

**THE HIGHLAND
PRODUCE COMPANY LTD.**

**97th
ANNUAL REPORT & ACCOUNTS
2022 - 2023**

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
Guna Complex, No.443 & 445
4th Floor, Main Building, Anna Salai,
Chennai - 600 018

BANKERS

The Federal Bank Ltd.
Bank of Baroda

REGISTRAR & SHARE TRANSFER AGENT

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

REGISTERED OFFICE

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

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THE HIGHLAND PRODUCE COMPANY LIMITED

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

CIN : U01119KL1925PLC000416

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the NINETY SEVENTH 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 Tuesday, the 26th September 2023 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited financial statements of the Company for the year ended 31st March, 2023, the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity shares (The Directors have recommended a dividend of Rs.10/- per Equity share (100%)
3. To appoint a Director in place of Mr.Dilip Thomas (DIN:00052185) who retires by rotation and being eligible has offered himself for re-appointment.
4. To appoint a Director in place of Mr.S.Ganesan (DIN:08588380) who retires by rotation and being eligible has offered himself for re-appointment.

SPECIAL BUSINESS:

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

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

RESOLVED: "That consent and / or approval be and is hereby accorded by the shareholders, pursuant to Section 196 and other applicable provisions, if any, of The Companies Act, 2013, read together with Part I of Schedule V of the said Act, (including any statutory modifications and / or re-enactments thereof, for the time being in force), Mr.K.Suresh (DIN:00255162) be and is hereby re-appointed, as Managing Director of the Company for a tenure of three years commencing from 1st June, 2023 and ending on 31st May, 2026, who shall not be subject to retirement by rotation during the tenure and shall not be taken into account for the purpose of computing one third of the total number of Directors liable to retire by rotation under Section 152 of The Companies Act, 2013".

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

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

(i) RESOLVED : "That consent and/or approval be and is hereby accorded pursuant to Sections 197 and other applicable provisions, if any, of The Companies Act, 2013, read together with Section II in Part II of Schedule V of the said Act, (including any statutory modifications and/or re-enactments thereof for the time being in force), Mr.K.Suresh on his re-appointment as Managing Director of the Company for a period of three years from 1st June, 2023 and ending on 31st May, 2026 be and is hereby remunerated, without entitlement to sitting fees, by way of monthly salary and allowances, perquisites and/or benefits as may be determined by the Board within the ceiling limit as applicable and prescribed in Paragraph (A) in Section II in Part II of Schedule V of the said Act, or such other ceiling limits as may be statutorily applicable from time to time, computed with reference to "Effective Capital" of the Company, notwithstanding the fact that the Company has no profits and/or its profits are inadequate in any financial year during the tenure of his re-appointment commencing from 1st June, 2023 and ending on 31st May, 2026 "

- 1) Salary from 1st June, 2023 : Rs.5,60,000/- (Rupees Five lakhs sixty thousand only) per month.

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- 2) Allowances towards Company's Leased Accommodation, Expenditure on Leave Travel Allowance, Attendant's salary, Expenditure on Medical for self and family as per the Rules of the Company as are in force from time to time, personal accident insurance premia etc. whether payable monthly or otherwise, Subject to maximum limit of Rs.16,80,000/- (Rupees Sixteen lakhs eighty thousand only) in any financial year and subject further to the allowances, being interchangeable to monthly salary as may be decided from time to time by the Board.
- 3) Perquisites and other benefits, which shall not be included and/or considered as remuneration for the purpose of calculating the ceiling limit, specified by the statute from time to time, in Section IV of Part II of Schedule V to The Companies Act, 2013
- Contribution to Provident Fund at 12% (Twelve Percent) of the monthly salary in accordance with the Rules of the Company as are in force, or at the rate as specified by the statute from time to time.
 - Contribution to Superannuation Fund at the rate of 15% (Fifteen percent) of the monthly salary, in accordance with the rules of the Company as are in force, or at the rate as specified by the statute from time to time.
 - Gratuity payable at the rate of half-a-month's salary for each completed year of service, subject to the monetary ceiling limit as may be prescribed by the statute from time to time.
 - Encashment of leave at the end of the tenure
 - Provision for use of Company's Car and communication facilities at his residence for official purpose.
- (ii) RESOLVED FURTHER: "That the re-appointment of Mr. K.Suresh as Managing Director and payment of remuneration to him shall be upon the terms and conditions as set out in the agreement to be entered into between the Company and Mr.K.Suresh and is specifically sanctioned, with the liberty and power to the Board of Directors and, at its discretion, to revise the payment of salary and allowances, to re-fix perquisites and/or benefits within the ceiling limits as prescribed in Paragraph (A) in Section II in Part II of Schedule V of the Companies Act, 2013 and also to alter and vary from time to time the said agreement prescribing the terms and conditions of re-appointment in such manner, the Board of Directors may deem it appropriate and expedient and that the Board of Directors be and is hereby authorised to do such acts, deeds and things as are considered necessary to give effect to these resolutions without further reference to the shareholders".

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

Chennai
9th August, 2023

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES:

- 1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.**
- 2. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten per cent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.**
- 3. 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 vsassociates16@gmail.com with a copy marked to avt.alapuzha@gmail.com**
- 4. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 which sets out details relating to Special business at the meeting is annexed hereto.**
- 5. The related details pursuant to Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking re-appointment at the AGM is annexed.**
- 6. The Company has appointed M/s Cameo Corporate Services Limited, Chennai as its Registrar & Share Transfer Agent and depository interface of the Company with CDSL and NSDL. Shareholders intending to hold their shares in electronic form may approach their depository participants for dematerialisation of shares. Shareholders may send their shares for effecting transmission / transposition to M/s Cameo Corporate Services Limited.**
- 7. The Register of Members and Share Transfer Books of the Company will remain closed from 19th September, 2023 (Tuesday) to 26th September 2023(Tuesday) both days inclusive.**
- 8. The dividend as recommended by the Board, if approved at this meeting, will be paid with in 30 days from the date of AGM, to those members whose names appear in the Register of Members on that date.**
- 9. Members are requested to notify immediately any change in their address, email Id and Bank account details 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 dematerialised shares.**
- 10. The shareholders of the Company, who have not yet registered / updated their e-mail address, are requested to register / update their e-mail address by sending the form/mandate enclosed along with the Annual Report for the F.Y. 2022-2023, 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 their Depository Participant.**
- 11. The Finance Act, 2020 had made the dividend declared from 1st 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 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.**

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12. Members are requested to furnish to the Company's Share Transfer Agent immediately their bank account details in the case of physical holdings, and to their respective Depository Participants in case of dematted shares, so that the payment of dividend when made through National Electronic Clearing Service (NECS), National Electronic Fund Transfer (NEFT), Direct Credit, Dividend Warrants/ Cheques etc., can be made without delay.
13. Shareholders of the Company may avail the nomination facility by executing the prescribed nomination form which can be obtained from the Registered Office of the Company or from Company's Registrar and Share Transfer Agent.
14. Shareholders who have multiple folios in identical names or in joint names in the same order, are requested to intimate to the Company these folios, to enable the Company to consolidate all such shareholdings into one folio.
15. Pursuant to provisions of Section 124(6) of the Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividends from time to time on due dates, up to the financial year 2010-11 to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules 2017 (Rules) notified by the Ministry of Corporate Affairs on 28th February 2017, the Company is required to transfer all shares in respect of which dividend has not been paid or claimed for seven consecutive years to the IEPF Authority. 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 Section 124 of the Companies Act, 2013 read with applicable IEPF Rules as amended from time to time.

The Members/ Claimants whose shares/unclaimed dividends have been transferred to IEPF may claim the shares/dividends by making an application to IEPF Authority in Form IEPF-5 (available on www.iepf.gov.in) along with requisite fee applicable from time to time. The Member/ Claimant can file only one consolidated claim in a financial year as per the IEPF Rules.

16. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
17. Members may also note that the Notice of the 97th Annual General Meeting and the Annual Report for 2022-2023 will also be available on the Company's website; www.highlandproduce.in for downloading. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. For any communication, the shareholders may also send requests to the Company's Registrar and share transfer agent's email ID: investor@cameoindia.com
18. Members whose names appear in the Register of Members/ List of Beneficial Owners as on Cut-off date i.e. 18th September, 2023 will be considered for the purpose of availing Remote e-voting or Vote in the Annual General Meeting. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.
19. Members are requested to submit attested copy of PAN CARD of the transferee(s), surviving holder(s), legal heir(s) and joint holder(s) in case of transmission of shares, deletion of name of deceased shareholder(s) and transposition of shares, in respect of shares held in physical form, along with necessary documents at the time of lodgement of request for transmission/ transposition. Ministry of Corporate Affairs (MCA) , vide notification dated 10th September, 2018 mandated that transfer of securities of unlisted public companies shall be carried out in dematerialized form only with effect from 2nd October, 2018. Accordingly, members who have not yet converted their holdings into electronic form may do so immediately for their own interest.
20. Documents referred to in the Notice shall be open for inspection by the members at the Registered Office of the Company on all working days (Monday to Friday) during business hours, except holidays, upto the date of the meeting.

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21. As per Secretarial Standard-2 a route map with prominent Landmark of the venue of the meeting is attached as a separate sheet.

22. Voting facilities

- (i) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide Members facility to exercise their right to vote at the 97th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting services provided by Central Depository Services (India) Limited (CDSL). The e-voting facility is available at www.evotingindia.com.
- (ii) The facility for voting either through ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
- (iii) Members who have cast their vote by remote e-voting prior to the Meeting may also attend the meeting but shall not be entitled to cast their vote again.

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

- (i) The remote e-voting period begins on 23rd September 2023, Saturday (9:00 a.m.) and ends on 25th September 2023, Monday (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 18th September, 2023 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.

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

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

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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
- (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 holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

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

- (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.

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- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If a Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app-M-voting available on android based mobiles. The M-Voting app can be downloaded from Google Play store. Please follow the instructions as prompted by the mobile app while voting on your mobile
- (xx) Additional instructions for non- individual shareholders and custodians.
 - a. Non- individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates. Corporates and custodians already registered with CDSL should use their existing login details.
 - b. After registering online, scanned copy of the registration form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - c. The admin login detail will be sent by CDSL. After receiving these details, create a compliance user. The compliance user would be able to link the account(s) for which they wish to vote on.
 - d. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - e. A scanned copy of the Board Resolution and Power of Attorney which they have issued in favour of the custodian/ authorized person should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting you may refer the Frequently Asked Questions("FAQ") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

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General Instructions

- (i) The Board of Directors have appointed M/s. V. Suresh Associates, Practising Company Secretaries, No.28, Ganapathy Colony 3rd Street, Teynampet, Chennai - 600 018 as the Scrutinizers to scrutinize the e-voting process in a fair and transparent manner.
- (ii) The Scrutinizers shall after the conclusion of voting at the General Meeting, will first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him, in writing, who shall countersign the same and declare the result of the voting forthwith. The resolutions will be deemed having been passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions.
- (iii) The results declared along with the Report of the Scrutinizer shall be placed on the Company's website www.highlandproduce.in and on the website of CDSL immediately after the result is declared by the Chairman or a person authorised by him in writing who shall countersign the same. The results shall also be displayed in the Notice Board at the Registered office of the Company.
- (iv) The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on 18th September 2023. A person who is not a Member as on the cut off date should treat this Notice for information purposes only.

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

SPECIAL BUSINESS:

Mr. K.Suresh, whole time Director designated as Managing Director is in charge of all business operations of the Company. Considering his rich experience and considerable knowledge in the Plantations industry and his contribution for the business development of the Company, the Board of Directors of the Company at their Meeting held on 28th February, 2023 decided to re-appoint Mr.K.Suresh as Managing Director of the Company for a period of three years from 1st June, 2023 to 31st May, 2026 subject to the approval of the shareholders at the Annual General Meeting as required under Section 196 read with Schedule V of The Companies Act, 2013.

In consideration of the performance, the Board of Directors of the Company at their meeting held on 28th February, 2023 had also approved payment of managerial remuneration to Mr. K.Suresh on his re-appointment as Managing Director of the Company, which shall not exceed the monetary ceiling limit of Rs.7,00,000/- (Rupees Seven Lakhs only) per month prescribed in Paragraph (A) in Section II in Part II of Schedule V of the Companies Act, 2013 or such other ceiling limits as may be statutorily applicable from time to time, computed with reference to "Effective Capital" of the Company as prescribed therein during his tenure of office as Managing Director.

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

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

I GENERAL INFORMATION ABOUT THE COMPANY :

1. The Company is mainly engaged in the business of plantations.
2. The Company is an existing Company, having commenced the business on 18th May, 1926.
3. Clause 3 is not applicable since it is an existing Company.
4. Income from operations during 2022-23 was Rs.10,533.86 lakhs and the operating profit before charging depreciation was Rs.1018.78 lakhs against income from operations of Rs.10,046.83 lakhs and profit before charging of depreciation of Rs 594.77 lakhs during the year 2021 -22.
5. The Company has not made any exports during 2022-23 and 2021-22 and no foreign investments are made and the Company has not entered into any foreign collaborations.
6. The Company has not made any default in repayment of its debts (including public deposits) or interest payable thereon for a continuous period of thirty days in the preceding financial year.

II INFORMATION ABOUT APPOINTEE :

1. Mr. K.Suresh aged 67 years, and a graduate in Commerce with PG Diploma in Advanced Marketing had held middle and senior management positions with Hindustan Lever Ltd., Caltex and General Electrical Company before he joined the Company as Chief Executive Officer on 1st February, 2003. He has rich experience in operations, marketing, logistics and materials and general management, by holding extensive, multi-management and cross-functional portfolios with tea plantations division of Hindustan Lever Ltd., his previous employer
2. Mr. K.Suresh, Managing Director has been remunerated during the financial year ended 31st March, 2023 by the two companies The Highland Produce Company Limited and The Rajagiri Rubber and Produce Company Limited in which he was holding the office of Joint Managing Director till 31st May 2023. The details are as under.

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	The Highland Produce Company Limited	The Rajagiri Rubber and Produce Company Limited
Salary	Rs.23,18,400	Rs.15,45,600
Contribution to Provident and other funds (excluded from computing the ceiling limit)	Rs. 9,93,600	Rs. 6,62,400
Allowances and Perquisites	Rs. 8,68,800	Rs. 5,79,200
Total	<u>Rs.41,80,800</u>	<u>Rs. 27,87,200</u>

- Mr. K.Suresh has been entrusted with powers of management of General Administration and business development subject to the superintendence, control and directions of the Board of Directors and he is responsible for the day to day management of the company.
- The Board has proposed managerial remuneration to Mr.K.Suresh within the ceiling limit of Rs.7,00,000/- (Rupees Seven lakhs only) per month, as prescribed by Paragraph (A) in Section II in Part II of Schedule V of the Companies Act, 2013 until otherwise determined by the Board during the tenure of his re-appointment commencing from 1st June, 2023 and ending on 31st May, 2026 .
- The proposed remuneration package with respect to the industry is not comparable, considering the nature and size of the business operations carried on by the Company. However, taking into consideration the profile of the appointee and the responsibilities entrusted to him, the proposed remuneration is considered to be commensurate with the remuneration packages given by other companies, though not in the same industry, to similar senior level appointees.
- Mr.K.Suresh besides receiving remuneration for his services rendered as Managing Director does not have any other pecuniary relationship with the Company and its managerial personnel.

III OTHER INFORMATION

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

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

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

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

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

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

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

Chennai
9th August, 2023

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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

For Agenda Item No.3

Name of the Director	Mr. Dilip Thomas
Date of Birth	7th August 1958
DIN	00052185
Qualifications	B.Com
Expertise in Specific functional areas	Mr. Dilip Thomas is an industrialist and has rich knowledge and experience in Finance and business Management and expertise in plantation industry
Date of appointment on the Board	25.04.1985
Number of Board Meetings attended during the year 2022-23	4 (Four)
Relationship with Other directors	Spouse of Mrs. Priyalatha Thomas, Director
Directorship held in other Companies (excluding foreign companies)	Executive Vice-Chairman A.V Thomas and Co.Ltd. Chairman 1. A.V Thomas International Ltd 2. The Rajagiri Rubber and Produce Company Ltd 3. Dalp Trading and Manufacturing Ltd Director 1. A.V Thomas Leather & Allied Products (P) Ltd 2. L.J International Ltd 3. A.V Thomas Investments Company Ltd 4. A.V Thomas Exports Ltd
Membership of Committees in other Companies	NIL
Number of shares held in the Company	1,16,339

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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

For Agenda Item No.4

Name of the Director	Mr. S.Ganesan
Date of Birth	21st June 1950
DIN	08588380
Qualifications	Chartered Accountant
Expertise in Specific functional areas	Vast experience in Corporate Audit and Corporate taxation more particularly in plantation industry
Date of appointment on the Board	12.12.2020
Number of Board Meetings attended during the year 2022-23	4 (Four)
Relationship with Other directors	Not related to any Director
Directorship held in other Companies (excluding foreign companies)	Director 1. Neelamalai Agro Industries Ltd 2. Midland Rubber and Produce Company Ltd 3. The Nelliampathy Tea and Produce Company Ltd 4. L.J International Ltd
Membership of Committees in other Companies	NIL
Number of shares held in the Company	NIL

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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

For Agenda Item No.5

Name of the Director	Mr. K.Suresh
Date of Birth	3rd February 1956
DIN	00255162
Qualifications	B.Com, Post Graduate Diploma in Advanced marketing
Expertise in Specific functional areas	Mr. K.Suresh has rich experience in Operations, Marketing, Logistics, Materials and General Management
Date of appointment on the Board	01.08.2003
Number of Board Meetings attended during the year 2022-23	5 (Five)
Relationship with Other directors	Not related to any Director
Directorship held in other Companies (excluding foreign companies)	Director 1. L.J International Ltd 2. A.V Thomas International Limited 3. Dalp Trading and Manufacturing Limited 4. Doors and More Wood Products Ltd 5. Rajagiri Impex Limited 6. AVR Edge Networks Private Limited 7. The Rajagiri Rubber & Produce Company Ltd.,
Membership of Committees in other Companies	NIL
Number of shares held in the Company	125

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

DIRECTORS' REPORT

Your Directors have pleasure in presenting the **NINETY SEVENTH** Annual Report with the Audited Accounts for the year ended March 31, 2023.

FINANCIAL RESULTS :	(Rs. in lakhs)	
	2022-23	2021-22
Income from operations & other income	10,533.86	10,046.83
Profit before Depreciation	512.04	594.77
Depreciation	198.11	165.58
Extra ordinary item	506.74	-
Profit before Taxation	820.67	429.19
Less: Provision for taxation	206.22	92.58
Profit after Taxation	614.45	336.61
Add : Surplus brought forward	1115.40	832.79
Total amount available for appropriation	1729.85	1169.40
LESS : Transfer to General Reserve	Nil	Nil
Dividend on Equity shares paid for earlier year	54.00	54.00
Surplus carried forward	1,675.85	1115.40
	1,729.85	1,169.40

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 higher during the year and prices realised were also better than previous year.

The production of Cardamom decreased due to unfavourable weather condition during the year under report and the prices realised were marginally higher 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. 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.

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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 Directors Mr Dilip Thomas (DIN: 00052185) and Mr.S.Ganesan (DIN : 08588380) retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Directors recommend re-appointment of Mr.Dilip Thomas and Mr.S.Ganesan at the ensuing Annual General Meeting.

The Board of Directors have re-appointed Mr. K.Suresh (DIN: 00255162) as Managing Director of the Company for a further period of three years from 1st June 2023 to 31st May, 2026 subject to the approval of shareholders in the General Meeting. Necessary resolutions for the re-appointment and payment of remuneration to Mr.K.Suresh, Managing Director are incorporated in the notice convening the ensuing Annual General Meeting.

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

ANNUAL RETURN

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

BOARD MEETINGS

During the financial year 2022-23 the Board of Directors met five times. The dates on which the meetings held were 06.06.2022, 25.07.2022, 27.09.2022, 21.11.2022 and 28.02.2023. The intervening gap between the meetings were within the period prescribed under the Companies Act, 2013. The Company has complied with the Secretarial Standards issued by the ICSI.

AUDIT COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE

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

SHARE TRANSFER COMMITTEE

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

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

AUDITORS

Pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013, the shareholders in their 96th Annual General Meeting (AGM) held on 22nd September, 2022 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 101st Annual General Meeting. In view of the amendments to the Companies Act, 2013 their appointment is not required to be ratified by the members in the forthcoming Annual General Meeting.

COST RECORDS AND 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. Periodic assessment to identify the risk elements in the business are carried out and management is briefed on the risks, which are classified as financial risks, operational risks and market risks. The Board is informed well in advance about the risks to take effective steps in managing them.

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.

RELATED PARTY TRANSACTIONS

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.

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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.

FOREIGN EXCHANGE EARNINGS/OUTGO

During the year under review, total outgo on Foreign Exchange amounted to Rs.343.44 lakhs. Details are set out in Note 28 item 2 (a) & (b) of the Notes on Accounts. The company has been continuing in exploring the possibilities of exporting its produces as well as on new foreign projects.

INDUSTRIAL RELATIONS

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

CORPORATE SOCIAL RESPONSIBILITY

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

DEPOSIT FROM PUBLIC

The Company has not accepted any deposits from public during the year. However, the Company has accepted an amount of Rs.473 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.

DETAILS OF APPLICATION MADE OR PROCEEDINGS PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE 2016

There are no applications made or proceedings pending against the Company under the Insolvency and Bankruptcy Code, 2016.

DETAILS OF DIFFERENCE BETWEEN VALUATION AMOUNT ON ONE TIME SETTLEMENT AND VALUATION WHILE AVAILING LOANS FROM BANKS AND FINANCIAL INSTITUTIONS.

The Company has not entered into one time settlement with any Banks or Financial Institutions during the year. Hence, disclosure pertaining to difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan is not applicable.

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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, 2023, 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 be transferred to the demat account created by the IEPF Authority. Accordingly, the Company had transferred to the IEPF Authority 1005 Equity shares during the Financial Year 2022-23 towards which dividend remained unclaimed.

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

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

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

ACKNOWLEDGEMENT

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

Chennai,
9th August, 2023

By Order of the Board
DILIP THOMAS
Chairman
DIN:00052185

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

ANNEXURE -I

Form No. AOC-2

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

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

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

Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during the financial year 2022-23.

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

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

Chennai
9th August, 2023

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

Form No. AOC 2

Annexure IA

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 3674161 kgs of Tea	On going transactions	58,45,78,727	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
		Cost of 2100 Kgs of Staff Gratis tea	On going transactions	2,86,250	Market Rate	Not Applicable	Nil
		Dividend received on Equity shares	On going transactions	10,50,000	-	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	14,73,72,928	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 Company Ltd	Common Control through constitution of Board / shareholding	Sale of 801 kgs of Staff gratis tea	On going transactions	1,04,131	Market Rate	Not Applicable	Nil
		Sale of old Gen Set	On going transactions	65,000	Market Rate	Not Applicable	Nil
		Interest on ICD received	On going transactions	13,61,096	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	12,32,110	Market Rate	Not Applicable	Nil
M/s Rajagiri Impex Limited	Common Control through constitution of Board / shareholding	Sale of 53970 Kgs of Cardamom	On going transactions	5,83,52,679	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	2,500	-	Not Applicable	Nil
A.V Thomas and Company Ltd. Chennai	Common Control through constitution of Board / shareholding	Rent for the Building at Chennai	On going transactions	12,000	Market Rate	Not Applicable	Nil
Doors and More Wood Products Limited	Common Control through constitution of Board / shareholding	Processing Charges paid for Door unit work at Coimbatore	On going transactions	1,07,23,170	Market Rate	Not Applicable	Nil
		Purchase of Doors	On going transactions	2,52,166	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	3,63,994	Market Rate	Not Applicable	Nil
		Sharing of Employee Cost	On going transactions	59,22,210	Market Rate	Not Applicable	Nil
		Inter corporate Deposit	On going transactions	3,00,00,000	Market Rate	Not Applicable	Nil
		Dividend Paid on Equity shares	On going transactions	1,22,080	-	Not Applicable	Nil

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

Form No. AOC 2

Annexure IA

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
L.J International Limited	Common Control through constitution of Board / shareholding	Purchase of flowering plants Dividend Paid on Equity shares	On going transactions On going transactions	9,14,556 1000	Market Rate -	Not Applicable Not Applicable	Nil Nil
M/s Rajagiri Impex Limited	Common Control through constitution of Board / shareholding	Brokerage/Sales expenses paid	On going transactions	16,77,627	Market Rate	Not Applicable	Nil
Dalp Trading and Manufacturing Ltd Chennai	Common Control through constitution of Board / shareholding	Commission paid for procurement of Green leaf Dividend Paid on Equity shares	On going transactions On going transactions	58,82,739 21,16,330	Market Rate -	Not Applicable Not Applicable	Nil Nil
A.V Thomas and Company Ltd. Chennai	Common Control through constitution of Board / shareholding	Warehousing and C&F Charges	On going transactions	8,78,140	Market Rate	Not Applicable	Nil

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

Annexure -II

CONSERVATION OF ENERGY

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

The steps taken or impact on conservation of Energy

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

- Tea Drier machine with energy efficient motor utilized in Pasuparai Estate for Conservation of energy.
- Rain water harvesting tanks are used to conserve ground water in the Estates
- Drip irrigation in tea and micro sprinkler system with fertigation in cardamom is continued to be in use to conserve water
- In Office, Cardamom curing house, Factory and Retail outlets LED lights were used to conserve electrical energy
- Use of Hot air from the drier for withering of green leaf in the trough is continued.
- Fuel efficient Gensets are in use at Caradygoody factory
- For rain water harvesting, earth bund dykes are constructed for conservation of water.

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

INDEPENDENT AUDITOR'S REPORT

To
The Members of
THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

Report on the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **THE HIGHLAND PRODUCE COMPANY LIMITED**, ("the Company"), which comprise the balance sheet as at 31st March 2023, 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 fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

If, 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,

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal 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.

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by The Companies (Auditor's Report) Order, 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
- (e) On the basis of the written representations received from the directors as on 31st March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 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 28(4)(a) to the financial statements.

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

- 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, 2023.
- iii. There has been no delay in transferring 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 final dividend proposed in the previous year, declared and paid by the Company during the year is in compliance with Section 123 of the Act.

Further, the Board of Directors of the Company have proposed final 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.

- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11 (g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

Place : Chennai
Date : 09.08.2023

For SURI & CO.,
Chartered Accountants
Firm Regn. No.004283S
G.RENGARAJAN
Partner
Membership No.219922
UDIN: 23219922BGWKIZ2286

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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 2023, we report that:

- i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment
- 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 property, plant and equipment by which all property, plant and equipment 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 duly executed 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, 2023 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 working capital limit in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets along with paripasu charge on estate immovable properties and plant and machinery. In our opinion, the quarterly returns or statements filed by the company with such banks are in agreement with the books of account of the company.
- iii) The Company has granted advances in the nature of loan to a company and the same is not prejudicial to the Company's interest.
- (a) During the year the company has provided loans and the details are given as follows:

Nature	Aggregate amount of loan advanced during the year	Balance Amount outstanding
(A) Subsidiaries, joint ventures and associates	NIL	NIL
(B) Others	3,00,00,000	3,00,00,000

- (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 not provided investments, guarantee or security to companies, firms, limited liability partnership or any other parties during the year. Accordingly clause 3 (iii)(b) of the order is not applicable.

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

- (c) The loans and advances in the nature of loans, is an inter corporate deposit which is payable on demand and payment of interest has been stipulated.
- (d) There are no amount which is overdue for more than ninety days and hence clause 3 (iii)(d) of the order is not applicable.
- (e) The loan or advance in the nature of loan was granted during the year and hence there was no renewal or extension of the loan or fresh granting of loan to the same party. Accordingly clause 3 (iii)(e) of the order is not applicable.
- (f) During the year the company had provided Inter Corporate Deposit to Related Party in the nature of loan outstanding amounting to Rs.300 Lakhs which is 100% of the loans advanced by the company.
- iv) According to the information and explanation given to us and on the basis of our examination of the records, the Company has complied with the provision of Section 185 and 186 of the Act.
- v) The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of the Act and the directives issued by 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, there under. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- 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 the records of the company examined by us, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employee State Insurance Fund, Income Tax, Goods and Service Tax, Custom duty, cess and any other statutory dues as applicable with the appropriate authorities.
- 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)

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

- viii) Based on our audit procedures and as per the information and explanations given by the management, no amount has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, clause 3(viii) of the Order is not applicable to the Company.
- ix) (a) Based on our audit procedures and as per the information and explanations given by the management 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.
- (b) Based on the explanation and information given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) Based on the information and explanation given to us, and the records of the company examined by us, term loans were applied for the purpose for which the loans 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) during the year and accordingly clause 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 to the company
- 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 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 in accordance with Nidhi Rules,2014. Accordingly clause 3 (xii)(a) to (c) of the Order is not applicable.
- xiii) Based on our audit procedures and according to the information and explanation given to us, all the transactions entered into with the related parties during the year are in compliance with section 188 of the Act where applicable and the details have been disclosed in the standalone financial statements as required by the applicable Accounting Standards. Section 177 of the Companies Act is not applicable

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

- 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 clause 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.
- 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 a not 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) The company is not covered under the provisions of Section 135 of the Companies Act 2013. Accordingly clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

Place : Chennai
Date : 09.08.2023

For SURI & CO.,
Chartered Accountants
Firm Regn. No.004283S
G.RENGARAJAN
Partner
Membership No.219922
UDIN: 23219922BGWKIZ2286

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

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-2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31-Mar-2023 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Chennai
Date : 09.08.2023

For SURI & CO.,
Chartered Accountants
Firm Regn. No.004283S
G.RENGARAJAN
Partner
Membership No.219922
UDIN: 23219922BGWKIZ2286

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

CIN : U01119KL1925PLC000416

BALANCE SHEET AS AT 31ST MARCH 2023

(All amounts are in Indian Rupee lakhs, except share data and as otherwise stated)

	Note No.	As at 31-03-2023	As at 31-03-2022
I. Equity and liabilities:			
(1) Shareholders' funds:			
(a) Share capital	2	54.00	54.00
(b) Reserves and surplus	3	2,194.95	1,665.75
		<u>2,248.95</u>	<u>1,719.75</u>
(2) Non-current liabilities:			
(a) Long term borrowings	4	65.32	102.48
(b) Deferred Tax Liabilities (Net)	5	37.47	-
(c) Long-term provisions	6	9.41	8.40
		<u>112.20</u>	<u>110.88</u>
(3) Current liabilities:			
(a) Short-term borrowings	7	978.58	932.08
(b) Trade payables	8		
Total outstanding dues of Micro Enterprises and Small Enterprises [Note No. 28 (5)] and Total outstanding dues of Creditors other than micro enterprises and small enterprises		61.95	121.86
(c) Other current liabilities	9	1,280.05	1,160.97
(d) Short-term provisions	10	1,286.65	1,287.34
		<u>423.96</u>	<u>256.35</u>
		<u>4,031.19</u>	<u>3,758.60</u>
	TOTAL	<u>6392.34</u>	<u>5,589.23</u>
II. Assets:			
(1) Non-current assets:			
(a) Property, Plant, Equipment and Intangible Assets:			
(i) Property, Plant and Equipment	11	1,739.68	1,782.49
(ii) Capital work-in-progress	12		
a) Bearer plants		240.04	230.72
b) Others		14.88	-
(b) Non-current investments	13	8.33	8.33
(c) Long term Loans and advances	14	29.59	-
(d) Other non-current assets	15	38.89	36.05
		<u>2,071.41</u>	<u>2,057.59</u>
(2) Current assets:			
(a) Inventories	16	1,227.29	954.46
(b) Trade receivables	17	2,175.15	1,991.49
(c) Cash and cash equivalents	18	54.41	90.59
(d) Short term loans and advances	19	864.08	495.10
		<u>4,320.93</u>	<u>3,531.64</u>
Significant Accounting Policies	1		
	TOTAL	<u>6,392.34</u>	<u>5,589.23</u>

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 : 09.08.2023

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

CIN : U01119KL1925PLC000416

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023

(All amounts are in Indian Rupee lakhs, except share data and as otherwise stated)

	Note No.	For the year ended 31-03-2023	For the year ended 31-03-2022
REVENUE:			
I. Revenue from Operations	20	10,263.92	9,690.75
II. Other Income:	21	269.94	356.08
III. Total Income (I+II)		<u>10,533.86</u>	<u>10,046.83</u>
EXPENSES:			
Cost of materials consumed	22	4,292.22	4,079.48
Other manufacturing expenses	23	2,055.31	1,774.53
Purchase of stock-in-trade - Tea		1.41	1.08
Change in inventory of finished goods, work in progress and stock in trade	24	(147.09)	228.68
Employee benefit expenses	25	3,086.53	2,830.27
Finance costs	26	116.55	109.72
Depreciation and amortization expense		198.11	165.58
Other expenses	27	616.89	428.30
IV. Total expenses		<u>10,219.93</u>	<u>9,617.64</u>
V. Profit/(Loss) before exceptional and extraordinary items(III-IV)		313.93	429.19
VI. Exceptional/Extraordinary items	28 (12)	506.74	Nil
VII. Profit/(Loss) after exceptional/Extraordinary items		<u>820.67</u>	<u>429.19</u>
VIII. Profit/(Loss) before Tax (PBT)		<u>820.67</u>	<u>429.19</u>
IX. Tax expenses:			
- Current Tax (CIT)		200.00	91.25
- Deferred Tax		6.22	-
Add: MAT credit entitlement utilised.		-	1.33
X. Profit/(Loss) for the period (VIII-IX)		<u>614.45</u>	<u>336.61</u>
Earnings per Share (in Rs.)	28 (3)		
(1) Basic		113.79	62.33
(2) Diluted		113.79	62.33
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 : 09.08.2023

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHACIN : U01119KL1925PLC000416

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2023

(All amounts are in Indian Rupee lakhs, except share data and as otherwise stated)

	31.03.2023	31.03.2022
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	313.93	429.19
ADJUSTMENTS FOR :		
Depreciation	198.11	165.58
Fixed assets discarded/diminution in Inventories	-	10.50
Provision for Leave Encashment	4.17	(0.81)
Provision for Gratuity	49.73	(36.00)
Profit on sale of Investments/Assets	(4.98)	(1.36)
Interest /Dividend Received	(32.07)	(13.36)
Interest Paid	116.55	109.72
	<u>331.51</u>	<u>663.46</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	645.44	663.46
ADJUSTMENTS FOR :		
Trade and other receivables	(183.66)	(268.83)
Inventories	(272.83)	104.86
Trade Payables	58.96	204.06
Other Current Assets	21.35	(64.75)
	<u>(376.18)</u>	<u>638.80</u>
CASH GENERATED FROM OPERATIONS	269.26	638.80
Taxes Paid	(142.10)	(169.59)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	127.16	469.21
Extraordinary Items	506.74	Nil
NET CASH FROM OPERATING ACTIVITIES	<u>633.90</u>	<u>469.21</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(198.04)	(247.73)
Sale of Fixed Assets	23.51	(6.70)
Interest Received	21.40	6.22
Dividend Received	10.67	7.14
NET CASH USED IN INVESTING ACTIVITIES	<u>(142.46)</u>	<u>(241.07)</u>

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHACIN : U01119KL1925PLC000416

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2023 (Contd.)

(All amounts are in Indian Rupee lakhs, except share data and as otherwise stated)

	31.03.2023	31.03.2022
C. CASH FLOW FROM FINANCING ACTIVITIES		
Public Deposits/Loan from Directors	(180.00)	(300.00)
Term Loan	(93.48)	(123.67)
ICD	(300.00)	-
Cash Credit	282.82	355.53
Capital Advance	(29.59)	-
Interest Paid	(117.02)	(110.88)
Dividend Paid	(54.00)	(54.00)
NET CASH USED IN FINANCING ACTIVITIES	<u>(491.27)</u>	<u>(233.02)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>0.17</u>	<u>(4.88)</u>
CASH AND CASH EQUIVALENTS AS AT 01.04.2022		
(Beginning of the year)	7.20	
CASH AND CASH EQUIVALENTS AS AT 31.03.2023		
(Closing of the year)	7.37	
	<u>0.17</u>	<u>(4.88)</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: 00052185

K. SURESH

Managing Director

DIN: 00255162

Place : Chennai,
Date : 09.08.2023

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2023

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.

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 [other than bearer plants (Tea bushes and cardamom plants) which are depreciated using straight line method] has been charged as per the useful life specified in Schedule II of Companies Act 2013, except Assets costing individually less than Rs.5,000/- which are depreciated at 100 %. The residual value is considered at 5 % of the original cost of Plant, property and equipment. Depreciation for assets purchased/sold during the period is proportionately charged.

Property, plant and equipment are depreciated under the written down value method [other than bearer plants (Tea bushes and Cardamom plants) which are depreciated using straight line method] over the estimated useful lives of the assets, which are different from the lives prescribed under Schedule II to the Companies Act, 2013

Useful life adopted by the Company for bearer plants is as follows:

Asset Category	Useful lives (in years)
Bearer plants - Tea Bushes	50
Bearer plants - Cardamom Plants	12

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

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

- 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.

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.

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

10 FOREIGN CURRENCY TRANSACTIONS :

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

11 GOVERNMENT GRANTS

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

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

12 TAXES ON INCOME:

Provision for Income-Tax is made for both current and deferred tax. Provision for current income tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Deferred tax is accounted for by computing the tax effect of the timing difference which arise during the year and reverse out in the subsequent 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.

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

16 DIVIDEND:

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

17 CASH FLOW STATEMENT:

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

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

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

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2023

	As at 31-03-2023	(₹ in lakhs) As at 31-03-2022
NOTE 2:		
SHARE CAPITAL		
a. AUTHORISED:		
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. ISSUED:		
5,50,000 - Equity Shares of Rs.10/- each,	55.00	55.00
12,00,000 - 7% Cumulative Preference Shares of Rs.10/- each	Nil	Nil
	175.00	175.00
c. SUBSCRIBED AND PAID UP:		
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
d. RECONCILIATION OF SHARES:		
Number of Equity Shares at the beginning of the year	5,40,000	5,40,000
Add/(Less) Shares issued/buyback etc.	Nil	Nil
Number of Equity Shares at the end of the reporting period	5,40,000	5,40,000
e. DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% OF SHARES:		
	31.03.2023	31.03.2022
1. Equity :	No of shares held % of holding	No of shares held % of holding
Mr. Dilip Thomas	1,16,339 21.54	1,16,939 21.54
Dalp Trading and Manufacturing Limited	2,11,633 39.19	2,11,633 39.19
Mr. Zibi Jose P P	32,852 6.08	32,852 6.08
IEPF Authority	38,621 7.15	37,616 6.97
f.	No bonus shares/buyback of shares in last 5 years.	
g.	The company has only Equity Shares as on 31.03.2023. Each holder of Equity shares is entitled for one vote in proportion to the number of shares held.	

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2023

(₹ in lakhs)

	As at 31-03-2023	As at 31-03-2022
NOTE 2: (Contd..)		
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:		
	31.03.2023	31.03.2022
1. Equity	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	2,11,633 39.19	2,11,633 39.19
The Rajagiri Rubber & Produce Company Limited	12,208 2.26	12,208 2.26
L J International Limited	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	-	-
	123.00	123.00
GENERAL RESERVE:		
As per last Balance Sheet	427.35	
Add : Transfer from statement of Profit and Loss	-	
Less : Deferred Tax Liability Recognised	31.25	
	396.10	396.10
SURPLUS		
Profit/(Loss) for the period	614.45	336.61
Add : Profit/(Loss) Brought forward	1,115.40	832.79
Surplus	1,729.85	1,169.40
APROPRIATIONS:		
Transfer to General Reserve	-	-
Final dividend for 2021-22 - Paid on Equity Shares at Rs.10/- per share (Previous year - Rs.10 per share)	54.00	54.00
Surplus carried forward	1,675.85	1,115.40
Grand Total	2,194.95	1,665.75

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2023

	As at 31-03-2023	(₹ in lakhs) As at 31-03-2022
NOTE: 4		
NON CURRENT LIABILITIES:		
LONG TERM BORROWINGS:		
TERM LOANS FROM BANKS - Secured		
Term Loan from Bank, Secured against hypothecation of Stock-in-trade, Standing crops, Plant and Machinery at Estates and Vehicles and also equitable mortgage of land in Estates with Buildings thereon.		
a) 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)	32.50	84.29
Vehicle Loan from Banks Secured against hypothecation of vehicles:		
a) Term loan repayable in 84 monthly instalments starting from July 2017 (last instalment June 2024) - Interest Rate 9.90% per annum (PY 8.75% pa)	0.46	1.95
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
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
d) Term Loan repayable in 36 monthly instalments starting from November 2022 (last instalment November 2025) - Interest Rate 8.70% per annum	23.44	-
e) Term Loan repayable in 36 monthly instalments starting from February 2023 (last instalment February 2026) - Interest Rate 8.70% per annum	8.92	-
	65.32	102.48
<i>No loans have been guaranteed by Directors or others except GECL loan for which 100% guarantee given by NCGTCL. Period and amount of continuous default.</i>	Nil	Nil

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2023

	As at 31-03-2023	(₹ in lakhs) As at 31-03-2022
NOTE: 5		
COMPUTATION OF DEFERRED TAX ASSET/LIABILITY		
a) Deferred Tax Assets:		
Tax impact of difference between carrying amount of Fixed Assets in the Financial Statements and the income tax returns	11.03	-
Tax impact of expenses charged in the statements but allowable as deduction in future years under Income Tax	13.81	-
b) Deferred Tax Liability:		
Tax impact of expenses charged in the income tax return on account of capitalisation of bearer plants in the Financial Statements	62.31	-
Net Deferred Tax Liability [(a) - (b)]	37.47	-
NOTE: 6		
LONG TERM PROVISIONS		
Provision for Employee Benefits (Refer Note No.28(7))		
For Gratuity	Nil	Nil
For Leave Encashment	9.41	8.40
	9.41	8.40
NOTE : 7		
SHORT TERM BORROWINGS:		
FROM BANKS - SECURED:		
The Company's borrowing facilities comprising cash credit of Rs.1650 lakhs (PY Rs.1650 Lakhs) secured against hypothecation of stock-in-trade, Standing crops, movable and immovable properties of the Company (Previous year - Secured against hypothecation of stock-in-trade, Standing crops, movable and immovable properties of the Company)		
Cash Credit	904.95	622.13
<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)	73.63	129.95
ADVANCE FROM RELATED PARTIES - Unsecured:		
Loans from Directors	-	180.00
(Rate of interest @ 9% per annum and previous year 9% per annum)	978.58	932.08

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2023

(₹ in lakhs)

As at
31-03-2023 As at
31-03-2022

NOTE : 8

TRADE PAYABLES:

Outstanding dues of Micro Enterprises and Small enterprises	61.95	121.86
Other outstanding dues of Creditors other than Micro Enterprises and Small enterprises	1,280.05	1,160.97
	1,342.00	1,282.83

(Refer Note No.28(5) for details of dues to Micro and Small enterprises)

The trade payables ageing schedule is as follows:

Particulars	Outstanding for following periods from due date of payment as on 31st March 2023					
	Unbilled Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	Nil	12.75	49.20	Nil	Nil	61.95
(iii) Others	8.50	1,267.78	3.56	0.00	0.21	1,280.05
(iii) Disputed dues - MSME	Nil	Nil	Nil	Nil	Nil	Nil
(iv) Disputed dues - Others	Nil	Nil	Nil	Nil	Nil	Nil

Particulars	Outstanding for following periods from due date of payment as on 31st March 2022					
	Unbilled Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	Nil	76.42	2.77	42.67	Nil	121.86
(ii) Others	8.50	1,142.83	4.50	4.93	0.21	1,160.97
(iii) Disputed dues - MSME	Nil	Nil	Nil	Nil	Nil	Nil
(iv) Disputed dues - Others	Nil	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. 28 (5).

2) For related party balances, refer Note no. 28 (9)

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2023

	As at 31-03-2023	(₹ in lakhs) As at 31-03-2022
NOTE : 9		
OTHER CURRENT LIABILITIES:		
Interest accrued but not due on borrowings	-	0.47
Advance received on sale Wood Division [Refer Note 28 (8)]	1,157.10	1,157.10
Investor Education and Protection Fund		
- Unpaid/unclaimed dividends	4.44	2.65
Security Deposits	73.60	73.60
Other Payables - Statutory Liabilities	51.51	53.52
	<u>1,286.65</u>	<u>1,287.34</u>
NOTE : 10		
SHORT TERM PROVISIONS:		
Provision for employee benefits:		
For Leave Encashment [Refer Note 28 (7)]	68.31	65.15
For Gratuity [Refer Note 28 (7)]	76.79	27.06
Other Provisions:		
Provision for Income tax	278.86	164.14
	<u>423.96</u>	<u>256.35</u>

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2023

NOTE : 11

PROPERTY, PLANT AND EQUIPMENT :

(₹ in lakhs)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2022	Additions	Deductions	As at 31.03.2023	Upto 31.03.2022	For the Year	Withdrawn	Upto 31.03.2023	As at 31.03.2023	As at 31.03.2022
FREEHOLD LAND	64.82	Nil	11.31	53.51	Nil	Nil	Nil	Nil	53.51	64.82
	<i>64.82</i>	<i>Nil</i>	<i>11.31</i>	<i>53.51</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>53.51</i>	<i>64.82</i>
LEASEHOLD LAND	6.20	Nil	Nil	6.20	1.18	0.20	Nil	1.38	4.82	5.02
	<i>6.20</i>	<i>Nil</i>	<i>Nil</i>	<i>6.20</i>	<i>0.98</i>	<i>0.20</i>	<i>Nil</i>	<i>1.18</i>	<i>5.02</i>	<i>5.21</i>
DEVELOPMENT	577.55	4.39	Nil	581.94	Nil	Nil	Nil	Nil	581.94	577.55
	<i>556.65</i>	<i>20.90</i>	<i>Nil</i>	<i>577.55</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>577.55</i>	<i>556.65</i>
BUILDINGS	1,221.77	25.09	Nil	1,246.86	803.52	41.70	Nil	845.22	401.64	418.25
	<i>1,152.20</i>	<i>69.57</i>	<i>Nil</i>	<i>1,221.77</i>	<i>760.26</i>	<i>43.26</i>	<i>Nil</i>	<i>803.52</i>	<i>418.25</i>	<i>391.94</i>
MACHINERY	2,381.61	59.37	14.12	2,426.86	1,760.73	120.58	13.69	1,867.62	559.24	620.89
	<i>2,020.55</i>	<i>361.06</i>	<i>Nil</i>	<i>2,381.61</i>	<i>1,675.18</i>	<i>85.54</i>	<i>Nil</i>	<i>1,760.72</i>	<i>620.89</i>	<i>345.37</i>
BEARER PLANTS	Nil	36.61	Nil	36.61	Nil	1.62	Nil	1.62	34.99	Nil
	<i>Nil</i>	<i>0.00</i>	<i>Nil</i>	<i>0.00</i>	<i>Nil</i>	<i>1.62</i>	<i>Nil</i>	<i>1.62</i>	<i>34.99</i>	<i>Nil</i>
FURNITURE AND FITTINGS	77.14	Nil	Nil	77.14	63.69	4.78	Nil	68.47	8.67	13.45
	<i>70.55</i>	<i>Nil</i>	<i>Nil</i>	<i>77.14</i>	<i>56.55</i>	<i>7.14</i>	<i>Nil</i>	<i>63.69</i>	<i>13.45</i>	<i>14.00</i>
VEHICLES	294.71	48.38	33.34	309.75	212.20	29.23	26.55	214.88	94.87	82.51
	<i>282.48</i>	<i>47.69</i>	<i>35.46</i>	<i>294.71</i>	<i>215.78</i>	<i>29.44</i>	<i>33.02</i>	<i>212.20</i>	<i>82.51</i>	<i>66.69</i>
	4,623.80	173.84	58.77	4,738.87	2,841.32	198.11	40.24	2,999.19	1,739.68	1,782.49
<i>Previous year</i>	<i>4,153.45</i>	<i>505.81</i>	<i>35.46</i>	<i>4,623.80</i>	<i>2,708.75</i>	<i>165.58</i>	<i>33.02</i>	<i>2,841.31</i>	<i>1,782.49</i>	<i>1,444.68</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, 2023

(₹ in lakhs)
As at 31-03-2023 As at 31-03-2022

NOTE: 12

CAPITAL WORK IN PROGRESS:

a) Bearer plants	240.04	230.72
b) Others	14.88	-

a) Bearer plants

Particulars	Amount in Capital Work in Progress for a period as on 31st March 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Tea Replanting	20.19	25.74	13.47	166.11	225.51
(ii) Cardamom Replanting	14.53	Nil	Nil	Nil	14.53
(iii) Project temporarily suspended	Nil	Nil	Nil	Nil	Nil

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	13.48	51.04	130.04	216.65
(ii) Cardamom Replanting	Nil	Nil	Nil	14.07	14.07
(iii) Project temporarily suspended	Nil	Nil	Nil	Nil	Nil

b) Others

Particulars	Amount in Capital Work in Progress for a period as on 31st March 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Project in progress	14.88	Nil	Nil	Nil	14.88
(ii) Project temporarily suspended	Nil	Nil	Nil	Nil	Nil

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

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 2023

NOTE : 13

NON CURRENT INVESTMENTS (AT COST)

(₹ in lakhs)

Description	As at 01-04-2022		Additions		Deductions		As at 31-03-2023	
	No. of Shares/Units	Amount	No. of Shares/Units	Amount	No. of Shares/Units	Amount	No. of Shares/Units	Amount
1. EQUITY SHARES IN COMPANIES (i)								
QUOTED								
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
		<u>0.06</u>						<u>0.06</u>
UNQUOTED								
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
		<u>8.27</u>						<u>8.27</u>
TOTAL		<u>8.33</u>						<u>8.33</u>

50

	31-03-2023	31-03-2022
Aggregate amount of Quoted Investments (Market Value Rs.16.03, Previous year Rs.17.40)	0.06	0.06
Aggregate amount of Unquoted Investments	<u>8.27</u>	<u>8.27</u>
	<u>8.33</u>	<u>8.33</u>

(i) Face Value of Equity Shares is Rs.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, 2023

	As at 31-03-2023	(₹ in lakhs) As at 31-03-2022
NOTE: 14		
LONG TERM LOANS AND ADVANCES		
Unsecured, Considered good		
Capital Advance	30.00	-
	30.00	-
NOTE: 15		
OTHER NON-CURRENT ASSETS:		
Unsecured, Considered good		
Deposits	38.89	36.05
	38.89	36.05
NOTE: 16		
INVENTORIES (Valued at Lower of Cost and net realisable value)		
Work-in-progress	117.78	116.17
Finished goods - Tea, Cardamom	546.77	401.29
Stores and Spares	493.99	362.96
Live Flowering Plants	43.07	48.68
Nurseries	25.68	25.36
	1,227.29	954.46
NOTE: 17		
TRADE RECEIVABLES:		
Unsecured, Considered good		
Outstanding for more than six months from the date they become due for payment		
Considered good	929.66	808.19
Considered doubtful	85.49	85.49
Less: Allowance for doubtful advances	85.49	85.49
Total	929.66	808.19
Others		
Unsecured, Considered good	1,245.49	1,183.30
	2,175.15	1,991.49

Particulars	Outstanding for following periods from due date of payment as on 31.03.2023					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed – considered good	1,245.49	0.11	300.92	431.64	196.99	2,175.15
Undisputed – considered doubtful	Nil	Nil	Nil	Nil	85.49	85.49
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, 2023

Particulars	Outstanding for following periods from due date of payment as on 31.03.2022					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed – considered good	1,183.30	0.00	427.26	207.43	258.99	2,076.98
Undisputed – considered doubtful	Nil	Nil	Nil	Nil	85.49	85.49
Disputed – considered good	Nil	Nil	Nil	Nil	Nil	Nil
Disputed – considered doubtful	Nil	Nil	Nil	Nil	Nil	Nil

	As at 31-03-2023	(₹ in lakhs) As at 31-03-2022
NOTE: 18		
CASH AND CASH EQUIVALENTS:		
Cash and Stamps on hand	0.74	0.70
Bank Balances:		
With Scheduled Banks:		
in Current Account	5.98	6.40
in Deposit Account	0.65	0.10
	6.63	6.50
	7.37	7.20
With Scheduled Banks - Earmarked balances with bank		
in Unpaid Dividend Bank Account	4.44	2.65
in Margin Money deposits accounts	42.60	80.74
	47.04	83.39
	54.41	90.59
	Nil	Nil
Deposit with more than 12 months maturity		

NOTE: 19

SHORT TERM LOANS AND ADVANCES:

Unsecured, Considered good		
Loans and advances due by Officers of the Company	-	0.17
Advances recoverable in cash or in kind or for value to be received.	298.45	298.70
Inter Company Deposit to Related Party	300.00	-
Input tax credits receivable	60.64	48.07
Balance with Port Trust	9.60	9.60
Deposits with NABARD-Tea	43.32	43.32
Tax payments pending adjustments	152.07	95.24
	864.08	495.10

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2023

(₹ in lakhs)

	For the year ended 31-03-2023	For the year ended 31-03-2022
NOTE: 20		
SALE OF PRODUCTS:		
Tea and Tea waste	7,817.20	7,279.21
Cardamom	688.65	847.82
Coffee	132.04	177.35
Pepper	46.02	89.40
Doors/Boards etc	1,512.48	1,264.32
Minor Produce	7.59	3.04
Live Flowering Plants	58.37	27.84
SALE OF SERVICES:		
Installation Income	1.57	1.77
	10,263.92	9,690.75
NOTE: 21		
OTHER INCOME:		
Income from non-current Investments	10.67	7.14
Interest Received		
- From Banks	2.73	3.91
- Others	18.67	2.31
Profit on Sale of Assets	4.98	1.36
Rent Received	23.93	20.40
Insurance claim received	9.86	7.50
Subsidy	2.45	-
Miscellaneous Receipts	15.91	27.40
Reimbursement towards wood division expenses [Refer Note 28(8)]	175.21	250.32
Provision no longer required written back	5.53	35.74
	269.94	356.08
NOTE: 22		
COST OF MATERIAL CONSUMED:		
[Refer Note No. 28 (1)]		
- Bought Leaf	3,230.85	3,187.17
- Wood	1,061.37	892.31
	4,292.22	4,079.48

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2023

	For the year ended 31-03-2023	For the year ended 31-03-2022
(₹ in lakhs)		
NOTE: 23		
OTHER MANUFACTURING EXPENSES:		
Processing Charges	204.04	188.53
Power and fuel consumed	940.12	858.91
Stores, spares, chemicals and packing materials consumed [Refer Note No. 28 (1)]	589.08	461.63
Transport and Warehousing	134.86	123.91
Repairs - Plant and Machinery	116.93	87.27
Repairs - Buildings	68.33	54.28
Installation Charges	1.95	-
	2,055.31	1,774.53
NOTE: 24		
INCREASE/DECREASE IN INVENTORY		
Inventory at the beginning of the year		
Tea	377.49	513.32
Cardamom	23.80	35.23
	401.29	548.55
Stock in process:		
Doors/Boards	116.17	197.59
	517.46	746.14
Inventory at the end of the year		
Finished Goods		
Tea	432.50	377.49
Cardamom	57.82	23.80
Coffee	27.74	-
Pepper	28.71	-
	546.77	401.29
Stock in process:		
Doors/Boards	117.78	116.17
	664.55	517.46
	(-) (147.09)	(+) 228.68
NOTE: 25		
EMPLOYEES BENEFIT EXPENSES:		
Salaries, Wages and Bonus	2,733.52	2,558.45
Contribution to Provident and Other Funds	205.44	188.35
Provision for Gratuity [Refer Note No. 28 (7)]	76.79	27.06
Provision for Leave Encashment [Refer Note No.28 (7)]	4.17	(0.81)
Staff Welfare Expenses	66.61	57.22
	3,086.53	2,830.27

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2023

	For the year ended 31-03-2023	(₹ in lakhs) For the year ended 31-03-2022
NOTE: 26		
FINANCE COSTS:		
Interest	99.26	92.40
Other Borrowing Costs	17.29	17.32
	116.55	109.72
NOTE: 27		
OTHER EXPENSES:		
Rent and Amenities	11.46	12.19
Rates and Taxes	52.72	19.80
Brokerage and Commission	17.85	21.41
Repairs and Maintenance :		
Roads and Buildings	1.37	0.80
Machinery	12.87	8.67
Vehicles	66.24	62.82
Others	15.63	8.69
Printing and Stationery	7.83	6.67
Postage and Telephones	10.26	8.87
Legal Expenses	2.77	0.97
Directors' Sitting Fees	1.70	1.50
Auditors' Remuneration:-		
For Audit	8.50	8.50
For Certification / Tax Audit	5.19	4.00
For Tax Representation	2.05	2.12
For Travelling and other Expenses	2.85	1.65
Insurance	22.75	24.25
Advertisement	21.58	0.45
Bank Charges	9.90	7.61
Professional fees and expenses	20.63	16.29
Travelling Expenses	266.35	103.78
CSR Expenditure [Refer Note No 28 (13)]	0.00	10.50
Charity and Donations	23.49	26.20
Net loss from foreign currency transaction/translation	0.21	4.66
Bad and doubtful debts written off	-	35.51
Miscellaneous Expenses	32.69	30.39
	616.89	428.30

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE : 28

(₹ in lakhs)

OTHER NOTES

	Year Ended 31.03.2023		Previous Year	
	Value ₹ in lakhs	Percen- tage	Value ₹ in lakhs	Percen- tage
1. PARTICULARS OF CONSUMPTION:				
a) Raw Materials				
Bought Leaf - Indigenous	3,230.85	100	3,187.17	100
Wood - Indigenous	825.09	78	724	81
Wood - Imported	236.28	22	168	19
	1,061.37	100	892.31	100
b) Stores and Spares				
Indigenous	589.08	100	461.63	100
Imported	Nil		Nil	
	589.08	100	461.63	100
2. EARNINGS IN FOREIGN CURRENCY:				
FOB value of exports		Nil		Nil
a. EXPENDITURE IN FOREIGN CURRENCY:				
Travelling Expenses		129.13		29.13
b. CIF VALUE OF IMPORTS:				
Raw materials		214.08		161.70
Stores and spares		Nil		Nil
3. EARNINGS PER SHARE:				
Profit after Taxation		614.45		336.61
Less: Preference Dividend and taxes thereon				
Profit available for Equity Shareholders		614.45		336.61
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.		113.79		62.33
4. CONTINGENT LIABILITIES:				
(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		8.61		Nil
(d) The future cash outflow on the above items are determinable only on receipt of decision/judgement that is pending at various forms/authorities. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.				

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE : 28 (Contd.)

OTHER NOTES (Contd.)

Year ended
31-03-2023

(₹ 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 2023 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	61.95	121.86
(ii) Principal due to Medium Enterprise	Nil	Nil
(iii) Interest	9.79	8.54
(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)	9.79	8.54
(d) The amount of interest accrued and remaining unpaid at the end of the accounting year	38.29	28.51
(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.	3.70	2.75

6 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, 2023

NOTE : 28 (Contd.)

OTHER NOTES (Contd.)

7. 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 31.03.2023		As on 31.03.2022	
	Gratuity (Funded Plan)	Leave Encashment (Non Funded Plan)	Gratuity (Funded Plan)	Leave Encashment (Non Funded Plan)
Present Value of the Obligation as on 1.04.2022	990.57	73.55	913.19	74.36
Current Service Cost	74.33	6.55	70.45	6.12
Interest Cost	66.17	5.04	57.08	4.70
Benefits Paid	(49.20)	0.00	(20.07)	(0.13)
Actuarial loss / (gain)	13.67	(7.42)	(30.08)	(11.50)
Present Value of the Obligation as on 31.03.2023	1095.54	77.72	990.57	73.55
c) Reconciliation of changes in the fair value of Plan Assets:				
Fair Value of Plan Assets as on 1.04.2022	963.51	Nil	850.12	Nil
Adjustment to Opening Fair Value of Plan Assets	5.74	Nil	0.00	Nil
Expected return on plan assets	65.87	Nil	55.31	Nil
Contribution by the Company	33.81	Nil	70.12	0.13
Benefits Paid	(49.20)	Nil	(20.07)	(0.13)
Actuarial gain / (loss)	(0.98)	Nil	8.03	Nil
Fair Value of Plan Assets as on 31.03.2023	1018.75	Nil	963.51	Nil
d) The total expense recognised in the profit and loss account is as follows:				
Current Service Cost	74.33	6.55	70.45	6.12
Interest Cost	66.17	5.04	57.08	4.70
Expected return on plan assets	(65.87)	NA	(55.31)	NA
Net Actuarial (gain) / loss recognised in the year	14.65	(7.42)	(38.11)	(11.50)
	89.28	4.17	34.11	(0.68)

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE : 28 (Contd.)

OTHER NOTES (Contd.)

Employee Benefits (Contd.)

(₹ in lakhs)

	As on 31.03.2023		As on 31.03.2022	
	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	27.06	73.55	63.07	74.36
Adjustment to Opening Fair Value of Plan Assets				
Add : Expense as (d) above	89.28	4.17	34.11	(0.68)
Less: Employers Contribution / Payment	33.81		70.12	0.13
Net Liability as at the end of the year	76.79	77.72	27.06	73.55
f) Constitution of Plan Assets:				
Investments in LIC Group Gratuity Scheme	1,018.75	Not Applicable	963.51	Not Applicable
g) Principal actuarial assumptions used as at the Balance Sheet date:				
Discount Rate	7.29%	7.29%	6.85%	6.85%
Salary Escalation Rate	8.50%	8.50%	7.00%	7.00%
Attrition Rate	5.00%	5.00%	5.00%	5.00%
Expected rate of return on plan assets	7.29%	NA	6.85%	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:

	31.03.2023	31.03.2022	31.03.2021	31.03.2020	31.03.2019
Gratuity funded plan					
Defined Benefit Obligation	1,095.54	990.57	990.57	836.71	785.59
Plan Assets	1,018.75	963.51	963.51	809.23	736.54
Surplus/(Deficit)	(76.79)	(27.06)	(27.49)	(27.49)	(49.05)
Experience adjustment - Plan Liability	13.67	(30.08)	(30.08)	(29.91)	4.03
Experience adjustment - Plan Assets	(0.98)	8.03	8.03	(3.82)	1.21

The Company expects to fund Rs.80 lakhs towards its Gratuity Plan during the year 2023-2024

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE: 28 (Contd.)

OTHER NOTES (Contd.)

7 Employee Benefits: (Contd.)

ii) Defined Contribution Plans:

The Company makes contribution towards employees' provident fund, family pension fund, super annuation fund and employees' state insurance scheme. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company during the year recognised Rs. 189.44 Lakhs as expenses towards contributions to these plans.

- 8** Pursuant to the Memorandum of Understanding which was entered into by the company dated 24.03.2014 with Mr. Somasundaran Peedikaparambil for the sale of Wood Manufacturing unit situated in Annur in Tamil Nadu for a sum of Rs. 15 Crores (net of liabilities amounting Rs.4 Crores), a sum of Rs. 11.57 crores have been received towards the sale consideration up to 31st March 2023. Further, an amount of Rs.50 lakhs is paid by Mr. Somasundaram till the board meeting dated 9th August 2023. 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 and completion of the registration process. The Company is pursuing the take over and is reasonably certain that the sale would be completed at the earliest based on the addendum entered with the buyer on 29th June 2023. 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 10th August 2014 had requested company to run the business on his behalf till the completion of transfer. The consequential losses if any till the completion of the transfer would be borne / made good by him vide undertaking given in the letter dated 10th August 2014. For the year ended the wood division had incurred a loss of Rs 1.75 Crores and an amount of Rs.32 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.11.24 crores has been disclosed under the head 'Sundry Debtors'.

9 RELATED PARTY TRANSACTIONS:

Following 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, 2023

NOTE : 28 (Contd.)

OTHER NOTES (Contd.)

9. RELATED PARTY TRANSACTIONS: (Contd.)

(₹ in lakhs)

Details of Transactions:	Year ended 31.03.2023		Year ended 31.03.2022	
	Associates	Key Management Personnel (Including Relatives)	Associates	Key Management Personnel (Including Relatives)
INCOME:				
Sales	8,213.14	Nil	7,249.33	Nil
Rent received	14.36	Nil	14.36	Nil
Dividend Received	9.47	Nil	7.05	Nil
Interest Received	13.61	Nil	Nil	Nil
EXPENDITURE:				
Purchases	16.12	Nil	16.63	Nil
Warehousing Charges	8.78	Nil	18.01	Nil
Employee Cost	59.22	Nil	50.58	Nil
Processing Charges	107.23	Nil	89.81	Nil
Rent Paid	0.12	Nil	0.12	Nil
Remuneration paid to				
Managing Director	Nil	50.78	Nil	50.78
Sitting Fees	Nil	0.80	Nil	0.70
Dividend Paid	22.39	12.26	22.39	12.26
Interest Paid	Nil	17.35	Nil	41.10
Commission/other selling expenses paid	74.99	Nil	69.51	Nil
OTHERS:				
Loan Accepted	Nil	473.00	Nil	565.00
Loan Repaid	Nil	653.00	Nil	865.00
Inter Company Deposit	300.00	Nil	Nil	Nil
BALANCE AS ON 31st MARCH 2023				
Debit Balances	986.44	5.20	1,046.23	5.20
Credit Balances	Nil	Nil	Nil	180.00

10 The Board of Directors in its meeting on 9th August 2023, have proposed a dividend of Rs. 10 per Equity Share for financial year ended 31st March 2023. The proposal is subject to the approval of Shareholders at the Annual General Meeting to be held on 26th September 2023 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, 2023

NOTE : 28 (Contd.)

OTHER NOTES (Contd.)

11. Ratio Analysis

S. No.	Ratio	Numerator	Denominator	Current period	Previous period	% Variance	Reason for variance
1.	Current Ratio (in times)	Current Assets	Current Liabilities	1.07	0.94	14.08	
2.	Debt Equity Ratio (in times)	Total Debt (including lease liability)	Total shareholder equity	1.84	2.25	-18.12	
3.	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	9.19	6.43	42.75	Increase in profit due to immovable property sale and increase in margin during current year
4.	Return on Equity Ratio (in %)	Profit after Tax	Net worth	29%	21%	37.10	Increase in profit due to immovable property sale and increase in margin during current year
5.	Inventory Turn over Ratio (in times)	Cost of goods sold	Average inventory	9.41	9.62	-2.24	
6.	Trade Receivable Turn over Ratio (in times)	Net Credit Sales	Average Accounts Receivable	4.93	5.22	-5.59	
7.	Trade Payable Turn over Ratio (in times)	Net Credit Purchases	Average Accounts Payable	3.82	3.68	3.72	
8.	Net Capital Turn over Ratio (in times)	Net Sales (Sales minus sales return)	Average Working Capital	326.98	-36.80	-988.44	Increase in Current Asset when compared to previous year.
9.	Net Profit Ratio (in % sales return)	Net Profit (Net profit after tax)	Net Sales (Sales minus	6%	3%	72.35	Revenue from operations increased by Rs.6 crores in the Current Year and increase in Net Profit due to land sale.
10.	Return on Capital Employed Ratio (in %)	EBIT	Capital Employed (Tangible net worth + Total debt + Deferred Tax Liability)	39%	28%	36.74	Increase in profit and margins in the current year
11.	Return on Investment (in %)	Net return on investment	Average investment	128%	86%	49.48	Increase in investment income during the year.

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE : 28 (Contd.)

OTHER NOTES (Contd.)

12 Exceptional Items

The land at Sholinganallur, Chennai was sold during the Financial Year 2022-23 as per approval of the Board Resolution No. 39 Dated 10th February 2022. The property was sold and registered on 18th and 20th of March 2023, for a profit of Rs.506.74 lakhs (PY Nil)

Sale Consideration	518.05
Book value and Expenditure in relation to sale	(11.31)
Net profit on sale of Land	506.74

13 Corporate Social Responsibility Expenditure

(₹ in lakhs)

Particulars	31.03.2023	31.03.2022
Amount required to be spent as per Section 135 of the Act	Nil	10.50
<u>Amount spent during the year on:</u>		
(i) Construction / acquisition of an asset		
(ii) On purposes other than (i) above	Nil	10.50
Total Amount spent	Nil	10.50
Shortfall at the end of the year	Nil	Nil
<u>Nature of CSR activities</u>		
Health Care	Nil	5.50
Social and Economic Development	Nil	5.00
	Nil	10.50

14 a) Provision for Doubtful Debts:

Movement of Provision for Doubtful Debts:

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

15 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.

16. 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.

THE HIGHLAND PRODUCE COMPANY LIMITED, ALAPPUZHA

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE : 28 (Contd.)

OTHER NOTES (Contd.)

- (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 the company had provided Inter Corporate Deposit to Related Party in the nature of loan outstanding
- | Type of Borrower | Amount of Loans or Advances in the nature of loan outstanding | Percentage to the total Loans and Advances in the nature of loans |
|------------------|---|---|
| Related Party | Rs.300 Lakhs | 100% |
- (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.
- 17** The Company has adopted tax rate prescribed under section 115BAA of the Income Tax Act 1961 after complying with the condition attached to the applicability of the section from Assessment Year 2023-2024.
- 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 : 09.08.2023

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.	%
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
2022-2023	8,20,67,048	1,98,10,722	2,06,22,000	21,94,94,457	54,00,000	100*

* Recommended

AREA PARTICULARS AS ON 01-04-2023

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

THE HIGHLAND PRODUCE COMPANY LIMITED

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

CIN: U01119KL1925PLC000416

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

Form No. MGT-11

PROXY FORM

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

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

Name of the member (s) :
Registered address :

E-mail Id :
Folio No :

Name of the member(s) :
Registered address :

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

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 97th Annual General Meeting of the Company, to be held on Tuesday, 26th day of September 2023 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 2023

Signature of shareholder

Signature of Proxy holder(s)



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

Resolution Number	Resolution
Ordinary Business	
1.	Adoption of Audited Financial Statements for the year ended 31 st March 2023, the Reports of the Board of Directors and Auditors thereon
2.	Declaration of Dividend on Equity shares for the year ended 31 st March 2023
3.	To appoint a Director in the place of Mr. Dilip Thomas who retires by rotation and is eligible for re-appointment
4.	To appoint a Director in the place of Mr. S.Ganesan who retires by rotation and is eligible for re-appointment.
Special Business	
5.	Re-appointment of Mr. K.Suresh as a Managing Director for a period of three years commencing from 1st June 2023 to 31st May 2026
6.	Payment of remuneration to Mr. K.Suresh on his appointment as Managing Director

THE HIGHLAND PRODUCE COMPANY LIMITED

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

CIN: U01119KL1925PLC000416

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

ATTENDANCE SLIP

I hereby record my presence at the 96th Annual General Meeting of the Company at 11.30 A.M on Tuesday the 26th day of September 2023 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.

