased by Rs.8 crores in the Current Year due to price fluctuation in the Plantation sector
Return on Capital Employed Ratio (in %)	EBIT	Capital Employed (Tangible net worth + Total debt + Deferred Tax Liability)	28.49%	66.07%	-56.87	Decrease in profit and margins in the current year
Return on Investment (in %)	Net return on investment	Average investment	85.71%	84.85%	1.01	

# THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

## NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2022

**NOTE : 26 (Contd.)**

**OTHER NOTES (Contd.)**

### 13 Impact of COVID 19

The Company has considered the possible effects that may result from COVID-19 in the preparation of these Standalone financial statements including the recoverability of carrying amounts of financial and non-financial assets. The Company has considered possible future uncertainties in the global economy because of this pandemic and as on the date of approval of these financial statements expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these Standalone financial statements.

### 14 Corporate Social Responsibility Expenditure (₹ in lakhs)

Particulars	31.03.2022	31.03.2021
Amount required to be spent as per Section 135 of the Act	10.50	Nil
<u>Amount spent during the year on:</u>		
(i) Construction / acquisition of an asset		
(ii) On purposes other than (i) above	10.50	Nil
Total Amount spent	<b>10.50</b>	<b>Nil</b>
Shortfall at the end of the year	Nil	Nil
<u>Nature of CSR activities</u>		
Health Care	5.50	Nil
Social and Economic Development	5.00	Nil
	<b>10.50</b>	<b>Nil</b>

### 15 a) Provision for Doubtful Debts:

#### **Movement of Provision for Doubtful Debts:**

Opening balance (a)	121.00	Nil
Additional provision recognised during the year (b)	Nil	121.00
Amount used during the year (c)	Nil	Nil
Unused amount reversed during the year (d)	35.51	Nil
Closing Balance (e) = (a+b-c-d)	85.49	121.00

#### **b) Provision for EPCG Scheme:**

#### **Movement of Provision for EPCG Scheme Liability**

Opening balance (a)	175.00	Nil
Additional provision recognised during the year (b)	Nil	175.00
Amount used during the year (c)	Nil	Nil
Unused amount reversed during the year (d)	Nil	Nil
Closing Balance (e) = (a+b-c-d)	175.00	175.00

### 16 The Code on Social Security, 2020

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

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# THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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## NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2022

### NOTE : 26 (Contd.)

#### OTHER NOTES (Contd.)

#### 17. Additional Regulatory Information as required under Schedule III Division I of Companies Act, 2013:

- (i) The Company does not hold any Benami property and there are no Proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.
- (ii) The Company is not declared willful defaulter by any bank or financial institution or other lender in any time during the year and previous year.
- (iii) The company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (iv) All the charges/satisfaction are registered with Registrar of Companies within the statutory period as specified in the Companies Act, 2013.
- (v) (a) The Company confirms that no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
(b) The Management confirms that no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (vi) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (vii) The Company has not traded or invested in Crypto currency or Virtual Currency anytime during the financial year.
- (viii) During the year there are no loans or advances made to Promoters, Directors, KMPs and related parties.
- (ix) The Company has borrowings from banks on the basis of security of current assets.
- (x) The Quarterly returns / statements of current assets filed by the Company with the banks are agreement with books of accounts and hence no separate disclosure is made for reason for discrepancies.
- (xi) The Company has complied with Sec 2(87) of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the investments made by the Company.
- (xii) All title deeds of immovable properties other than leased assets are in the name of the company.

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

Vide our report of date attached  
For SURI & CO.

*Chartered Accountants*  
Firm Regn.No.004283S

G. RENGARAJAN

*Partner*

Membership No. 219922

For and on behalf of the Board

DILIP THOMAS

*Chairman*

DIN: 00052185

K. SURESH

*Managing Director*

DIN: 00255162

Place : Chennai,  
Date : 25.07.2022

## THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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

Season	Net Profit before taxation Rs.	Depreciation written off Rs.	Provision for taxation Rs.	Reserve funds todate Rs.	DIVIDENDS PAID ON	
					Equity Shares	
					Amount Rs.	%
2012-2013	(3,26,53,928)	1,32,54,228	-	1,85,03,886	-	-
2013-2014	1,80,50,634	1,18,18,489	-	3,65,54,520	-	-
2014-2015	2,03,30,101	1,55,34,396	21,00,000	5,37,02,909	-	-
2015-2016	(2,27,77,044)	1,53,68,897	-	3,09,25,865	-	-
2016-2017	(2,78,91,101)	1,32,56,441	-	30,34,764	-	-
2017-2018	91,48,245	1,22,86,344	-	1,21,83,009	-	-
2018-2019	2,56,07,131	1,25,42,740	7,00,000	3,70,90,140	-	-
2019-2020	3,33,10,052	1,61,16,720	-	7,04,00,192	13,50,000	25
2020-2021	10,01,05,648	1,69,50,346	2,29,00,000	13,83,13,709	54,00,000	100
2021-2022	4,29,19,072	1,65,58,454	92,58,372	16,65,74,409	54,00,000	100*

\* Recommended

### AREA PARTICULARS AS ON 01-04-2022

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

# THE HIGHLAND PRODUCE COMPANY LIMITED

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

CIN: U01119KL1925PLC000416

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

**Form No. MGT-11**

**PROXY FORM**

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

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

Name of the member (s) :  
Registered address :

E-mail Id :  
Folio No :

Name of the member(s) :  
Registered address :

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

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 96<sup>th</sup> Annual General Meeting of the Company, to be held on Thursday, 22<sup>nd</sup> day of September 2022 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 ..... 2022

Signature of shareholder

Signature of Proxy holder(s)

Affix  
Revenue  
Stamp

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



Resolution Number	Resolution
<b>Ordinary Business</b>	
1.	Adoption of Audited Financial Statements for the year ended 31 <sup>st</sup> March 2022, the Reports of the Board of Directors and Auditors thereon
2.	Declaration of Dividend on Equity shares for the year ended 31 <sup>st</sup> March 2022
3.	To appoint a Director in the place of Mr. K.Ashok who retires by rotation and is eligible for re-appointment
4.	Re-appointment of Auditors M/s.Suri & Co., Chartered Accountants and payment of remuneration.
5.	To approve payment of Inter Corporate Loan to The Rajagiri Rubber and Produce Co. Ltd

# THE HIGHLAND PRODUCE COMPANY LIMITED

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

CIN: U01119KL1925PLC000416

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

## ATTENDANCE SLIP

I hereby record my presence at the 96<sup>th</sup> Annual General Meeting of the Company at 11.30 A.M on Thursday the 22<sup>nd</sup> day of September 2022 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.

