



CCL PRODUCTS (INDIA) LIMITED

ANNUAL REPORT 2009-10



MR. B. N. JAYASIMHA
(1928-2010)

During this year, we lost **Mr. B. N. Jayasimha**, a member of the Board of Directors of the Company, on 26th February, 2010. Mr. Jayasimha was with the Company since 1994. He rendered invaluable service to the Company and guided the Company, with his vast experience and intellectual prowess, Mr. Jayasimha was greatly instrumental in the success which the Company has achieved over the years.

The Company has been extremely fortunate to have been closely associated with Mr. Jayasimha, an individual who was very illustrious and yet so humble, warm and approachable. He was a constant source of inspiration and guidance and we will forever be grateful to him and cherish his memory.



CCL PRODUCTS (INDIA) LIMITED

49th ANNUAL GENERAL MEETING

Wednesday, 10th November, 2010

At 9.00 A.M

Duggirala – 522 330

Guntur Dist

Andhra Pradesh

INDIA

Contents

Page No.

✧ Company Information	2
✧ Notice	3
✧ Directors' Report	9
✧ Report on Management Discussion and Analysis	13
✧ Report on Corporate Governance	19
✧ Auditors' Report	30
✧ Balance Sheet	33
✧ Profit & Loss Account	34
✧ Cash Flow Statement	35
✧ Schedules forming part of the Balance Sheet and Profit & Loss Account	36
✧ Notes to Financial Statements	41
✧ Statement under Section 212 of the Companies Act, 1956.	50

Consolidated Financial Statements

✧ Auditors' Report on Consolidated Financial Statements	52
✧ Consolidated Balance Sheet	53
✧ Consolidated Profit & Loss Account	54
✧ Consolidated Cash Flow Statement	55
✧ Schedules forming part of the Consolidated Balance Sheet and Profit & Loss Account	56
✧ Notes on Consolidated Financial Statements	61



CCL PRODUCTS (INDIA) LIMITED

Company Information

Board of Directors:

Mr. Zafar Saifullah, IAS (Retd.)
Mr. I. J. Rao, IRS (Retd.)
Mr. Vipin K. Singal
Mr. Jonathan T. Feuer
Mr. I. E. A. Breminer
Mr. Viplav Sharma
Mr. B.N.Jayasimha (upto 26.02.2010)
Mr. Challa Srishant, Executive Director
Mr. Challa Rajendra Prasad, Chairman & Managing Director

Chief Financial Officer

Mr. K.V.L.N. Sarma

Registered Office & Factory:

Duggirala, Guntur Dist - 522 330
Andhra Pradesh, India
Ph: 08644 277294 Fax: 08644 277295
info@cclproducts.com
www.cclproducts.com

Registrars & Share Transfer Agent (Physical & Demat)

Venture Capital & Corporate Investments Pvt. Ltd.

12-10-167, Bharatnagar Colony,
Hyderabad – 500 018
Phone : 040 - 2381 8475 / 76
Fax : 040 - 2386 8024

Auditors

M. Anandam & Co.,
Chartered Accountants
7 'A', Surya Towers
Sardar Patel Road
Secunderabad – 500 003.

Internal Auditors

Ramesh & Co.,
Chartered Accountants
H.No: 6-3-661/B/1
Sangeeth Nagar, Somajiguda
Hyderabad – 500 082.

Bankers

State Bank of India
State Bank of Hyderabad
ICICI Bank Ltd.

Board Committees

Audit Committee

Mr. Zafar Saifullah-Chairman
Mr. I. J. Rao
Mr. Vipin K. Singal
Mr. Viplav Sharma

Shareholders' / Investors' Grievance Committee

Mr. I. J. Rao - Chairman
Mr. Zafar Saifullah
Mr. Vipin K. Singal
Mr. Viplav Sharma

Remuneration Committee

Mr. I. J. Rao - Chairman
Mr. Zafar Saifullah
Mr. Vipin K. Singal
Mr. Viplav Sharma



CCL PRODUCTS (INDIA) LIMITED

NOTICE

Notice is hereby given that the 49th Annual General Meeting of the Company will be held on **Wednesday, 10th November, 2010 at 9.00 A.M.**, at the Registered Office of the Company situated at Duggirala, Guntur District, Andhra Pradesh- 522 330 to transact the following items of business:

Ordinary Business:

1. To receive, consider and adopt the audited Profit and Loss Account for the financial year ended 31st of March, 2010 and the Balance Sheet as on that date, together with the Report of the Board of Directors and the Auditors thereon.
2. To declare dividend for the financial year 2009-10.
3. To appoint a director in place of Mr. I.J. Rao, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Vipin K. Singal, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. M. Anandam & Co., Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

Special Business:

6. To appoint Mr. Viplav Sharma as a Director of the Company.

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

“RESOLVED THAT pursuant to Article 84 of the Company’s Articles of Association and in conformity with the provisions of Section 260 of the Companies Act, 1956, Mr. Viplav Sharma, who was appointed as an Additional Director of the Company by the Board of Directors, and who holds office under the said Article and Section 260 of the Companies Act, 1956, only upto the date of this Annual General Meeting, and in respect of whom, the Company has received a notice in writing along with a deposit of Rs. 500/- under Section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of Director, be and is hereby elected and appointed as Director of the Company, liable to retire by rotation.”

7. To re-appoint Mr. Challa Srishant as the Executive Director of the Company.

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

“RESOLVED that pursuant to the provisions contained under Sections 198, 269, 309, 310 and 311 read together with Schedule XIII of the Companies Act, 1956 consent of the members of the Company be and is hereby accorded to re-appoint Mr. Challa Srishant as the Executive Director of the Company, w.e.f 18th July 2010, for a period of 5 years, on the terms of remuneration stated as under:



CCL PRODUCTS (INDIA) LIMITED

- a) Salary : Rs. 25,000/- per month along with other perquisites, as per Rules of the Company and
- b) Commission : In addition to the salary and perquisites, calculated in such a way that the salary and commission shall not exceed 1% of the net profits of the Company computed in terms of Section 349 & 350 of the Companies Act, 1956."

By order of the Board of Directors
for CCL PRODUCTS (INDIA) LIMITED

Sd/-

Challa Rajendra Prasad
Chairman & Managing Director

Place : Hyderabad
Date : 29th September, 2010

NOTES FOR MEMBERS:

1. **A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on poll instead of himself and such proxy need not be a member of the Company.**
2. Proxies in order to be effective must be received by the Company at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and the Share Transfer Books of the Company in respect of Equity Shares will remain closed from 5th October, 2010 to 10th October, 2010 (both days inclusive).
4. M/s. Venture Capital and Corporate Investments Pvt. Ltd, 12-10-167, Bharat Nagar, Hyderabad - 500 018, is the Share Transfer Agent (STA) of the Company. All communications in respect of share transfers and change in the address of the members may be communicated to them.
5. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the Share Transfer Agent/Company.
6. Members holding shares in the dematerialized form are requested to notify any changes with respect to their addresses email id, ECS mandate and bank details to their Depository Participant.
8. Members holding shares in physical form are informed to furnish their bank account details to the STA to have printed the same on the dividend warrants so as to avoid any possible fraudulent encashment/ misuse of dividend warrants by others.
9. Pursuant to Section 205A of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to the Investor Education and Protection Fund set up by the Government of India and no payment shall be made from that fund in respect of any such claims.

Members who haven't yet encashed their dividends warrants for the financial year 2002-03 onwards, are requested to make their claims to the Company without any further delay.



EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

ITEM NO. 7

Mr. Viplav Sharma was appointed by the Board of Directors as an Additional Director with effect from 30th April 2010, under Article 84 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 and holds his office upto the date of this Annual General Meeting. As required by Section 257 of the said Act, a notice along with the requisite deposit of Rs. 500/- has been received from a member signifying his intention to propose Mr. Sharma, as a candidate for the office of the Director.

Mr. Sharma is a Law Graduate from the National Academy of Legal Studies And Research (NALSAR), University of Law, Hyderabad. He had a very successful academic record, being the topper of his batch and was awarded 10 gold medals for excellence in various subjects of Law, including Corporate Law, Taxation Law, Intellectual Property Law, Contract Law. He was also adjudged the Best Student for Overall Excellence and was also awarded a fellowship for his academic excellence.

Till recently, Mr. Sharma was working with the law firm of Amarchand & Mangaldas & Suresh A. Shroff & Co., at their New Delhi office. Mr. Sharma has recently relocated to Hyderabad to start his individual practice.

Mr. Sharma has the experience of handling diverse cases relating to corporate, commercial and general litigation, with regular appearances in various Courts, including several State High Courts, as well as the Supreme Court of India. Mr. Sharma also appears, on a regular basis, before various Commissions and other quasi judicial authorities, including M.R.T.P. Commission and Competition Commission Appellate Tribunal, National Consumer Disputes Redressal Commission, various State Consumer Disputes Redressal Commissions and District Consumer Forums, Central Administrative Tribunal, Company Law Board, Debt Recovery Tribunals, Appellate Tribunal for Electricity, Income Tax Appellate Tribunal, etc.

Mr. Sharma has handled litigations in judicial forums outside India, particularly, in the Commercial Court of the Queen's Bench Division and Court of Appeal, England; the District Court of Illinois, United States of America; the High Court of Singapore; several courts in Nepal, and has provided written evidence on issues relating to Indian Law, before the Commercial Court of the Queen's Bench Division and Court of Appeal, England and the District Court of Illinois, United States of America.

Mr. Sharma also holds the experience of handling various Domestic Arbitrations and International Commercial Arbitrations, both Adhoc and Institutional, including several arbitrations under the institutional rules of the India Council of Arbitration, ICADR, etc. and numerous foreign seated arbitrations under the Rules of Arbitration of the International Chamber of Commerce, the Singapore International Arbitration Centre, the London Court of International Arbitration, etc.

Additionally, Mr. Sharma has provided numerous opinions and advises on diverse issues of law, and also holds the experience of undertaking complex corporate transactions.

Mr. Sharma has professional association with several national and international organisations.

Mr. Sharma has several publications, both in national and international journals, to his credit. He has also actively participated in policy and regulatory framework. He was a member of the Drafting Committee that drafted the Legislation on Abolition of Child Labour and Compulsory Education for



CCL PRODUCTS (INDIA) LIMITED

the State of Andhra Pradesh. He also contributed to the Task Force on National Rules of Procedure for Recognition and Enforcement of Foreign Awards pursuant to the New York Convention of 1958, constituted by Commission on Arbitration of the International Chamber of Commerce, Paris.

Mr. Sharma has also participated in several seminars, workshops and conferences.

Considering the qualifications and diverse experience of Mr. Viplav Sharma, the Board felt that it will be in the interest of the Company to avail of his services as a Director of the Company.

The resolution as set out in this item of the accompanying notice, is accordingly commended for approval of the members.

None of the Directors, except Mr. Viplav Sharma, are interested in the resolution, as it relates to his appointment.

ITEM NO. 8

The term of office of Mr. Challa Srishant has expired on 17th July, 2010. The Board Considered his experience and the growth achieved by the company under his effective leadership, and hence recommended his re-appointment for a further period of 5 years, w.e.f 18th July 2010 at their meeting held on April 30th, 2010. The appointment or re-appointment, as the case may be, of managerial personnel, is subject to the approval of the members at their meeting. Hence, the Board commends this resolution for approval of the members.

None of the Directors, except Mr. Challa Srishant, whose re-appointment is proposed herein and Mr. Challa Rajendra Prasad, being a relative, are interested in this resolution.

By order of the Board of Directors

Sd/-

Challa Rajendra Prasad
Chairman & Managing Director

Place : Hyderabad
Date : 29th September, 2010



CCL PRODUCTS (INDIA) LIMITED

Details of Directors seeking appointment / retiring by rotation and seeking re-appointment (In pursuance of Clause 49 of the Listing Agreement)

Name of the Director	:	Mr. I. J. Rao
Date of Birth	:	19-10-1931
Occupation	:	I.R.S. (Retd.)
Expertise in specific functional areas	:	Customs and Central Excise Laws.
Directorships in other Indian Companies	:	-NIL-
Committee positions held in other Companies	:	-NIL-
Shareholding in the Company	:	500

Brief Profile:

Mr. I. J. Rao is a Gold Medalist in M.A. (Economics) from Andhra University. He started his career as a lecturer and thereafter joined the Indian Customs & Excise Service in 1955. He served as the Collector of Central Excise Guntur, Chennai and Kanpur. He also served as the Collector of Customs, Kolkata. He joined the Customs, Excise, Gold (Control) Appellate Tribunal (CEGAT), New Delhi as a member, in March 1983 was subsequently elevated to the post of the Vice-President of the Tribunal.

He has penned hundreds of short stories and several novels and radio plays. He was Awarded the prestigious *Pratibha Puraskaram* in the year 1998 for his short story/novel by Potti Sriramulu Telugu University, Hyderabad.

Several of his articles on issues relating to finance, revenue and taxation, have been published in prestigious newspapers like the Statesman (Kolkata), Economic Times (Mumbai), Business Standard (Kolkata), Excise Law Times (New Delhi) etc.

Mr. Rao is presently the Chairman for the Shareholders/Investors Grievance Committee and a member of the Audit Committee of the Company.

Name of the Director	:	Mr. Vipin K. Singal
Date of Birth	:	25-01-1949
Occupation	:	Business
Expertise in specific functional areas	:	Rich experience in the field of business and management.
Directorships in other India Companies	:	Delhi Express Travels Pvt. Ltd. BSRC Holdings Pvt. Ltd.
Committee positions held in other Companies	:	-NIL-
Shareholding in the Company	:	500



CCL PRODUCTS (INDIA) LIMITED

Brief Profile:

Mr. Vipin Kumar Singal is a Graduate in Agricultural Engineering from the Punjab Agricultural University. Mr. Singal heads the Delhi Express Travels Pvt. Ltd., a Company engaged in the business of in International Air Ticketing, Business & Leisure, Incentives, Inbound Tourism, Outbound Holidays, Cruises, Hotels & Resorts in India, Domestic Tourism and promotion & marketing of Eurail in India. His association with the travel and tourism industry spans over 3 decades, which gives him vast experience in the field of business and management.

Mr. Singal is currently a member of the Audit Committee of the Company.



CCL PRODUCTS (INDIA) LIMITED

Directors' Report

Your Directors' submit their report for the financial year ended 31.03.2010:

(Rs.in Lakhs)

Particulars	2009-10	2008-09
Gross Income	28201	26669
Gross Profit (before Interest, Depreciation & Tax)	6306	5359
Less:		
Interest	1394	1554
Depreciation	1419	1424
Provision for Taxation	792	482
Net Profit	2700	1900
Net Profit b/f	1085	1340
Balance available for appropriation	3785	3240
Provision for dividend	200	133
Provision for dividend tax	33	23
Transfer to General Reserve	3000	2500
Transfer to Fluctuation Reserve	-	(500)
Net Profit c/f to Balance sheet	552	1085

Company Performance

Your Company has performed well, despite adverse global economic conditions. During the year under review, the production and sales of Instant Coffee were 8,510 MTs, and 8,767 MTs as against 7,448 MTs and 7,495 MTs respectively in the previous year. Turnover of the Company has grown to Rs.28,201 lakhs from Rs.26,669 lakhs, registering a moderate growth. The net profit of the Company is Rs.2,700 lakhs, as against Rs.1,900 lakhs during the previous year, showing a growth rate of 42%.

Dividend

Your Directors are pleased to recommend a dividend of Rs. 1.50 per equity share of Rs.10/- for the year 2009-10 subject to the approval of shareholders.

Wholly Owned Subsidiary

Your Company has promoted a wholly owned subsidiary company by the name Jayanti Pte. Ltd. in Singapore, with the primary objective of identifying and making investments in potential instant coffee markets worldwide. The wholly owned subsidiary has implemented an agglomeration project in Switzerland. Requisite permissions from the concerned authorities to start the manufacturing process in relation to the said project, has been received on 8th September, 2010. The wholly owned subsidiary is also in the process of implementing an instant coffee project in Vietnam.



Service to the Community

To propagate its philosophy of its active participation in social welfare causes and philanthropic activities in the areas of education, sports, culture, and in cases of natural calamities, your Company has donated Rs.22.48 lakhs, for the above causes during the year under review.

Statutory Auditors

The present Statutory Auditors of the Company, M/s. M. Anandam & Co., Chartered Accountants, Secunderabad, retire at the forthcoming Annual General Meeting, and being eligible, offer themselves for reappointment.

Internal Auditors

Your Board of Directors have appointed M/s. Ramesh & Co., Chartered Accountants, Hyderabad as Internal Auditors of the Company. The Internal Auditors are submitting their reports on quarterly basis.

Directors:

Mr. B.N. Jayasimha, Director of the Company, passed away on 26th February, 2010. He was associated with your Company, as an Independent Director, for a long time. Your Directors paid their tribute to him at their meeting held on 30th April, 2010.

In accordance with the provisions of the Company's Articles of Association Mr. I.J. Rao, and Mr. Vipin K. Singal, Directors of your company, retire by rotation and being eligible, offers themselves for re-appointment.

Fixed Deposits

Your company has not accepted any fixed deposits, and as such no amount of principal or interest was outstanding, as on the date of Balance sheet.

Directors' Responsibility Statement

In terms of Section 217 (2AA) of the Companies Act, 1956, your Directors confirm the following, with regard to Annual Accounts, Accounting Policies, maintenance of accounting records, etc.

- i. That in the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
- ii. That the Directors 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 2009-10 and of the profit or loss of the company for that period;



- iii. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. The annual accounts have been prepared on a going concern basis.

Management Discussion & Analysis

Pursuant to the provisions of Clause 49 of the Listing Agreement, a report on Management Discussion & Analysis is set out as an Annexure - I to this report.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

A statement of particulars of the conservation of energy, technology absorption and foreign exchange earnings and outgoings is given as required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, and is enclosed as Annexure - II to this report.

Company recycles the solid waste generated during the production of coffee, to be used as biomass fuel for energy input to the boilers, thus conserving the scarce fossil fuel and in turn reducing pollution to the environment.

Particulars of Employees

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, forms part of this Report and is given as Annexure – III.

Corporate Governance

The Company has been in compliance with all the conditions of Corporate Governance, as stipulated in Clause 49 of the Listing Agreement with the concerned Stock Exchanges. The detailed Report on Corporate Governance in terms of Clause 49 of the Listing Agreement and a certificate of the Auditors thereon is attached to this report.

Human Resources

Your Company considers its Human Resources as instrumental in achieving its objects which can not be done without their endeavors at every level. Keeping this in view, the Company displays utmost care to attract and retain quality persons. The enabling and empowering work- environment propels them to higher performance. Their unflinching commitment is the driving force behind the Company's vision and success. Your Company appreciates the spirit of its dedicated team of employees.



CCL PRODUCTS (INDIA) LIMITED

Acknowledgments:

Your Directors take this opportunity to express their sincere appreciation for the excellent support and co-operation extended by the shareholders, customers, bankers, suppliers and other business associates.

Your Directors gratefully acknowledge the ongoing co-operation and support provided by the Central and State Governments, Stock Exchanges, SEBI, RBI and other Regulatory Bodies.

On behalf of the Board

Sd/-

Challa Rajendra Prasad

Chairman and Managing Director

Place : Hyderabad

Date : 29th September, 2010



Annexure - I

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

Coffee is the most widely consumed drink in the world, with approximately half-a-trillion cups consumed every year. Among all the beverages consumed in India, coffee ranks third, after tea and plain milk.

Approximately 90% of world coffee production is represented by the species Coffee Arabica; about 9% by, the species Coffee Robusta; with minor production from the species Coffee liberica. The industry can be segmented into filter coffee and instant coffee.

The country produces only 4.5% of the world's coffee, but exports 70-80% of its output. Italy, Russia and Germany are the top three buyers of Indian instant coffee. India sold Rs.2,287 crores worth of instant coffee during the period, up from Rs.1,684 crores, a year ago.

BUSINESS REVIEW

Your Company has expanded its operations and is now equipped with a 14,000 MTs per annum capacity and is in a position to cater to the increased demand for coffee, both in the Indian and as well as the International markets, making a profit and increasing its growth.

Your company has already established its long standing presence in the international markets in the traditional Spray Dried Instant Coffee segment and has made a successful entry in the Freeze Dried Coffee market and has focused to make a mark in the Liquid Coffee segment, the future for which also seems positive.

The Company's endeavours through its R & D Division is to enhance the quality of products by a careful mix of various blends and essence and to give the products at best prices to the customer. The said endeavours of the Company are showing results, with the Company's products being showcased in new competitive markets. Efforts to achieve the right mix of raw-materials are also giving advantage to the Company in achieving the right quality product at the right price.

During the year under review the sales of your Company grew from Rs.26,669 lakhs to Rs.28,201 lakhs.

The Net Profit of the Company is at Rs.2,700 lakhs, as against Rs.1,900 lakhs in comparison with the corresponding previous financial year.

Earnings per share (EPS) for the current year is Rs. 20.30.

INDUSTRY STRUCTURE AND DEVELOPMENTS

India has traditionally been a long known mature market for coffee and a country where Roast & Ground Coffee is a consumers' preferred choice. But the trends are gradually changing in this fast paced world, with consumers shifting to soluble instant coffee. Within this new increased demand for soluble instant coffee, around two-thirds of soluble instant coffee is being sold as private label coffee.

Consumption of soluble instant coffee is on the rise, with growth rates often outstripping those for Roast & Ground Coffee. Consumption is rising not only with in the traditional tea-drinking societies of UK, Russia, India and Japan, but also in emerging new markets in Eastern Europe and China.



OUTLOOK

Coffee has delighted our palates since we can remember. In all ancient civilizations there have been recordings of consuming the magic drink of coffee. Never in the history of the world, has there ever been a beverage that has so effortlessly bridged the gap between customs and cultures. It is nature's gift to mankind. With its invigorating aroma, delectable taste and in as many myriad forms coffee has left a lasting impression.

From iced to spiced, from austere black coffee to the sweetened milk coffee, no other beverage has such a place in the heart of every civilization. No wonder coffee is the single greatest consumable product in business history; is second most consumed / popular beverage in the world, next to water; coffee is the largest traded commodity second only to oil. It is truly a cup that cheers anytime, anywhere.

Researchers from Karolinska Institute in Sweden have reported that Coffee consumption may be associated "with decreased risk of endometrial cancer, especially among women with excessive body weight". The details of this study were published in the November 2009 issue of the International Journal of Cancer.

There are several reports available indicating that coffee is a USD 70 billion market per year, globally including USD 9 billion a year in North America alone, yearly. All these and many more, only confirm the belief that the coffee is going to be one of the best markets to invest and reap in the results.

OPPORTUNITIES AND THREATS

There are studies indicating that the major portion of soluble coffee is currently being met by the private labels. Since your Company is one of the private label soluble coffee provider, the future looks bright in the times to come.

Your Company has adopted a business model, wherein the fluctuating prices of green coffee have minimum impact on the sales of your Company. This has been achieved by your Company entering into fixed contracts with customers taking the prevailing green coffee prices at the time of entering into the contract.

On starting commercial production at M/s Grandsaugreen SA, Switzerland, which is a step down Subsidiary of your Company, your Company expects to carve its own market share based on the quality products, it has been producing over the last two decades.

Being the only company in the world to offer all 4 types of Soluble Instant Coffees from one location, your Company has already made its mark in select global markets, for its products, and is now exploring newer markets for all its products.

A common threat in any industry is economic recession, which reduces consumers' consumption.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has appropriate internal control systems for business processes, efficiency in its operations, compliance's with all the applicable laws and regulations. Regular internal checks and audits ensures that the responsibilities are being effectively executed. There is in-depth review of internal controls, accounting procedures and policies of Company. The Company has adopted adequate internal control and audit system, to commensurate with its size and nature of business.

Internal audit is carried on a quarterly basis and stock audit report is given to the working capital bankers of the Company on a monthly basis.



CCL PRODUCTS (INDIA) LIMITED

Internal auditors work with all levels of management and the report is placed before the Audit Committee. The Audit Committee after reviewing the findings and suggestions directs the respective Departments to implement the same.

INDUSTRIAL RELATIONS AND HUMAN RESOURCES MANAGEMENT

Employees are the valuable assets who are strength of an organisation in its growth, prosperity and development. Your Company has a team of qualified and dedicated personnel who have contributed to the growth and progress of the Company. Necessary training is being imparted to the employees and various seminars and workshops are being conducted to continuously hone their skills.

Your Company is continuously striving to create appropriate environment, opportunities and systems to facilitate identification, development, utilization of full potential of its employees, there by inculcating a sense of belonging.

Your Company's industrial relations continue to be harmonious during the year under review. During the year under review, your Company has directly employed more than 350 persons.

CERTIFICATIONS

Your Company is currently Certified according to ISO 9001:2000, HACCP and BRC standards. It is also Certified by Fairtrade Labelling Organizations (FLO Certified), Ecocert and Rainforest Alliance to produce Fair Trade coffee, Organic Coffee, Rainforest Coffee as well as dual and triple certified coffees. Your Company is Halal and Kosher certified.

CAUTIONARY STATEMENT

Statements in this management discussion analysis describing the Company's objectives, projections, estimates, expectations may be forward looking within the meaning of applicable Securities-Laws and Regulations. Actual results may differ materially from those expressed in the statement. Important factors that could make difference to Company's operations include economic conditions affecting the domestic market and the overseas markets in which the Company operates, changes in Government Regulations, Taxation Laws and other Statutes and other incidental factors.

**Annexure II****Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required under (Disclosure of Particulars in the Board of Directors' Report Rules, 1988)****A. Conservation of Energy:**

Your Company is making investments to up-grade technology, in various utility equipments, in its soluble coffee plant to conserve energy.

- | | | | |
|----|--|---|---|
| a) | Energy conservation measures taken | - | The steam boiler continues to be a major energy conserver for the company. |
| b) | Additional investments and proposals, if any, being implemented for reduction | - | The Company is making additional investments, mainly in technology to recycle solid waste generated during of consumption of energy the production, to reduce the consumption of fuel for the boiler. |
| c) | Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact | - | The company has been continuously saving considerable fuel costs for its boiler, by using rice husk and recycled solid waste, as fuel. |
| d) | Total energy consumption and as per the list of industries energy consumption per unit of under Rule 2 of the Companies (Disclosure of production. Particulars in the Report of the Board of Directors) Rules, 1988. | - | Not applicable |

B) Technology Absorption

The best technology available in the world for the manufacture of quality concentrates is being employed by your Company. Efforts made in technology absorption as per Form B are detailed below:

Form B**I Research & Development**

- | | | |
|----|--|-------|
| 1) | Specific areas in which R&D was carried out by the company | : Nil |
| 2) | Benefits derived as a result of the above R&D | : Nil |
| 3) | Future plan of action | : NA |
| 4) | Expenditure on R&D | |
| | a) Capital | : Nil |
| | b) Recurring Total | : Nil |
| | c) Total | : Nil |
| | d) Total R&D expenditure as a percentage of total turnover | : NA |

Your Company has a strong quality and assurance department which continuously strives to improve process methods, quality parameters, etc. which will result in better value added products, improvement in quantities etc. This department is part of Company's routine operations and hence, no specific allocation has been identified under Research and Development.



CCL PRODUCTS (INDIA) LIMITED

II. Technology Absorption

1. Efforts, in brief, made towards technology absorption - The technology imported has been fully absorbed and adopted.
2. Benefits derived as a result of the above efforts e.g., product improvement, cost reduction, product development, import substitution etc. - Except the occasional visits of foreign collaborators, the plant operations are being carried out independently by the technical personnel of the company.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:
 - a) Technology imported Technology for manufacturing Freeze dried coffee
 - b) Year of Import 2004
 - c) Has technology been fully absorbed Yes
 - d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action Not Applicable

C) Foreign Exchange Earnings and Outgo

Activities relating to exports - Being a 100% EOU, the main product of your Company, instant coffee in various private label brands and in bulk is sold in the international markets.

Initiatives taken to increase exports - The Company continuously strives to export its entire production. The enhanced capacity will commence production this year onwards, for which the Company already has committed orders for selling the production as a result of the enhanced capacity, by not only getting additional orders from the existing buyers but also orders from new clients as well.

Development of new export markets for products and services and export plans - The Company's instant coffee brands introduced earlier became familiar in some countries and effort will be made in future to introduce some brands, keeping in view the traditions of the respective countries.

Export plans

It is an ongoing process for the Company to explore the new markets to export the instant coffee produced.

Total foreign exchange

Rs. in Crores

Used

126.65

Earned

273.16

On behalf of the Board

Sd/-

Place : Hyderabad

Challa Rajendra Prasad

Date : 29th September, 2010

Chairman & Managing Director

Annexure-III
Particulars of Employees under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employee Rules), 1975 and forming part of the Directors' Report

Name, Qualification & Age	Designation/ Nature of Duties	Date of Commencement of Employment	Experience	Remuneration in Rs	Previous Employment Details
Mr.Challa Rajendra Prasad B.E.(Mech.) 58 Years	Chairman & Managing Director	01-04-1994	34 Years	1,67,40,000	Asian Coffee Ltd. Managing Director
Mr.Challa Srishant B.A., B.L (Hons.) 27 Years	Executive Director	18-07-2005	5 Years	33,00,000	--

- 1 All appointments are on a contractual basis.
- 2 Mr. Challa Rajendra Prasad and Mr.Challa Srishant are related to each other.

On behalf of the Board

Place : Hyderabad
Date : 29th September, 2010

Sd/-
Challa Rajendra Prasad
Chairman & Managing Director



CCL PRODUCTS (INDIA) LIMITED

REPORT ON CORPORATE GOVERNANCE

Company's philosophy on Code of Governance:

Over the years, the Company has shown a commitment towards effective Corporate Governance and has always been at the forefront of benchmarking its internal systems and policies with global practices. The Company believes that it needs to show a great degree of responsibility and accountability. It is committed to provide fair, transparent and equitable treatment to all its stakeholders.

The Company does not view Corporate Governance principles as a mere set of binding obligations, but believes in using it as a framework that is inherent to the ethos and value system that drives business practices and helps in defining the relationship between the stakeholders and management of the Company.

The Company has always sought to be a value driven organization, where our growth and success is directed by our values.

A report on Corporate Governance as required by the Listing Agreement is as under:

BOARD OF DIRECTORS

As on 31st March, 2010, CCL's Board consisted of 8 Members. The Company has two Executive Directors one in the capacity of Chairman and Managing Director, and the other in the capacity of Executive Director who are the promoter Directors of the Company. The remaining six are Non Executive Directors, out of whom four are Independent Directors, which is in consonance with the requirements of Clause 49 of the Listing Agreement.

No Director on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees, across all the Companies in which they are Directors.

Details of attendance of Directors at the Board Meetings, with particulars of their Directorship and Chairmanship /Membership of Board/Committees in other Companies are as under:

Sl. No	Name	Category	Designation	Attendance at AGM held on 30-09-08	Attendance at Board Meetings		Other	
					Held	Present	Directorships*	Committee memberships
1.	Mr. Zafar Saifullah	Independent Non-Executive	Director	Yes	5	5	2	3
2.	Mr. I. J. Rao	Independent Non-Executive	Director	Yes	5	5	--	3
3.	Mr. Vipin K Singal	Independent Non-Executive	Director	Yes	5	3	--	--
4.	Mr. Jonathan T Feuer	Non-Executive	Director	Yes	5	1	--	--
5.	Mr. I. E. A. Breminer	Non-Executive	Director	Yes	5	1	--	--
6.	Mr. B.N. Jayasimha**	Independent Non-Executive	Director	Yes	5	5	-	3
7.	Mr. Challa Rajendra Prasad	Executive	Chairman & Managing Director	Yes	5	5	--	--
8.	Mr. Challa Srishant	Executive	Executive Director	Yes	5	5	--	--

* Other than Directorships in Private Limited Companies and Foreign Companies.

**Mr. B.N. Jayasimha passed away on 26-02-2010.



CCL PRODUCTS (INDIA) LIMITED

DATES OF BOARD MEETINGS

The Board met 5 times in the financial year 2009-10 on the following dates, with a gap not exceeding 4 months between any two meetings::

27 th April, 2009	16 th July, 2009	4 th September 2009	27 th October, 2009	16 th January, 2010
------------------------------	-----------------------------	--------------------------------	--------------------------------	--------------------------------

Committees of the Board:

Currently, there are three Committees of the Board of Directors – the Audit Committee, the Remuneration Committee and the Investor Grievance Committee. The terms of reference of the Committees of the Board of Directors are determined by the Board from time to time. Meetings of each Committee of the Board are convened by the Chairman of the respective Committee.

The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided below:

Audit Committee:

The Company has a Qualified and Independent Audit Committee comprising of 4 Non-executive Independent Directors, constituted in accordance with the provisions of Clause 49 of the Listing Agreement entered with the concerned Stock Exchanges and Section 292A of the Companies Act, 1956. The Committee is empowered in terms of the provisions contained in the said Clause 49 and Section 292A. The Committee also acts in terms of reference and directions, if any, given by the Board from time to time.

Details on composition of the Audit Committee and the attendance by each Member of the Audit Committee are as under:

Sr. No.	Name of the Director	Category	No. of meetings held during the year	No. of meetings attended
1.	Mr. B.N. Jayasimha*	Chairman	4	4
2.	Mr. I. J. Rao	Member	4	4
3.	Mr. Vipin K. Singal	Member	4	2
4.	Mr. Zafar Saifullah	Member	4	4

***Mr. B.N.Jayasimha was on the Committee till 26-02-2010. Subsequent to the sad demise of Mr. B.N.Jayasimha, the committee has been reconstituted.**

All members of the Audit Committee are financially literate and have expertise in accounting/ financial management.

Mr.K.V.L.N.Sarma, Chief Financial Officer of the Company and representatives from M/s. Ramesh & Co, Internal Auditors and M/s. M. Anadam & Co., Statutory Auditors are invitees to the meetings of the Audit Committee. The Company Secretary of the Company acts as the Secretary of the said Committee.



CCL PRODUCTS (INDIA) LIMITED

Meetings of Audit Committee:

The Audit Committee met four times during the previous year, with a gap not exceeding four months between any two meetings. Each meeting consisted of 2 independent members as its quorum. The said committee met at the following dates:

27 th April, 2009	16 th July, 2009	27 th October, 2009	16 th January, 2010
------------------------------	-----------------------------	--------------------------------	--------------------------------

Remuneration Committee

The Remuneration Committee has been formed in compliance with Clause 49 of the Listing Agreement comprising of the following directors:

Sr. No.	Name of the Director	Category
1	Mr. B. N. Jayasimha*	Chairman
2	Mr. C. Rajendra Prasad	Member
3	Mr. I. J. Rao	Member
4	Mr. Zafar Saifullah	Member

***Mr.B.N.Jayasimha was on the Committee till 26-02-2010. Subsequent to the sad demise of Mr.B.N.Jayasimha, the Committee has been reconstituted.**

The main object of this Committee is to recommend the remuneration package of both the executive and the non-executive directors on the Board. The Committee reviews the remuneration package payable to executive director(s) and recommends to the Board the same, and acts in terms of reference of the Board from time to time.

Following are the details of sitting fees and commission paid to non-executive directors during/for the year 2009-10 and their shareholding as on 31st March, 2010:

Name of the Director	Sitting Fees Paid (Rs.)	Commission For the year 2009-10 in Rs.	No. of Shares held on 31-03-2009
Mr. B. N. Jayasimha**	66,000	50,000	--
Mr. I. J. Rao	66,000	50,000	500
Mr. Vipin K. Singal	19,000	50,000	500
Mr. Jonathan T. Feuer	5,000	50,000	300,000
Mr. I. E. A. Breminer	5,000	50,000	1,609,498
Mr. Gerard Sierro***	---	50,000	--
Mr. Zafar Saifullah	66,000	50,000	--

**Mr. B. N. Jayasimha, was Director of the Company till 26-02-2010.

***Mr. Gerard Sierro, was Director of the Company till 07-07-2009.

Investor Grievance Committee

The Investor Grievance Committee met four times during the previous year, with a gap of not more than four months between any two meetings. Each meeting consisted of 2 independent members as its quorum. The composition of the Investor Grievance Committee and the attendance of each Member of the said Committee are as under:

Sr. No.	Name of the Director	Category	No. of meetings held during the year	No. of meetings attended
1.	Mr. I. J. Rao	Chairman	4	4
2.	Mr. B. N. Jayasimha*	Member	4	4
3.	Mr. C. Rajendra Prasad	Member	4	4
4.	Mr. Zafar Saifullah	Member	4	4

***Mr.B.N.Jayasimha was on the Committee till 26-02-2010. Subsequent to the sad demise of Mr. B.N.Jayasimha, the Committee has been reconstituted.**

The Committee reviews the security transfers/transmissions, process of dematerialization and the investors' grievances and the systems dealing with these.

In accordance with Clause 49 of the Listing Agreement with the concerned Stock Exchanges, the Board has authorized the Company Secretary, who is also the Compliance Officer, to approve share transfers / transmissions and comply with other formalities in relation thereto.

All investor complaints, which cannot be settled at the level of the Compliance Officer, are placed before the Committee for final settlement.

There were no complaints pending for redressal during the year under review. There were no pending transfers as on 31st March, 2010.

General Body meetings

Last 3 Annual General Meetings (AGMs) were held at **Registered Office at Duggirala, Guntur District, Andhra Pradesh** as detailed below:

Financial Year Ended	Date	Day	Time	Special Resolutions passed at the AGMs by the Shareholders
31 st March, 2009	04-09-09	Friday	11.00 A.M	Authorizing payment of remuneration to the Chairman & Managing Director of the Company
31 st March, 2008	30-09-08	Thursday	9:30 A.M	None
31 st March, 2007	29-09-07	Saturday	2:00 P.M.	Amendment to Article 87 of the Articles of Association of the Company, authorizing payment of commission to the Non- Executive Directors of the Company.



CCL PRODUCTS (INDIA) LIMITED

All Special Resolutions moved at the last three AGMs were passed by show of hand by the shareholders unanimously. No Postal Ballot was conducted since the date of last Annual General Meeting.

Disclosures

During the year, there were no materially significant related party transactions conflicting with the interests of the Company.

There were no non-compliance's during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed, nor strictures passed on the Company by any Stock Exchange, SEBI or any Statutory Authority.

The Company has posted the Code of Conduct for Directors and Senior Management on its website.

The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement as entered into with the concerned Stock Exchanges.

Means of communication:

The Quarterly results of the Company are published in the newspapers within 48 hours from the conclusion of the Board meeting.

Financial results and other information are displayed in the Investor Relations section on the Company's Website: www.cclproducts.com

No presentations were made to the Institutional Investors or to any Analysts.

Management Discussion and Analysis Report forms part of Annual Report as an annexure to the Directors' Report

General Shareholder Information

The 49th Annual General Meeting of the company will be held on Wednesday, the 10th November, 2010 at 9.00 A.M. at the Registered Office of the company situated at Duggirala, Guntur Dist, Andhra Pradesh.

- | | | |
|----------------------------------|---|--|
| ◆ Financial Calendar | : | 1 st of April, 2010 to 31 st of March, 2011. |
| ◆ Results for the quarter ending | | |
| 30 th June, 2010 | | 11 th August, 2010 |
| 30 th September, 2010 | | Second week of October, 2010 |
| 31 st December, 2010 | | First/Second week of February, 2011 |
| 31 st March, 2011 | | Second week of May, 2011 |
| ◆ Date of Book closure | : | From 5 th November, 2010 to 10 th November, 2010
(both days inclusive) |
| ◆ Dividend Payment Date | : | With in fifteen workings days from the Date of AGM
subject to the approval of shareholders on the same at
the AGM. |
| ◆ Listing on Stock Exchanges | : | 1) Bombay Stock Exchange Ltd, Mumbai
Phiroze Jeejeebhoy Towers, Dalal Street. MUMBAI -400001 |



CCL PRODUCTS (INDIA) LIMITED

2) National Stock Exchange of India Ltd.
'EXCHANGE PLAZA' 5th Floor, Plot No.C/1,
G-Block, Bandra-Kurla Complex, Bandra(E), MUMBAI-400051

◆ Stock Code

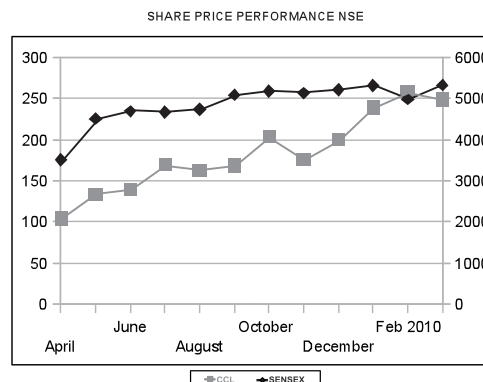
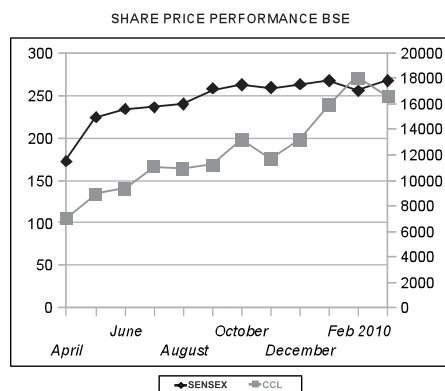
Name of the Stock Exchange	Stock Code
Bombay Stock Exchange Limited	519600
National Stock Exchange of India Ltd.	INE421D01014

The Listing fees for the year 2010-2011 have been paid to both the above Stock Exchanges.

Market Price Data

High, low during each month and trading volumes of the Company's Equity Shares during the last financial year 2009-10 at The Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE) are as under:

DATE	BSE			NSE		
	High	Low	Qty	High Traded	Low	Qty Traded
April 2009	104.90	66.50	5,39,020	101.05	67.00	449367
May 2009	133.75	81.65	5,37,153	132.75	88.30	158079
June 2009	139.35	110.10	3,13,108	135.40	113.05	149375
July 2009	165.90	118.20	6,73,065	166.15	123.90	352480
August 2009	164.00	135.40	2,18,971	160.85	136.75	243924
Sept'ber 2009	168.00	140.00	2,85,786	160.90	142.80	246227
October 2009	197.80	142.10	1,72,243	195.05	145.45	246119
November 2009	175.00	149.50	80,78	170.75	150.90	74792
December 2009	197.80	155.35	1,79,617	193.75	157.70	135592
January 2010	237.90	220.00	5,24,985	228.00	190.60	745386
February 2010	248.70	217.05	5,79,092	247.90	224.00	680149
March 2010	236.95	205.00	2,45,024	242.60	220.55	415655





CCL PRODUCTS (INDIA) LIMITED

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- | | |
|--|---|
| ◆ Dematerialization of shares and liquidity : | The shares of the Company are under compulsory demat trading.

The Company has made necessary arrangements with NSDL and CDSL for demat facility. As on 31 st March, 2010, 65.06 % of the Company's Shares are dematerialised. |
| ◆ Outstanding GDRs/ADRs/Warrants or any :
convertible instruments, conversion date
and likely impact on equity | Nil |
| ◆ Plant Location : | Duggirala, Guntur Dist,
Andhra Pradesh - 522 330
Ph: 08644-277294 / 277296
Fax: 08644-277295 |
| ◆ Address for Correspondence &
Any query on Annual Report : | The Company Secretary
CCL Products (India) Ltd
7-1-24/2/D, Greendale,
Ameerpet, Hyderabad 500 016
Ph: 040 23732455 Fax: 04023732499 |
| ◆ Registrar and Transfer Agents : | Venture Capital and Corporate
Investments Pvt Ltd
12-10-167, Bharat Nagar,
Hyderabad - 500 018 |
| Contact Person : | Mr. E. S. K. Prasad, Chief Executive
Ph: 040-23818475 / 76
Telefax: 040-23868024 |
| ◆ Share Transfer System : | The Share transfers are affected within one month from the date of lodgement or transfer, transmission, sub-division consolidation, renewal etc. Such modified share certificates are delivered to the shareholders immediately. |
| ◆ Transfer of unpaid/unclaimed dividend amounts to Investor Education and Protection Fund : | Members are requested to claim unclaimed dividend, if any for the years 2002 - 2003 onwards, as the same will be credited to Investor Education & Protection Fund (IEPF) pursuant to Section 205A of the Companies Act, 1956 read with Investor Education and Protection Fund |
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CCL PRODUCTS (INDIA) LIMITED

- ◆ CEO & CFO Certifications : The Chairman & Managing Director and the Chief Financial Officer of the Company give annual certificates on financial Reporting and internal controls to the Board in terms of Clause 49. These certificates are forming part of this 49th Annual Report.
- ◆ Compliance Certificate : Certificate from the Statutory Auditors of the Company Of the Auditors M/s M Anandam & Co., Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to the Directors' Report and forms part of this 49th Annual Report.

Distribution Schedule:

Distribution Schedule as on 31-03-2010

S.No.	Range	No. of Shares Held	% to Capital	No. of Share Holders	% to total Holders
1	1 to 500	4,46,287	3.35	4,126	85.89
2	501 to 1000	2,09,406	1.57	253	5.27
3	1001 to 2000	2,39,359	1.80	148	3.08
4	2001 to 3000	1,28,475	0.96	49	1.02
5	3001 to 4000	1,16,334	0.87	33	0.69
6	4001 to 5000	1,94,011	1.46	40	0.83
7	5001 to 10000	4,68,708	3.53	62	1.29
8	More than 10000	1,15,00,212	86.46	93	1.93
	TOTAL	1,33,02,792	100.00	4,804	100.00

Shareholding Pattern as on 31.03.2010

Category Code	Category of Shareholders	Number of Share holders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B) (VI)	As a percentage of (A+B+C) (VII)	Number of shares (VIII)	As a percentage (IX)=(VIII)/(IV)*100
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
(A)	Shareholding of Promoter and Promoter Group							
1	Indian							
(a)	Individual / Hindu Undivided Family	11	4029195	1744795	30.29	30.29	250000	6.20
(b)	Central Government/ State Government	-	-	-	-	-	-	-
(c)	Body Corporate	-	-	-	-	-	-	-
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total(A)(1)	11	4029195	1744795	30.29	30.29	250000	6.20
2	Foreign							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-
(d)	Any Other (Specify)	-	-	-	-	-	-	-
	Sub-Total(A)(2)	-	-	-	-	-	-	-
	Total Shareholding of Promoters and (Promoter Group A=(A)(1)+(A)(2)	11	4029195	1744795	30.29	30.29	250000	6.20
(B)	Public Shareholding						N.A.	N.A.
1	Institutions	-	-	-	-	-	N.A.	N.A.
(a)	Mutual Funds/UTI	1	1242085	1242085	9.34	9.34		
(b)	Financial Institutions / Banks	-	-	-	-	-		
(c)	Central Government/State Government(s)	-	-	-	-	-		
(d)	Venture Capital Funds	-	-	-	-	-		
(e)	Insurance Companies	-	-	-	-	-		
(f)	Foreign Institutional Investors	5	772026	772026	5.80	5.80		
(g)	Foreign Venture Capital Investor	-	-	-	-	-		
(h)	Any Other(Specify)	-	-	-	-	-		
	Sub-Total(B)(1)	6	2014111	2014111	15.14	15.14		
2	Non-institutions						N.A.	N.A.
	Bodies Corporate	202	771631	771631	5.80	5.80		
(b)	Individuals							
	i) Individuals shareholders holding nominal share capital in Upto of Rs. 1 Lakh	4347	1507179	1290643	11.33	11.33		
	ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	32	1454160	1443160	10.93	10.93		
(c)	Any Other (specify)							
	i) NRIs /OCBs	107	1083565	735548	8.15	8.15		
	ii) Foreign Collaborators	7	24442951	101013	18.36	18.36		
	Sub-total(B)(2)	4695	7259486	4331495	54.57	54.57		
	Total Public Shareholding B=(B)(1)+(B)(2)	4701	9273597	6346606	69.71	54.57		
	TOTAL(A)+(B)	4712	13302792	8090401	100.00	100.00		
C	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	N.A.	-	N.A.	N.A.
	GRAND TOTAL (A)+(B)+(C)	4712	13302792	8090401	100.00	100.00	250000	1.88



CCL PRODUCTS (INDIA) LIMITED

DECLARATION BY CEO OF THE COMPANY ON CODE OF CONDUCT

I hereby declare that:

Code of Conduct prepared for the Board Members and Senior Management of the Company was approved by the Board of Directors and the same was adopted by the Company.

Code of Conduct adopted by the Company was circulated to the members of the Board and Senior Management of the Company and also posted on the website of the Company.

All the members of the Board and Senior Management of the Company have complied with all the provisions of the Code of Conduct.

For CCL Products (India) Ltd

Sd/-

Challa Rajendra Prasad
Chairman & Managing Director

Place : Hyderabad
Date : 29.09.2010



CCL PRODUCTS (INDIA) LIMITED

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To
The Board of Directors,
M/s. CCL Products (India) Limited
Hyderabad.

We have examined the compliance of conditions of Corporate Governance by CCL Products (India) Limited for the year ended March 31st, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended March, 31st 2010, no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M.Anandam & Co.,
Chartered Accountants.
Firm Regn No: 000125S.

Sd/-
(M.V.Ranganath)
Partner
M.No.28031

Place: Secunderabad
Date : 29.09.2010



CCL PRODUCTS (INDIA) LIMITED

AUDITORS' REPORT

To
The Members of
CCL Products (India) Limited
Hyderabad

We have audited the attached Balance Sheet of M/s. CCL Products (India) Limited, as at 31st March, 2010 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors' Report) Order, (amendment) 2004, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the annexure referred to in paragraph 1 above.
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, the Company has kept proper books of account as required by law so far, as appears from our examination of such books.
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with in this report are in agreement with the books of account.
 - d) In our opinion the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e) On the basis of the written representations received from the directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the directors of the Company are disqualified from being appointed as directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, subject to note no. 9 (F) of Schedule 14 - Notes on Account regarding non disclosure of quantity and value of all imported raw materials, spare parts and components consumed and the percentage of each to the total consumption as required under Clause {c} of Para 4D of Part II of Schedule VI of the Companies Act, 1956, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i. In so far as it relates to the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2010;
 - ii. In the case of the Profit & Loss account, of the Profit of the Company for the year ended on that date; and
 - iii. In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For **M.ANANDAM & CO.,**
Chartered Accountants
Firm Regn No: 000125S.

Sd/-
(M.V.Ranganath)
Partner
M.No.28031

Place: Secunderabad
Date : 29.09.2010



Annexure referred to in paragraph 1 of our report of even date:

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The fixed assets have been verified by the management during the year. According to the information and explanations given to us, there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its business.
(c) As per information and explanation given by management during the year the Company has not disposed of major part of fixed assets having effect on going concern.
- ii. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii. (a) The Company has not granted any loans to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
(b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained under Section 301, of the Companies Act, 1956. As the Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained under Section 301, of the Companies Act, 1956, paragraphs (iii) (f) and (g) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control systems.
- v. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 have been so entered.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. The Central Government has prescribed maintenance of cost records under section 209(1) (d) of the Act. The Company is in the process of setting up a Cost Accounting system to comply with rule framed thereunder.
- ix. (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excised-duty, cess and other statutory dues applicable to it. No undisputed amount was outstanding as at 31st March, 2010 for a period more than six months from the date they become payable.



CCL PRODUCTS (INDIA) LIMITED

- (b) As at the Balance Sheet date the following are the details of disputed amounts that have not been paid to the concerned authorities.

Nature of dues	Relevant Financial Year	Disputed amount (in lakhs)	Forum where dispute is pending
Customs Duty	1996-97	31.76	CEGAT

- x. The Company has no accumulated losses and it has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- xii. According to the information and explanations given to us the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The provisions of any special statute as specified under paragraph (xiii) of the Order are not applicable to the Company.
- xiv. In our opinion and according to the information and explanations given to us the Company is not a dealer or trader in shares, securities, debentures and other investments.
- xv. According to the information and explanations given to us the Company has not given guarantee for loans taken by others from bank or financial institutions.
- xvi. In our opinion and according to the information and explanations given to us the term loans have been applied for the purpose for which they were raised.
- xvii. According to the cash flow statement and other records examined by us and information and explanations given to us, on an overall basis, funds raised on short term basis have prima facie not been used during the year for long term investment.
- xviii. The Company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix. As the Company has not issued any debentures during the year, paragraph (xix) of the Order is not applicable.
- xx. The Company has not raised any money through public issues during the year.
- xxi. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **M.ANANDAM & CO.,**
Chartered Accountants
Firm Regn No: 000125S.

Sd/-
(M.V.Ranganath)
Partner
M.No.28031

Place: Secunderabad
Date : 29.09.2010



CCL PRODUCTS (INDIA) LIMITED

BALANCE SHEET AS AT 31-03-2010

Particulars	Schedule No.	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
SOURCES OF FUNDS			
1) SHARE HOLDERS' FUNDS			
a) Share Capital	1	133,027,920	133,027,920
b) Reserves and surplus	2	1,870,325,942	1,623,571,144
2) Loan Funds			
a) Secured Loans	3	1,500,734,775	1,905,818,293
b) Unsecured Loans	4	60,085,945	6,863,528
3) Deferred Tax		174,398,952	143,844,320
Total		3,738,573,534	3,813,125,205
APPLICATION OF FUNDS			
1) Fixed Assets	5		
a) Gross Block		2,784,528,682	2,829,001,634
b) Less: Depreciation		672,981,968	531,048,263
c) Net Block		2,111,546,714	2,297,953,371
d) Add: Capital Work in Progress		306,248,458	304,870,866
		2,417,795,172	2,602,824,237
2) Investments	6	180,410,902	180,410,902
3) Current Assets, Loans & Advances	7		
a) Inventories		639,969,942	472,438,673
b) Sundry Debtors		420,316,409	468,113,278
c) Cash and Bank Balances		25,646,659	71,286,744
d) Loans and Advances		344,396,396	236,341,008
		1,430,329,406	1,248,179,703
Less: Current Liabilities & Provisions	8		
a) Liabilities		178,472,873	132,302,309
b) Provisions		111,489,073	85,987,328
		289,961,946	218,289,637
Net Current Assets		1,140,367,460	1,029,890,066
Total		3,738,573,534	3,813,125,205
Significant Accounting Policies & Notes on Accounts	14		

Schedules 1 to 14 form an integral part of Accounts

As per our attached report of even date

For **M.ANANDAM & CO.,**

Chartered Accountants

Firm Regn No: 000125S.

Sd/-

(M.V.Ranganath)

Partner

M.No.28031

Place : Hyderabad

Date : 29.09.2010

Sd/-

K.V.L.N. Sarma

C.F.O.

Sd/-

I.J. Rao

Director

By order of the Board

Sd/-

Challa Rajendra Prasad

Chairman & Managing Director

Sd/-

Challa Srishant

Executive Director



CCL PRODUCTS (INDIA) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

Particulars	Schedule No	For the Year Ended March 31, 2010 Rs.	For the Year Ended March 31, 2009 Rs
1. INCOME			
Sales Turnover (Gross)		2,820,084,202	2,666,939,898
Less : Excise Duty		6,343,457	28,461,577
Sales Turnover (Net)		2,813,740,745	2,638,478,321
Other Income	9	51,501,598	32,217,001
Increase / (Decrease) in stock	10	(103,567,398)	13,935,402
		2,761,674,945	2,684,630,724
2. EXPENDITURE			
Raw Material Consumed	11	1,493,491,487	1,509,384,162
Manufacturing, Administration &	12	637,570,195	639,300,472
Selling Expenses			
Profit before Interest and Depreciation		630,613,263	535,946,090
Interest	13	139,445,005	155,406,657
Profit before Depreciation		491,168,258	380,539,433
Depreciation		141,933,705	142,372,966
Profit before Tax		349,234,553	238,166,467
Provision for Taxes			
Income Tax		59,148,289	26,883,548
Excess Provision tax reversal		(10,491,495)	(1,858,488)
Mat credit entitlement		-	(24,132,063)
Fringe Benefit Tax		-	888,907
Deferred Tax		30,554,632	46,388,864
Profit after Tax		270,023,127	189,995,701
Balance Brought Forward		108,473,549	134,041,450
Amount Available for appropriation		378,496,676	324,037,151
Appropriations			
<u>Dividend</u>			
- Dividend		19,954,188	13,302,792
- Dividend Tax		3,314,141	2,260,810
Transfer to General Reserve		300,000,000	250,000,000
Exchange Fluctuation Reserve reversal		-	(50,000,000)
Profit/(Loss) carried to the Balance Sheet		55,228,347	108,473,549
Basic and Diluted Earnings Per Share (Rs.10/- Per Share)		20.30	14.28

Significant Accounting Policies
& Notes on Accounts

14

Schedules 1 to 14 form an integral part of Accounts

As per our attached report of even date

For **M.ANANDAM & CO.,**

Chartered Accountants

Firm Regn No: 000125S.

Sd/-

(M.V.Ranganath)

Partner

M.No.28031

Place : Hyderabad

Date : 29.09.2010

Sd/-
K.V.L.N. Sarma
C.F.O.

Sd/-
I.J. Rao
Director

By order of the Board

Sd/-

Challa Rajendra Prasad

Chairman & Managing Director

Sd/-

Challa Srishant

Executive Director



CCL PRODUCTS (INDIA) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

Particulars	2009-2010 Rs.	2008-2009 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before tax and extraordinary items	349,234,553	238,166,467
Adjustments for :		
Depreciation	141,933,705	142,372,966
Interest	139,445,005	155,406,657
Interest income	(5,048,268)	(8,807,211)
Dividend on Investments	(1,219,283)	(1,068,367)
Other Income	(10,694,196)	(13,493,018)
Operating profit before working capital changes	613,651,516	512,577,494
Adjustments for :		
Trade Receivables	47,796,869	(105,150,351)
Inventories	(167,531,269)	46,285,534
Loans and Advances	(108,055,388)	271,579,942
Trade and Other payables	15,310,786	(113,412,480)
Cash generated from operations	401,172,514	611,880,139
Interest paid on working capital	(75,916,563)	(78,019,679)
Net Cash from operating activities	325,255,951	533,860,460
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Fixed Assets (Include CWIP)	43,095,360	(151,289,832)
Increase in investments	-	(103,933,149)
Interest received on Deposits	5,048,268	8,807,211
Dividend Received	1,219,283	1,068,367
Other Income Received	10,694,196	13,493,018
Net Cash flow from Investing Activities	60,057,107	(231,854,385)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds/ (Repayment) of Unsecured Loans	722,417	(332,286)
Proceeds from Unsecured Loans	52,500,000	-
Proceeds from borrowings on term loans	-	130,000,000
Repayment of borrowings on term loans	(569,928,942)	(451,044,393)
Bank Borrowings on working capital	164,845,424	176,010,457
Interest paid on term loans	(63,528,442)	(77,386,978)
Dividend paid	(13,302,791)	(66,513,960)
Corporate Dividend tax	(2,260,809)	(11,304,048)
Net Cash Flow from Financing Activities	(430,953,143)	(300,571,206)
Net Increase in cash and cash equivalents	(45,640,085)	1,434,869
Cash and Cash equivalents as at 31-03-2009	71,286,744	69,851,875
Cash and Cash equivalents as at 31-03-2010	25,646,659	71,286,744

As per our attached report of even date
For **M.ANANDAM & CO.,**
Chartered Accountants
Firm Regn No: 000125S.

Sd/-
(M.V.Ranganath)
Partner
M.No.28031
Place : Hyderabad
Date : 29.09.2010

Sd/-
K.V.L.N. Sarma
C.F.O.

Sd/-
I.J. Rao
Director

By order of the Board
Sd/-
Challa Rajendra Prasad
Chairman & Managing Director

Sd/-
Challa Srishant
Executive Director



CCL PRODUCTS (INDIA) LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS AT 31ST MARCH, 2010

Particulars	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
<u>SCHEDULE 1 - SHARE CAPITAL</u>		
Authorised Share Capital		
20,000,000 Equity Shares of Rs.10 each	<u>200,000,000</u>	<u>200,000,000</u>
Issued Subscribed and Paid up Share Capital		
13,302,792 Equity Shares of Rs.10 each	<u>133,027,920</u>	<u>133,027,920</u>
<u>SCHEDULE - 2 - RESERVES AND SURPLUS</u>		
General Reserve	1,815,097,595	1,515,097,595
Profit & Loss account	55,228,347	108,473,549
	<u>1,870,325,942</u>	<u>1,623,571,144</u>
<u>SCHEDULE 3 - SECURED LOANS</u>		
Term Loans		
Term loan	573,145,303	1,143,074,245
Working Capital		
Packing Credit	865,635,581	718,508,680
Cash Credit	8,841,297	-
Export/Inland Bills Discounting	<u>53,112,594</u>	<u>44,235,368</u>
	<u>1,500,734,775</u>	<u>1,905,818,293</u>
<u>SCHEDULE 4 - UNSECURED LOANS</u>		
Other than Banks		
- Sales Tax Deferment	7,585,945	6,863,528
- Others	<u>52,500,000</u>	<u>-</u>
	<u>60,085,945</u>	<u>6,863,528</u>

SCHEDULE 5 - FIXED ASSETS AS AT 31.03.2010

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As on 01-04-2009	Additions	Deletions/ Adjustment	As on 31-03-2010	As on 01-04-2009	Deposits Deletions/ Adjustments	As on 31-03-2010	As on 31-03-2009
Land	11,900,197	0	0	11,900,197	0	0	11,900,197	11,900,197
Buildings	326,849,603	857,443	0	327,707,046	56,190,379	9,370,480	262,146,187	270,659,224
Plant, Machinery & Other equipment	2,459,129,814	8,714,187	54,929,746	2,412,914,255	462,560,874	129,968,439	1,820,384,942	1,996,568,940
Material Handling equipment	5,662,601	159,176	0	5,821,777	2,131,699	456,782	3,233,296	3,530,902
Fire Fighting equipment	1,265,694	0	0	1,265,694	216,822	367,457	681,415	1,048,872
Vehicles	17,815,898	578,553	0	18,394,451	6,621,819	1,345,584	10,427,048	11,194,079
Furniture & Fixtures	6,377,827	147,435	0	6,525,262	3,326,670	424,963	2,773,629	3,051,157
Total	2,829,001,634	10,456,794	54,929,746	2,784,528,682	531,048,263	141,933,705	2,111,546,714	2,297,953,371
Previous Year	2,704,022,264	125,029,803	50,433	2,829,001,634	388,696,059	142,372,966	2,297,953,371	0
Capital Work In Progress							306,248,458	304,870,866
							2,417,795,172	2,602,824,237



CCL PRODUCTS (INDIA) LIMITED

Particulars	As at 31-03-2010		As at 31-03-2009	
	Rs.	Rs.	Rs.	Rs.
<u>SCHEDULE 6 - INVESTMENTS</u>				
Quoted Trade:				
Andhra Bank Shares	177,936		177,936	
(5300 Equity Shares Face value of Rs.10/- each)				
	<u>177,936</u>	<u>177,936</u>	<u>177,936</u>	<u>177,936</u>
Un quoted Non Trade Investments				
Coffee Futures Exchange India Ltd	10,000		10,000	
(Equity Subscription for Membership as				
Ordinary member - 1 share of Rs.10,000)	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Associated Coffee Merchants (Intl) Ltd	76,289,817		76,289,817	
(24013 Equity Shares Face value of GBP 32/- each,				
187400 Preference Shares Face value of GBP1/-each)	<u>76,289,817</u>	<u>76,289,817</u>	<u>76,289,817</u>	<u>76,289,817</u>
Jayanti Pte Ltd	103,933,149		103,933,149	
(3418300 Equity Shares Face Value of S\$ 1/- each)	<u>103,933,149</u>	<u>103,933,149</u>	<u>103,933,149</u>	<u>103,933,149</u>
		<u>180,410,902</u>		<u>180,410,902</u>
<u>SCHEDULE 7 - CURRENT ASSETS, LOANS AND ADVANCES</u>				
a) Inventories				
(As taken, valued and certified by the Management)				
Raw Materials	444,794,432		174,193,530	
Packing Materials	41,787,017		36,735,695	
Stores & Consumables	2,348,533		1,774,090	
Engineering Goods	54,265,786		59,393,786	
Work in process	4,765,598		8,071,984	
Finished Goods	<u>92,008,576</u>		<u>192,269,588</u>	
		<u>639,969,942</u>		<u>472,438,673</u>
b) Sundry Debtors (Unsecured,				
Considered Good)				
Over six months	499,334		461,699	
Others	<u>419,817,075</u>		<u>467,651,579</u>	
		<u>420,316,409</u>		<u>468,113,278</u>
c) Cash and Bank Balances				
Cash in Hand	194,178		146,922	
Balances with Scheduled Banks				
- On Current Accounts*	12,516,641		12,263,530	
- in Dividend Accounts	2,055,925		2,085,119	
- in Margin Deposits Accounts	<u>10,879,915</u>		<u>56,791,173</u>	
(* Includes Rs.84,80,805 EEFC Account)		<u>25,646,659</u>		<u>71,286,744</u>



CCL PRODUCTS (INDIA) LIMITED

Particulars	As at 31-03-2010		As at 31-03-2009	
	Rs.	Rs.	Rs.	Rs.
d) Loans and Advances				
Unsecured – considered good				
Advance Recoverable in Cash or in kind or for				
Value to be received	131,814,407		109,366,433	
Advance to Subsidiary	82,169,236		30,088,035	
Advances for raw materials	52,124,781		14,391,263	
Advances for Capital Goods & others	576,105		5,357,636	
Deposits with Govt.	8,481,392		7,706,666	
Other Deposits	4,847,938		5,048,438	
MAT Credit entitlement	64,382,537		64,382,537	
	<u>344,396,396</u>		<u>236,341,008</u>	
	<u>1,430,329,406</u>		<u>1,248,179,703</u>	

SCHEDULE 8 - CURRENT LIABILITIES AND PROVISIONS

a) Current Liabilities

Sundry Creditors for goods -

 Dues to other than Micro, Small and

 Medium Enterprises undertakings

Sundry creditors for capital goods

Sundry creditors for expenses

Unclaimed dividends

106,695,598

8,966,472

60,754,878

2,055,925

60,786,994

11,172,249

58,257,947

2,085,119

178,472,873

132,302,309

b) Provisions

Income Tax

Fringe Benefit Tax

Dividend

Dividend Tax

87,331,837

888,907

19,954,188

3,314,141

68,660,895

1,762,831

13,302,792

2,260,810

111,489,073

85,987,328

289,961,946

218,289,637

SCHEDULE 9 - OTHER INCOME

Interest

Dividend on Investments

Miscellaneous Income

Exchange fluctuation (net)

5,048,268

1,219,283

10,694,196

34,539,851

8,807,211

1,068,367

13,493,018

8,848,405

51,501,598

32,217,001

SCHEDULE 10 – INCREASE/(DECREASE) IN STOCK OF WORK-IN-PROGRESS & FINISHED GOODS

Opening stock

Less : Closing Stock

200,341,572

96,774,174

186,406,170

200,341,572

(103,567,398)

13,935,402

SCHEDULE 11 – RAW MATERIAL CONSUMED

Opening Stock

Add : Purchases

Less : Closing Stock

174,193,530

1,764,092,389

444,794,432

1,493,491,487

223,260,429

1,460,317,263

174,193,530

1,509,384,162



CCL PRODUCTS (INDIA) LIMITED

Particulars	As at 31-03-2010		As at 31-03-2009	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE 12 - MANUFACTURING, ADMINISTRATION & SELLING EXPENSES				
Packing Materials Consumed	242,572,192		284,342,814	
Stores and Consumables	11,188,822		16,527,833	
Power and Fuel	163,663,265		101,501,271	
Repairs and Maintenance				
- Plant & Machinery	34,457,324		26,985,071	
- Buildings	769,691		1,104,975	
- Others	1,201,405		1,645,353	
	<u>36,428,420</u>		<u>29,735,399</u>	
Transportation, Clearing & Forwarding	55,172,303		53,856,003	
Insurance	5,647,742		7,038,698	
Rent, Rates and taxes	6,797,199		4,787,257	
Remuneration to Directors	20,192,000		13,157,000	
Salaries and Wages	38,628,298		36,979,318	
Contributions to Gratuity, PF and Superannuation Funds	6,116,650	64,936,948	6,958,008	57,094,326
Staff welfare expenses	<u>8,623,634</u>		<u>8,180,240</u>	
Selling Expenses	13,988,316		8,623,897	
Commission on Sales	6,539,274		8,233,816	
Sales Tax	1,846,593		25,183,382	
Traveling & Conveyance	5,239,226		4,565,228	
Postage, Telephone, & Telegrams	2,662,127		2,491,364	
Printing and Stationery	588,752		682,462	
Office Maintenance	5,980,194		5,533,415	
Donations	1,364,430		1,460,256	
Professional fee & Expenses	2,500,103		2,600,516	
Subscription and Membership fee	552,018		814,430	
Miscellaneous expenses	127,859		304,759	
Books and Periodicals	20,431		17,473	
Audit Fee & Expenses	780,347		787,991	
Directors' Commission	350,000		350,000	
Loss on Derivatives	-		14,587,643	
	<u>637,570,195</u>		<u>639,300,472</u>	
SCHEDULE 13 - INTEREST & OTHER FINANCIAL CHARGES				
Term Loans	63,528,442		77,386,978	
Working Capital	58,394,146		62,208,804	
Bank Charges	10,719,191		9,274,355	
Others	<u>6,803,226</u>		<u>6,536,520</u>	
	<u>139,445,005</u>		<u>155,406,657</u>	



SCHEDULE - 14 : SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

A) Significant Accounting Policies

1 BASIS OF PREPARATION OF FINANCIAL STATEMENT

The financial statements are prepared under the historical cost convention on accrual basis of accounting and in accordance with accounting principles generally accepted in India. The financial statements comply in all material aspects with the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

2 FIXED ASSETS

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any.

3 IMPAIRMENT LOSSES

Impairment losses are provided to the extent the carrying amount exceeds their recoverable amounts. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of an asset at arm's length transaction between knowledgeable and willing parties less cost of disposal.

4 BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

5 INVESTMENTS

Investments of long term nature are stated at cost, less adjustment for any diminution, other than temporary, in the value thereof. Current investments are stated at lower of cost and fair market value.

6 INVENTORIES

Raw materials, stores, spares, and packing material are valued at Weighted average cost. Finished goods and Work-in-Progress are valued at cost or net realizable value whichever is lower.

7 REVENUE RECOGNITION

Revenue from sale of goods is recognized when significant risks and rewards in respect of ownership of the products are transferred to the customer. Revenue from export sales and domestic sales are recognized on despatch of products from the factories of the Company.

Revenue from product sales is stated inclusive of excise duty, sales tax and applicable trade discounts and allowances. Revenue from services is recognised as per the terms of the contract with the customers when the services are performed.

**8 DEPRECIATION**

Depreciation is charged in the accounts as under:

- On Fixed Assets on Straight Line Method, applying the rates in Schedule XIV to the Companies Act, 1956.
- On Assets acquired or disposed off during the year, on prorata basis with reference to the month of acquisition or disposal.

9 TRANSLATION OF FOREIGN CURRENCY ITEMS

Transactions in foreign currency are accounted at the exchange rate prevailing on the date of transaction. Gain/Loss arising out of fluctuations in exchange rates are accounted for on realization.

Current Assets and Current Liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the resultant gain/loss is recognized in the financial statements.

To account of differences between the forward exchange rates and the exchange rates at the date of transactions as income or expense over the life of the contracts.

To account for profit/loss arising on cancellation or renewal of forward exchange contracts as income/expense for the period.

To account for premium paid on currency options in the Profit and Loss Account at the inception of the option.

To account for profit/loss arising on settlement or cancellation of currency option as income/expense for the period.

To recognize the net mark to market loss in the Profit and Loss Account on the outstanding portfolio of options as at the Balance Sheet date, and to ignore the net gain, if any.

10 RETIREMENT BENEFITS

Contributions to Gratuity Funds, being defined benefit schemes with the Life Insurance Corporation of India, are determined by periodical actuarial valuation and the adequacy of such annual contributions have been confirmed by the Life Insurance Corporation of India.

11 TAXES ON INCOME

Deferred tax liabilities and deferred tax assets are recognized for the tax effect on the difference between taxable income and accounting income which are not permanent in nature subject to the consideration of prudence in the case of deferred tax assets.

B) Notes to Accounts :

(Rs. in Lakhs)

	2009-2010	2008-2009
1 Contingent Liabilities:		
Guarantees	4,112.53	4,717.64
Others*	31.76	31.76

* This amount represent disputed Custom Duty Liability relating to FY 1996-97, pending before CEGAT

**2 LOANS, ADVANCES & DEBTORS**

Loans, advances and debtors as stated in the Balance Sheet are, in the opinion of the management, realizable in the ordinary course of business.

3 SECURED LOANS:

- i) The Term Loans are secured by Paripassu Charge on all the Fixed Assets of the Company by way of deposit of title deeds in respect of Factory and Land admeasuring Acr.19.3475 Cents situated at Duggirala Mandal, Guntur District. The said facility is further secured by way of second charge on the current assets of the Company both present and future. The Term Loans availed by the Company are also secured by the personal guarantee of the Chairman & Managing Director.
- ii) Working Capital Facilities by State Bank of India, State Bank of Hyderabad and ICICI Bank Limited under consortium are secured by way of first paripassu charge on Hypothecation of stocks of raw materials, semi finished, finished goods, consumables, stores, book debts and such movable assets present and future and second charge on all fixed assets of the Company.

- 4 As per the Certificate given by the Management there is no delay in making payments to Micro, Small and Medium Enterprises attracting the provisions of the Micro, Small and Medium Enterprises Development Act, 2006.

5 Disclosure as per AS 15 – Gratuity

The Company has covered its gratuity liability by a Group Gratuity Scheme issued by LIC of India. Under the plan the eligible employees are entitled to Gratuity under a defined benefit plan.

Assumptions

Particulars	2009-10	2008-09
Discount Rate	8.00%	8.00%
Salary Escalation	4.00%	4.00%



CCL PRODUCTS (INDIA) LIMITED

	(Rs. In Lakhs) 2009-10	(Rs. In Lakhs) 2008-09
1	Table showing changes in present value of obligations :	
	Present value of obligation as at beginning of year	33.90
	Interest Cost	3.03
	Current Service Cost	4.11
	Benefits paid	4.24
	Actuarial Gain/Loss on obligations	9.20
	Present value of obligation as at end of year	46.00
2	Table showing changes in the fair value of plan assets	
	Fair value of plan assets as at beginning of year	41.17
	Expected return on plan assets	3.76
	Contributions	13.36
	Benefits paid	4.24
	Actuarial Gain/Loss on Plan assets	-
	Fair value of plan assets at the end of year	54.05
3	Table showing fair value of plan assets	
	Fair value of plan assets at beginning of year	41.17
	Actual return on plan assets	3.76
	Contributions	13.36
	Benefits paid	4.24
	Fair value of plan assets at the end of year	54.05
	Funded status	8.05
4	Actuarial Gain/Loss recognized	
	Actuarial gain/Loss for the year – obligation	(9.20)
	Actuarial gain/Loss for the year – plan assets	-
	Total gain/loss for the year	9.20
	Actuarial gain/loss recognized in the year	9.20
5	Amounts to be recognized in the balance sheet and statements of profit and loss :	
	Present value of obligations as at the end of year	46.00
	Fair value of plan assets as at the end of the year	54.05
	Funded status	8.05
	Net Asset/Liability recognized in balance sheet	9.20
6	Amounts to be recognized in the Profit and loss :	
	Current Service Cost	4.11
	Interest Cost	2.74
	Expected return on plan assets	3.76
	Net Actuarial (gain)/Loss recognized in the year	9.20
	Expenses recognized in statement of Profit & Loss	12.29

(*) No provision was made in the books as the fair value of plan assets are more than the present value of obligations.



CCL PRODUCTS (INDIA) LIMITED

6 Remuneration paid to Managing Director and Whole-Time Director (Rs. in Lakhs)		
Particulars	2009-2010	2008-2009
Salary	1,440,000	1,440,000
Commission	18,600,000	16,560,000

Computation of net profit in accordance with Section 198 of the Companies Act, 1956.

Profit after taxation as per profit and loss account	270,023,127	189,995,701
Add : ♦ Managerial remuneration to		
- Whole-Time Directors	20,040,000	13,000,000
- Non-Whole Time Directors	350,000	350,000
♦ Director's sitting fees	152,000	157,000
♦ Net surplus/(deficit) on fixed assets sold/scrapped as per Section 350 of the Companies Act	-	-
♦ Provision for taxes	79,211,426	<u>48,170,767</u>
	99,753,426	<u>61,677,767</u>
Net Profit	369,776,553	<u>251,673,468</u>
Commission to Whole Time Directors @ 6% restricted to Percentage of net Profit :	20,040,000	13,000,000
Commission to Non-whole time Directors @ 1% restricted to Percentage of net Profit :	350,000	350,000

7 Remuneration to Auditors:		
Audit fee	350,000	350,000
Tax Audit	100,000	100,000
Out-of Pocket Expenses	30,347	19,491
Certification fee	300,000	318,500

8 Quantitative & Other Information :

Sl.No

A)	Licensed and installed capacity and actual production, sales and closing stock (as taken, valued and certified by Management)	
i)	Licensed capacity - MTs (per annum)	- N.A. -
ii)	Installed capacity - MTs (per annum)	14,000.00
	(Installed capacity is as certified by management being technical matter not verified by Auditors)	
iii)	Production (MTs)	8,510.45
iv)	Sales (MTs)	8,767.27
v)	Sales (Rs. In Lakhs)	28,200.84
vi)	Opening Stock of Finished Goods (MTs)	688.55
vii)	Closing Stock of Finished Goods (MTs)	431.73



CCL PRODUCTS (INDIA) LIMITED

B)	Details of Raw material consumed :		
	Raw Coffee		
	Qty/(Mts)	20,061.52	17,519.77
	Value (Rs.In Lakhs)	14,934.91	15,093.84
C)	Earnings in Foreign Currency (Rs.In Lakhs)		
	FOB Value of Exports	27,303.75	23,890.85
	Dividend	11.95	12.13
D)	C I F Value of All Imports (Rs. In Lakhs)	12,511.22	13,104.33
E)	Expenditure in Foreign Exchange (Rs. In Lakhs)		
	Interest	115.99	329.50
	Travelling & Others	38.43	18.10
F)	Details required under Clause C of Para 4D in Part II of Schedule VI pertaining to percentage and value of Imported Raw Materials, Spare Parts and components has not been provided as this information is confidential and market sensitive.		

9	Earnings Per Share	2009-2010	2008-2009
	Profit after taxation as per profit and loss account	270,023,127	189,995,701
	Weighted Average number of Equity Shares outstanding	13,302,792	13,302,792
	Basic and diluted earnings per share in Rs	20.30	14.28
10	Deferred Tax	2009-2010 (Rs. in Lakhs)	2008-2009 (Rs. in Lakhs)
	Opening Balance	1,438.44	974.55
	Add : Timing Difference - Depreciation	305.55	463.89
	Total	1,743.99	1,438.44

11. Segment Reporting

Based on the guiding principles given in Accounting Standard on `Segment Reporting (AS-17) issued by the Institute of Chartered Accountants of India the Company's primary business segment is Instant Coffee.

Financial information about the primary business segment is presented in the table given below:

(Rs. In Lakhs)

Particulars	Instant Coffee	Instant Coffee
	2009 - 10	2008 - 09
A REVENUE		
1 External Sales	28,200.84	26,669.40
2a Other income	452.34	223.41
2b Interest income on term deposits	50.48	88.07
2c Income on Investments	12.19	10.68
3 Total Revenue	28,715.86	26,991.56
B RESULT		
1 Segment result / operating profit	4,886.80	3,935.73
2 Income (referred to A (2b) above)	-	-
3 Total operating profit	4,886.80	3,935.73
4 Interest expense	1,394.45	1,554.07
5 Provision for contingencies	-	-
6 Provision for taxes	792.11	481.71
7 Net Profit	2,700.23	1,899.95
C OTHER INFORMATION		
1 Segment assets	38,481.25	38,510.04
2 Investments and inter corporate deposits including interest accrued thereon	-	-
	1,804.11	1,804.10
Total Assets	40,285.35	40,314.14
1 Segment liabilities	1,764.17	1,302.17
2 Share capital and reserves	20,033.54	17,565.98
3 Secured and unsecured loans	15,608.21	19,126.82
4 Unclaimed dividends, interest accrued on loans and unclaimed debentures	20.56	20.85
5 Provision for taxation & Dividend	1,114.89	859.88
6 Provision for deferred Tax	1,743.99	1,438.44
7 Total liabilities	40,285.35	40,314.14
8 Capital expenditure including capital work in progress	118.34	3,064.11
9 Depreciation (including impairment loss on fixed assets and deficit on fixed assets sold / scrapped)	1,419.34	1,432.84
Other Non cash adjustments :		
10 Provision for Gratuity (net)	-	-
11 Provision for contingencies	-	-

Segment Accounting Policies

In addition to the significant accounting policies applicable to the business segment as set out in Note 1– Schedule 14 of the Notes to the Accounts, the accounting policies in relation to segment accounting are as under:

Segment assets and liabilities :

All segment assets and liabilities are directly attributable to the segment.

Segment assets include all operating assets used by the segment and consist principally of fixed assets, inventories, sundry debtors, loans and advances and operating cash and bank balances. Segment assets and liabilities do not include investments, inter corporate deposits, reserves and surplus, borrowings, provision for contingencies and income tax (both current and deferred).

Segment revenue and expenses:

Segment revenue and expense are directly attributable to the segment. Segment revenue and expenses do not include interest income on inter-corporate deposits, profit on sale of investments, interest expense, provision for contingencies and income tax

12. Reporting on related parties : In accordance with the Accounting Standard 18, Name of related Parties and description of relationship is as under: Rs. in Lakhs

Sl. No.	Nature of Transaction	Key Management Personnel / Relatives	Subsidiaries	Total
1	Remuneration & Commission	200.04	-	200.04
2	Rent	24.25	-	24.25
3	<u>Jayanti Pte. Ltd., Singapore</u>			
	Interest Income	-	12.01	12.01
	Outstanding Receivable at the year end	-	632.19	632.19
	Equity Investment at the year end	-	1,039.33	1,039.33
	<u>ACMI Ltd, UK</u>			
	Purchase of Goods	-	3,770.08	3,770.08
	Sale of Goods	-	9,509.41	9,509.41
	Pref. Dividend	-	11.95	11.95
	Outstanding Receivable at the year end	-	1,019.26	1,019.26
	Investment in Equity and Pref. shares at the year end	-	762.90	762.90



CCL PRODUCTS (INDIA) LIMITED

- | | | |
|---|--------------------------------------|--|
| 1 | Key Management Personnel | Mr.Challa Rajendra Prasad, Chairman & Managing Director
Mr.Challa Srishant, Executive Director |
| 2 | Relative of Key Management Personnel | Mrs.Challa Shantha Prasad - (Spouse of Mr.Challa Rajendra Prasad C.M.D.) |
| 3 | Subsidiaries | M/s.Associated Coffee Merchants (International) Limited – UK
(Subsidiary of CCL Products (India) Limited – India)
M/s.Complete Coffee Ltd. London (Subsidiary of Associated Coffee Merchants (International) Limited - ACMIL)
M/s.The Priory Tea and Coffee Co.Ltd (Subsidiary of Associated Coffee Merchants (International) Limited - ACMIL)
M/s.Ridge Futures Limited (Subsidiary of Associated Coffee Merchants (International) Limited - ACMIL)
M/s.CCL Products (UK) Ltd (Subsidiary of Associated Coffee Merchants (International) Limited - ACMIL)
M/s.Ernest A Breminer (Subsidiary of Associated Coffee Merchants (International) Limited - ACMIL)
M/s. Jayanti Pte Ltd., Singapore
(Subsidiary of CCL Products (India) Limited – India)
M/s. Grandsaugreen SA, Switzerland
(Subsidiary of Jayanti Pte. Ltd., Singapore) |

- 13** Previous Year's figures are regrouped/rearranged/recasted wherever considered necessary to conform the current year figures

As per our attached report of even date
For **M.ANANDAM & CO.,**
Chartered Accountants
Firm Regn No: 000125S.

Sd/-
(M.V.Ranganath)
Partner
M.No.28031
Place : Hyderabad
Date : 29.09.2010

Sd/-
K.V.L.N. Sarma
C.F.O.

Sd/-
I.J. Rao
Director

By order of the Board
Sd/-
Challa Rajendra Prasad
Chairman & Managing Director

Sd/-
Challa Srishant
Executive Director



CCL PRODUCTS (INDIA) LIMITED

INTEREST IN SUBSIDIARY COMPANY STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956.

Sl No.	Name of the subsidiary Company	Particulars
1	The Financial Year of the Subsidiary Company ended on	31st March, 2010
	a) Associated Coffee Merchants (International) Limited	
	b) Complete Coffee Ltd	
	c) CCL Products (UK) Limited	
	d) Ernest A Breminer	
	e) The Priory Tea & Coffee Company Ltd	
	f) Ridge Futures Limited	
	g) Jayanti Pte Ltd	
2	Year from which it became Subsidiary Companies	
	a) Associated Coffee Merchants (International) Limited	2003-04
	b) Complete Coffee Ltd	2003-04
	c) CCL Products (UK) Limited	2008-09
	d) Ernest A Breminer	2008-09
	e) The Priory Tea & Coffee Company Ltd	2008-09
	f) Ridge Futures Limited	2008-09
	g) Jayanti Pte Ltd	2009-10
3	a) Number of shares held by CCL Products (India) Ltd along with its nominees in the Subsidiary at the end of the financial year of the Subsidiary Companies	

Sl No	Name of Subsidiary	Equity Shares	Preferential Shares
a	Associated Coffee Merchants	24013 Nos. @ GBP 1 each	187400 Nos. @ GBP 1 each
b	Complete Coffee Ltd	1420884 Nos. @ GBP 1 each	5000 Nos. @ GBP 1 each
c	CCL Products (UK) Limited	44100 Nos. @ GBP 1 each	4120 Nos. @ GBP 1 each
		44000 Nos. @ GBP 0.10 each	
d	Ernest A Breminer	150000 Nos. @ GBP 0.10 each	Nil
e	The Priory Tea & Coffee Company Ltd	200000 Nos. @ GBP 1 each	Nil
f	Ridge Futures Limited	90000 Nos. @ GBP 1 each	Nil
g	Jayanti Pte Ltd	3418300 Nos. @ S\$1 each	Nil

b)	Extent of interest of Holding Company at the end of the financial year of the Subsidiary Companies	:	
a)	Associated Coffee Merchants (International) Limited		74.90%
b)	Complete Coffee Ltd		74.90%
c)	CCL Products (UK) Limited		74.90%
d)	Ernest A Breminer		74.90%
e)	The Priory Tea & Coffee Company Ltd		74.90%
f)	Ridge Futures Limited		74.90%
g)	Jayanti Pte Ltd		100.00%
4	Net aggregate amount of Profit/(Loss) of the Subsidiary for the financial year ended 31st March, 2010 so far as they concern to members of CCL Products (India) Ltd.		
a)	Dealt with in the account of CCL Products (India) Limited (Rs.in Lakhs)	:	
a)	Associated Coffee Merchants (International) Limited		11.95
b)	Not Dealt with in the accounts of CCL Products (India) Limited (Rs.in Lakhs)	:	
a)	Associated Coffee Merchants (International) Limited		83.52
b)	Jayanti Pte Ltd		12.56
5	Net aggregate amount of Profit/(Loss) for Previous financial years of the Subsidiary since they became subsidiaries so far as they concern members of CCL Products (India) Limited.		
a)	Dealt with in the account of CCL Products (India) Limited (Rs.in Lakhs)	:	NA
b)	Not Dealt with in the accounts of CCL Products (India) Limited (Rs.in Lakhs)	:	NA
5	Change in the interest of CCL Products (India) Limited in the Subsidiary between the end of the financial year of the subsidiary and that of CCL Products (India) Limited.	:	Nil
6	Material changes between the end of the financial year of the subsidiary and end of the financial year of CCL Products (India) Limited in respect of the Subsidiary fixed assets, investments lending and borrowing for the purpose other than meeting their current liabilities.	:	NA
7	Remarks	:	Nil

By order of the Board
Sd/-
Challa Rajendra Prasad
Chairman & Managing Director

Place : Hyderabad
Date : 29.09.2010

Sd/-
K.V.L.N. Sarma
C.F.O.

Sd/-
I.J. Rao
Director

Sd/-
Challa Srishant
Executive Director



CCL PRODUCTS (INDIA) LIMITED

Balance Sheet abstract and Company's General Business Profile

I. Registration Details

Registration Number

8	7	4
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 State Code

0	1
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Balance Sheet Date

3	1	0	3	2	0	1	0
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II. Capital Raised During The Year

Public Issue	Rights Issue						
<table border="1"><tr><td>N</td><td>i</td><td>i</td></tr></table>	N	i	i	<table border="1"><tr><td>N</td><td>i</td><td>i</td></tr></table>	N	i	i
N	i	i					
N	i	i					
Bonus Issue	Private Placement						
<table border="1"><tr><td>N</td><td>i</td><td>i</td></tr></table>	N	i	i	<table border="1"><tr><td>N</td><td>i</td><td>i</td></tr></table>	N	i	i
N	i	i					
N	i	i					

III. Position of Mobilisation and Deployment of Funds :

Sources of Funds

Total Liabilities	Total Assets																				
<table border="1"><tr><td>3</td><td>7</td><td>3</td><td>8</td><td>5</td><td>7</td><td>3</td><td>5</td><td>3</td><td>4</td></tr></table>	3	7	3	8	5	7	3	5	3	4	<table border="1"><tr><td>3</td><td>7</td><td>3</td><td>8</td><td>5</td><td>7</td><td>3</td><td>5</td><td>3</td><td>4</td></tr></table>	3	7	3	8	5	7	3	5	3	4
3	7	3	8	5	7	3	5	3	4												
3	7	3	8	5	7	3	5	3	4												
Paid Up Capital	Reserves and Surplus																				
<table border="1"><tr><td>1</td><td>3</td><td>3</td><td>0</td><td>2</td><td>7</td><td>9</td><td>2</td><td>0</td></tr></table>	1	3	3	0	2	7	9	2	0	<table border="1"><tr><td>1</td><td>8</td><td>7</td><td>0</td><td>3</td><td>2</td><td>5</td><td>9</td><td>4</td><td>2</td></tr></table>	1	8	7	0	3	2	5	9	4	2	
1	3	3	0	2	7	9	2	0													
1	8	7	0	3	2	5	9	4	2												
Secured Loans	Unsecured Loans																				
<table border="1"><tr><td>1</td><td>5</td><td>0</td><td>0</td><td>7</td><td>3</td><td>4</td><td>7</td><td>7</td><td>5</td></tr></table>	1	5	0	0	7	3	4	7	7	5	<table border="1"><tr><td>6</td><td>0</td><td>0</td><td>8</td><td>5</td><td>9</td><td>4</td><td>5</td></tr></table>	6	0	0	8	5	9	4	5		
1	5	0	0	7	3	4	7	7	5												
6	0	0	8	5	9	4	5														
Deferred Tax Liability																					
<table border="1"><tr><td>1</td><td>7</td><td>4</td><td>3</td><td>9</td><td>8</td><td>9</td><td>5</td><td>2</td></tr></table>	1	7	4	3	9	8	9	5	2												
1	7	4	3	9	8	9	5	2													

Application of Funds

Net Fixed Assets	Investments																				
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2	4	1	7	7	9	5	1	7	2												
1	8	0	4	1	0	9	0	2													
Net Current Assets	Misc. Expenses not w. off And Profit & Loss A/c																				
<table border="1"><tr><td>1</td><td>1</td><td>4</td><td>0</td><td>3</td><td>6</td><td>7</td><td>4</td><td>6</td><td>0</td></tr></table>	1	1	4	0	3	6	7	4	6	0	<table border="1"><tr><td>N</td><td>I</td><td>L</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>	N	I	L							
1	1	4	0	3	6	7	4	6	0												
N	I	L																			

IV Performance of the Company

Turnover	Total Expenditure																				
<table border="1"><tr><td>2</td><td>8</td><td>2</td><td>0</td><td>0</td><td>8</td><td>4</td><td>2</td><td>0</td><td>2</td></tr></table>	2	8	2	0	0	8	4	2	0	2	<table border="1"><tr><td>2</td><td>4</td><td>7</td><td>0</td><td>8</td><td>4</td><td>9</td><td>6</td><td>4</td><td>9</td></tr></table>	2	4	7	0	8	4	9	6	4	9
2	8	2	0	0	8	4	2	0	2												
2	4	7	0	8	4	9	6	4	9												
Profit/(Loss) Before Tax	Profit/ (Loss) After Tax																				
<table border="1"><tr><td>3</td><td>4</td><td>9</td><td>2</td><td>3</td><td>4</td><td>5</td><td>5</td><td>3</td></tr></table>	3	4	9	2	3	4	5	5	3	<table border="1"><tr><td>2</td><td>7</td><td>0</td><td>0</td><td>2</td><td>3</td><td>1</td><td>2</td><td>7</td></tr></table>	2	7	0	0	2	3	1	2	7		
3	4	9	2	3	4	5	5	3													
2	7	0	0	2	3	1	2	7													

V Generic Names of Three Principal Products/Services of the Company (As per Monetary Terms)

Item Code No. (ITC Code)	<table border="1"><tr><td>2</td><td>1</td><td>0</td><td>1</td><td>1</td><td>0</td></tr></table>	2	1	0	1	1	0
2	1	0	1	1	0		
Product Description	Instant Coffee						
Item Code No. (ITC Code)	<table border="1"><tr><td>2</td><td>1</td><td>0</td><td>1</td><td>3</td><td>0</td></tr></table>	2	1	0	1	3	0
2	1	0	1	3	0		
Product Description	Roasted Chicory Coffee						



CCL PRODUCTS (INDIA) LIMITED

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The Board of Directors
CCL Products (India) Limited
Hyderabad

1. We have examined the attached Consolidated Balance Sheet of CCL Products (India) Limited and its subsidiaries Associated Coffee Merchants (International) Limited, UK, Grandsaugreen Ltd, Les Verrieres and Jayanti Pte Ltd, Singapore as at 31st March 2010, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date. These financial statements are responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the subsidiaries, Associated Coffee Merchants (International) Limited, UK, Grandsaugreen Ltd, Les Verrieres, Jayanti Pte Ltd, Singapore whose financial statements reflect the total assets of Rs.11252.04 Lakhs as at 31st March 2010 and total revenues of Rs. 28895.16 Lakhs for the year then ended. The financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiary, is based solely on the report of the other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS 21), Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of financial statements of the Company and its subsidiary included in the Consolidated Financial Statements.
5. On the basis of the information and explanation given to us and on consideration of the separate audit report on individual audited financial statements of CCL Products (India) Limited and its subsidiaries, Associated Coffee Merchants (International) Limited, UK, Grandsaugreen Ltd, Less Verrieres, Jayanti Pte Ltd, Singapore we are of the opinion that the said accounts, read together with the notes thereon give a true and fair view in conformity with the accounting principles generally accepted in India.
 - a. In case of Consolidated Balance sheet, of the Consolidated state of affairs of the Company and its subsidiary as at 31.03.2010;
 - b. In case of the Consolidated Profit and Loss account, of the consolidated results of operations of the Company and its subsidiary for the year ended on that date; and
 - c. In case of the Consolidated Cash Flow Statement, of the consolidated Cash Flows of the Company and its subsidiary for the year ended on the date.

For **M.Anandam & Co.,**
Chartered Accountants
Firm Regn No: 000125S.

Sd/-
(M.V.Ranganath)
Partner
M.No.28031

Place: Secunderabad
Date : 29.09.2010



CCL PRODUCTS (INDIA) LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31-03-2010

Particulars	Schedule No.	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
SOURCES OF FUNDS			
1) SHARE HOLDERS' FUNDS			
a) Share Capital	1	133,027,920	133,027,920
b) Reserves and surplus	2	1,875,639,301	1,623,029,149
2) Minority Interest		31,959,878	29,162,018
3) Loan Funds			
a) Secured Loans	3	2,250,007,137	2,382,343,822
b) Unsecured Loans	4	115,841,821	6,863,528
4) Deferred Tax		175,769,008	143,844,320
Total		4,582,245,065	4,318,270,757
APPLICATION OF FUNDS			
1) Fixed Assets	5		
a) Gross Block		2,873,446,537	2,861,229,779
b) Less: Depreciation		695,231,539	558,590,596
c) Net Block		2,178,214,998	2,302,639,183
d) Add: Capital Work in Progress		734,515,455	304,870,864
		2,912,730,453	2,607,510,047
2) Investments	6	1,564,706	104,121,085
3) Current Assets, Loans & Advances	7		
a) Inventories		858,544,119	727,675,023
b) Sundry Debtors		723,360,080	782,518,703
c) Cash and Bank Balances		61,622,076	92,391,881
d) Loans and Advances		361,008,542	300,978,282
		2,004,534,817	1,903,563,889
Less: Current Liabilities & Provisions	8		
a) Liabilities		223,833,065	210,936,936
a) Provisions		112,751,846	85,987,328
		336,584,911	296,924,264
Net Current Assets		1,667,949,906	1,606,639,625
Total		4,582,245,065	4,318,270,757

Significant Accounting Policies & Notes on Accounts 14

Schedules 1 to 14 form an integral part of Accounts

As per our attached report of even date

For **M.ANANDAM & CO.,**

Chartered Accountants

Firm Regn No: 000125S.

Sd/-

(M.V.Ranganath)

Partner

M.No.28031

Place : Hyderabad

Date : 29.09.2010

Sd/-

K.V.L.N. Sarma

C.F.O.

Sd/-

I.J. Rao

Director

By order of the Board

Sd/-

Challa Rajendra Prasad

Chairman & Managing Director

Sd/-

Challa Srishant

Executive Director



CCL PRODUCTS (INDIA) LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

Particulars	Schedule No.	For the Year Ended March 31, 2010 Rs.	For the Year Ended March 31, 2009 Rs.
1. INCOME			
Sales Turnover (Gross)		4,381,651,488	4,710,939,164
Less : Excise Duty		<u>6,343,457</u>	<u>28,461,577</u>
Sales Turnover (Net)		4,375,308,031	4,682,477,587
Other Income	9	55,307,965	32,686,985
Increase / (Decrease) in stock	10	<u>(138,497,621)</u>	<u>76,525,103</u>
		<u>4,292,118,375</u>	<u>4,791,689,675</u>
2. EXPENDITURE			
Raw Material Consumed	11	2,850,164,559	3,476,840,375
Manufacturing, Administration & Selling Expenses	12	771,799,089	760,852,929
Profit before Interest and Depreciation		670,154,727	553,996,371
Interest	13	162,428,370	192,451,896
Profit before Depreciation		507,726,357	361,544,475
Depreciation		142,981,011	143,641,823
Profit before Tax		364,745,346	217,902,652
Provision for Taxes			
Income Tax		60,455,889	22,562,367
Excess Provision tax reversal		(10,491,495)	(1,858,488)
MAT credit entitlement		-	(24,132,063)
Fringe Benefit Tax		-	888,907
Deferred Tax		31,960,916	46,388,864
Profit after Tax before Minority Interest		282,820,036	174,053,067
Transfer to Minority Interest		2,798,430	4,181,574
Profit after Tax after Minority Interest		280,021,606	169,871,493
Balance Brought Forward		95,129,452	141,249,126
Amount Available for appropriation		375,151,058	311,120,619
Appropriations			
<u>Dividend</u>			
-Shares (Subsidiary)		398,157	427,565
-Dividend		19,954,188	13,302,792
-Dividend Tax		3,314,141	2,260,810
Transfer to General Reserve		300,000,000	250,000,000
Exchange Fluctuation Reserve		-	(50,000,000)
Profit/(Loss) carried to the Balance Sheet		51,484,572	95,129,452
Basic and Diluted Earnings Per Share (Rs.10/- Per Share)		21.05	12.77
Significant Accounting Policies & Notes on Accounts 14			

Schedules 1 to 14 form an integral part of Accounts

As per our attached report of even date

For **M.ANANDAM & CO.,**

Chartered Accountants

Firm Regn No: 000125S.

Sd/-

(M.V.Ranganath)

Partner

M.No.28031

Place : Hyderabad

Date : 29.09.2010

Sd/-

K.V.L.N. Sarma

C.F.O.

Sd/-

I.J. Rao

Director

By order of the Board

Sd/-

Challa Rajendra Prasad

Chairman & Managing Director

Sd/-

Challa Srishant

Executive Director



CCL PRODUCTS (INDIA) LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	2009-2010 Rs.	2008-2009 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before tax and extraordinary items	364,745,346	217,902,653
Adjustments for :		
Depreciation	142,981,011	143,641,823
Interest	162,428,370	192,451,896
Loss on Sale of Vehicles	12,751	72,238
Foreign Exchange Transalation	(3,794,518)	(11,234,647)
Interest Income	(8,854,971)	(10,200,833)
Dividend On Investments	(23,850)	(144,729)
Other Income	(11,889,293)	(13,493,018)
Operating profit before working capital changes	645,604,846	518,995,383
Adjustments for :		
Trade Receivables	59,158,623	(113,684,330)
Inventories	(130,869,096)	63,451,304
Loans and Advances	(60,030,260)	187,149,760
Trade and Other payables	(18,008,474)	(108,791,432)
Cash generated from operations	495,855,639	547,120,685
Interest paid on working capital	(98,899,928)	(115,064,918)
Net Cash from operating activities	396,955,711	432,055,767
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets (Including CWIP)	(448,201,417)	(152,157,886)
Decrease in investments	102,556,379	(103,933,149)
Interest received on Deposits	8,854,971	10,200,833
Dividend Received	23,850	144,729
Other Income Received	11,889,293	13,493,018
Net Cash flow from Investing Activities	(324,876,924)	(232,252,455)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds/ (Repayment) of Unsecured Loans	108,978,290	(332,286)
Proceeds from borrowings on term loans	350,330,360	130,000,000
Repayment of borrowings on term loans	(569,928,942)	(451,044,393)
Bank Borrowings on working capital	87,261,897	277,973,068
Interest paid on term loans	(63,528,442)	(77,386,978)
Dividends paid	(13,700,949)	(66,513,960)
Corporate Dividend tax	(2,260,810)	(11,304,048)
Net Cash Flow from Financing Activities	(102,848,596)	(198,608,597)
Net Increase in cash and cash equivalents	(30,769,809)	1,194,715
Cash and Cash equivalents as at 31-03-2009	92,391,885	91,197,170
Cash and Cash equivalents as at 31-03-2010	61,622,076	92,391,885

As per our attached report of even date
For **M.ANANDAM & CO.,**
Chartered Accountants
Firm Regn No: 000125S.

Sd/-
(M.V.Ranganath)
Partner
M.No.28031
Place : Hyderabad
Date : 29.09.2010

Sd/-
K.V.L.N. Sarma
C.F.O.

Sd/-
I.J. Rao
Director

By order of the Board
Sd/-
Challa Rajendra Prasad
Chairman & Managing Director

Sd/-
Challa Srishant
Executive Director



CCL PRODUCTS (INDIA) LIMITED

CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS A/C AS AT 31ST MARCH, 2010

Particulars	As at 31-03-2010 Rs	As at 31-03-2009 Rs
<u>SCHEDULE 1 - SHARE CAPITAL</u>		
<u>Authorised Share Capital</u>		
20,000,000 Equity Shares of Rs.10 each	<u>200,000,000</u>	<u>200,000,000</u>
<u>Issued, Subscribed and Paid up Share Capital</u>		
13,302,792 Equity Shares of Rs.10 each	<u>133,027,920</u>	<u>133,027,920</u>
	<u>133,027,920</u>	<u>133,027,920</u>
<u>SCHEDULE - 2 - RESERVES AND SURPLUS</u>		
Capital Reserve	18,387,289	23,209,587
General Reserve	1,815,097,595	1,515,097,595
Profit & Loss account	51,484,572	95,129,449
Foreign Currency Translation Reserve	(9,330,155)	(10,407,482)
	<u>1,875,639,301</u>	<u>1,623,029,149</u>
<u>SCHEDULE 3 - Secured Loans:</u>		
Term Loans		
Term loan	923,475,663	1,143,074,245
Working Capital		
Packing Credit	865,635,581	718,508,680
Cash Credit	407,783,299	476,525,529
Export/Inland Bills Discounting	<u>53,112,594</u>	<u>44,235,368</u>
	<u>2,250,007,137</u>	2,382,343,822
<u>SCHEDULE 4 - UNSECURED LOANS:</u>		
Unsecured Loans		
Sales Tax Deferment	7,585,945	6,863,528
Others	<u>108,255,876</u>	<u>-</u>
	<u>115,841,821</u>	<u>6,863,528</u>

SCHEDULE 5 - FIXED ASSETS AS AT 31.03.2010

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As on 01-04-2009	Additions	Deletions/ Adjustments	As on 01-04-2009	Depreciation	Deletions/ Adjustments	As on 31-03-2010	As on 31-03-2009
Land	11,900,197	58,803,403	0	0	0	0	70,703,600	11,900,197
Buildings	326,849,603	857,443	0	56,190,379	9,370,480	0	262,146,187	270,659,224
Plant, Machinery & Other equipment	2,487,239,952	8,934,604	61,241,239	488,917,784	130,473,671	6,340,068	1,821,881,930	1,998,322,168
Material Handling equipment	5,662,601	159,176	0	2,131,699	456,782	0	3,233,296	3,530,902
Fire Fighting equipment	1,265,694	0	0	216,822	367,457	0	681,415	1,048,872
Vehicles	21,933,903	1,166,561	0	7,807,241	1,887,658	0	13,405,565	14,126,662
Furniture & Fixtures	6,377,829	3,536,810	0	3,326,671	424,963	0	6,163,005	3,051,158
Total	2,861,229,779	73,457,997	61,241,239	558,590,596	142,981,011	6,340,068	2,178,214,998	2,302,639,183
Previous Year	2,736,434,453	125,897,857	1,102,531	415,949,500	143,644,883	1,003,789	2,302,639,185	2,320,484,953
Capital Work In Progress							734,515,455	304,870,864
							<u>2,912,730,453</u>	<u>2,607,510,047</u>



CCL PRODUCTS (INDIA) LIMITED

CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS A/C AS AT 31ST MARCH, 2010

Particulars	As at 31-03-2010 Rs	Rs	As at 31-03-2009 Rs	Rs
SCHEDULE 6 - INVESTMENTS				
Quoted Trade:				
Andhra Bank Shares	177,936		177,936	
(5300 Equity Shares Face value of Rs.10/- each)	<u>177,936</u>	177,936	<u>177,936</u>	177,936
Un quoted Non Trade Investments				
Coffee Futures Exchange India Ltd	10,000		10,000	
(Equity Subscription for Membership as Ordinary member - 1 share of Rs.10,000)	<u>10,000</u>	10,000	<u>10,000</u>	10,000
Jayanti Pte Ltd	-		103,933,149	
(3418300 Equity Shares Face Value of S\$ 1/- each)	<u>-</u>	-	<u>103,933,149</u>	103,933,149
Equity Investment in Ngon Coffee	1,376,770		-	
(Share application money pending allotment)	<u>1,376,770</u>	1,376,770	<u>-</u>	-
		<u>1,564,706</u>		<u>104,121,085</u>
SCHEDULE 7 - CURRENT ASSETS, LOANS AND ADVANCES:				
a) Inventories				
(As taken, valued and certified by the Management)				
Raw Materials	444,794,432		174,193,530	
Packing Materials	41,787,017		36,735,695	
Stores & Consumables	2,348,533		1,774,090	
Engineering Goods	54,265,786		59,393,786	
Work in process	4,765,598		8,071,984	
Finished Goods	<u>310,582,753</u>		<u>447,505,938</u>	
		858,544,119		727,675,023
b) Sundry Debtors (Unsecured, Considered Good)				
Over six months	499,334		461,699	
Others	<u>722,860,746</u>		<u>782,057,004</u>	
		723,360,080		782,518,703
c) Cash and Bank Balances				
Cash in Hand	258,189		262,769	
Balances with Scheduled Banks				
- On Current Accounts*	48,428,047		33,252,820	
- in Dividend Accounts	2,055,925		2,085,119	
- in Margin Deposits Accounts	<u>10,879,915</u>		<u>56,791,173</u>	
(* Includes Rs.84,80,805 EEFC Account)		61,622,076		92,391,881
d) Loans and Advances				
Unsecured – considered goods				
Advance Recoverable in Cash or in kind or for Value to be received	251,265,506		206,818,639	
Advances for raw materials	26,084,408		11,664,366	
Advances for Capital Goods & others	576,105		5,357,636	
Deposit with Govt.	8,481,392		7,706,666	
Other Deposits	10,218,594		5,048,438	
MAT Credit entitlement	<u>64,382,537</u>		<u>64,382,537</u>	
		361,008,542		300,978,282
		<u>2,004,534,817</u>		<u>1,903,563,889</u>



CCL PRODUCTS (INDIA) LIMITED

CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS A/C AS AT 31ST MARCH, 2010

Particulars	As at 31-03-2010 Rs	As at 31-03-2009 Rs
<u>SCHEDULE 8 - CURRENT LIABILITIES AND PROVISIONS</u>		
a) Current Liabilities		
Sundry Creditors for goods -		
Dues to other than Micro, Small and		
Medium Enterprises undertakings	152,055,790	124,556,432
Sundry creditors for capital goods	8,966,472	11,172,249
Sundry creditors for expenses	60,754,878	73,123,136
Unclaimed dividends	2,055,925	2,085,119
	223,833,065	210,936,936
b) Provisions		
Income Tax	88,594,610	68,660,895
Fringe Benefit Tax	888,907	1,762,831
Dividend	19,954,188	13,302,792
Dividend Tax	3,314,141	2,260,810
	112,751,846	85,987,328
	336,584,911	296,924,264
<u>SCHEDULE 9 - OTHER INCOME:</u>		
Interest	8,854,971	10,200,833
Dividend on Investments	23,850	144,729
Miscellaneous Income	11,889,293	13,493,018
Exchange fluctuation (net)	34,539,851	8,848,405
	55,307,965	32,686,985
<u>SCHEDULE 10 – INCREASE/(DECREASE) IN STOCK OF WORK-IN-PROGRESS & FINISHED GOODS:</u>		
Opening stock	369,084,895	292,559,792
Less : Closing Stock	230,587,274	369,084,895
	(138,497,621)	76,525,103
<u>SCHEDULE 11 – RAW MATERIAL CONSUMED</u>		
Opening Stock	174,193,530	223,260,429
Add : Purchases	3,120,765,461	3,427,773,476
Less : Closing Stock	444,794,432	174,193,530
	2,850,164,559	3,476,840,375



CCL PRODUCTS (INDIA) LIMITED

CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS A/C AS AT 31ST MARCH, 2010

Particulars	As at 31-03-2010 Rs	As at 31-03-2009 Rs
SCHEDULE 12 - MANUFACTURING, ADMINISTRATION & SELLING EXPENSES:		
Packing Materials Consumed	242,572,192	284,342,814
Stores and Consumables	11,188,822	16,527,833
Power and Fuel	163,663,265	101,501,271
Repairs and Maintenance		
- Plant & Machinery	34,601,384	26,985,071
- Buildings	769,691	1,104,975
- Others	1,798,215	1,645,353
	37,169,290	29,735,399
Transportation, Clearing & Forwarding	90,527,240	53,856,003
Insurance	11,637,680	15,011,580
Rent, Rates and taxes	14,073,464	13,659,909
Remuneration to Directors	42,287,324	37,779,735
Salaries and Wages	74,730,092	71,450,903
Contributions to Gratuity, PF and Superannuation Funds	9,767,955	12,058,836
	126,785,371	121,289,474
Staff welfare expenses	8,623,634	8,180,240
Selling Expenses	26,323,517	29,644,429
Commission on Sales	6,539,274	8,233,816
Sales Tax	1,846,593	25,183,382
Traveling & Conveyance	7,101,862	6,488,516
Postage, Telephone, & Telegrams	3,887,940	3,872,032
Printing and Stationery	806,371	997,625
Office Maintenance	13,740,731	10,232,821
Donations	1,364,430	1,460,256
Professional fee & Expenses	2,500,103	2,600,516
Subscription and Membership fee	552,018	814,430
Miscellaneous expenses	1,081,473	1,836,684
Books and Periodicals	20,431	17,473
Audit Fee & Expenses	2,618,344	2,692,991
Directors' Commission	350,000	350,000
Loss on Derivatives	-	14,587,643
Loss on Sale of assets	12,751	72,238
Forward Contracts	(3,187,707)	24,516,885
Exchange Translation	-	(16,853,330)
	771,799,089	760,852,929
SCHEDULE 13 - INTEREST & OTHER FINANCIAL CHARGES:		
Term Loans	63,528,442	77,386,978
Working Capital	69,436,400	82,974,828
Bank Charges	22,293,547	25,553,570
Others	7,169,981	6,536,520
	162,428,370	192,451,896

**SCHEDULE NO.14****NOTES ON CONSOLIDATED FINANCIAL STATEMENTS****1 BASIS OF CONSOLIDATION**

1.1 The Consolidated Financial statements comprises the financial statements of CCL Products (India) Limited (The company) and its Subsidiaries (collectively known as the 'Group'). The consolidated financial statements have been prepared on the following basis in line with Accounting Standard-21 Consolidated Financial Statements issued by ICAI.

- a) The financial statement have been combined on a line by line basis by adding together book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and transactions and unrealized profit/losses resulting from intra group transactions related to transfer of assets/liabilities.
- b) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be.
- c) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to the shareholders of the Company.
- d) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

1.2 In case of foreign subsidiaries, while preparing Consolidated Financial Statements, the foreign exchange adjustments have been carried out on following basis, as per Accounting Standard 11– Accounting for effects of changes in Foreign Exchange Rates.

- a) the summarized revenue and expense transaction at the year end reflected in profit and loss account of the foreign subsidiaries which are stated in the currency of their domicile are translated into Indian Rupees at average exchange rate.
- b) All monetary and non –monetary items reflected in the balance sheet of the foreign subsidiaries are translated into Indian Rupees at the year end closing exchange rate prevailing on acquisition/transaction date.
- c) The resultant transaction exchange gain/loss in case of Non-integral foreign operations are disclosed as Foreign Exchange Translation Reserve in Reserves & Surplus. In case of integral foreign operations the translation exchange gain/loss is recognized in the Consolidated Profit & Loss Account.

d) Enterprises included in Consolidation :

Sl No.	Name of the company	Share holding/ Controlling interest	Place of incorporation
1	Associated Coffee Merchants (International) Limited - UK.	74.90%	London - U.K.
2	M/s.Jayanati Pte Ltd – Singapore	100.00%	Singapore
3	Grandsaugreen Ltd. (Subsidiary of M/s.Jayanati Pte Ltd)	100.00%	Switzerland

2 Significant Accounting Policies**a) FIXED ASSETS & DEPRECIATION**

Fixed Assets are stated at the original cost including other expenses related to acquisition and installation. These also take into account roll-over charges of forward contracts on Foreign currency Loans and also gains in respect of forward cover contracts entered into during the year/earlier years, covering the foreign currency loans and incurred for the acquisition of fixed assets, which are adjusted in the carrying amount of related fixed assets.

Depreciation is charged in the accounts as under:

- On Fixed Assets on Straight Line Method, applying the rates in Schedule XIV to the Companies Act, 1956.
- On Assets acquired or disposed off during the year, on prorata basis with reference to the month of acquisition or disposal.
- On Assets of the subsidiary company on straight line method except furniture & fixtures and vehicles which are depreciated on reducing balance method.

b) IMPAIRMENT LOSSES

Impairment losses are provided to the extent the carrying amount exceeds their recoverable amounts. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of an asset at arm's length transaction between knowledgeable, willing parties less cost of disposal.

c) BORROWING COSTS

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

d) INVESTMENTS

Investments of long term nature are stated at cost, less adjustment for any diminution, other than temporary, in the value thereof. Current investments are stated at lower of cost and fair market value.

e) INVENTORIES

Raw materials, stores, spares, packing material and Work-in-progress are valued at cost. Finished goods are valued at cost or net realizable value whichever is lower.



CCL PRODUCTS (INDIA) LIMITED

f) REVENUE RECOGNITION

Revenue from sale of goods is recognised when significant risks and rewards in respect of ownership of the products are transferred to the customer. Revenue from export sales and domestic sales are recognized on despatch of products from the factories of the Company.

Revenue from product sales is stated inclusive of excise duty, sales tax and applicable trade discounts and allowances.

Revenue from services is recognised as per the terms of the contract with the customers when the services are performed.

g) RETIREMENT BENEFITS

Contributions to Gratuity Funds, being defined benefit schemes with the Life Insurance Corporation of India, are determined by periodical actuarial valuation and the adequacy of such annual contributions have been confirmed by the Life Insurance Corporation of India.

In case of subsidiary, the Company operates a money purchase (defined) contribution pension scheme. Contribution payable to this scheme are charged to the profit and loss account in the period to which they relate. These contributions are invested separately from the Company's assets.

h) TRANSLATION OF FOREIGN CURRENCY ITEMS

Export sales in foreign currency are accounted at the exchange rate prevailing on the date of sale. Gain/Loss arising out of fluctuations in exchange rates are accounted for on realization.

Current Assets and Current Liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the resultant gain/loss is recognized in the financial statements.

3 Deferred Tax

	2009-2010	2008-2009
Opening Balance	1,438.44	974.55
Add : Timing Difference - Depreciation	319.25	463.89
Total	1,757.69	1,438.44

4 Earnings Per Share

	2009-2010	2008-2009
Profit after taxation as per profit and loss account	280,021,606	169,871,490
Weighted Average number of Equity Shares outstanding	13,302,792	13,302,792
Basic and diluted earnings per share (in Rs)	21.05	12.77

5 Contingent Liabilities:

	2009-2010	2008-2009
Guarantees :	4,112.53	4,717.64
Others:	2,654.20	2,451.48

6 Segment Reporting :

Based on the guiding principles given in Accounting Standard on `Segment Reporting (AS-17) issued by the Institute of Chartered Accountants of India, the Company's primary business segment is Instant Coffee.

Financial information about the primary business segment is presented in the table given below
(Rs. In lakhs)

Particulars	Instant Coffee	Instant Coffee
	2009-10	2008-09
A REVENUE		
1 External Sales	43,816.51	47,109.39
2 Other income	464.29	223.41
2b Interest income on term deposits	88.55	102.01
2c Dividend on Investments	0.24	1.44
3 Total Revenue	44,369.59	47,436.25
B RESULT		
1 Segment result / operating profit	5,271.74	4,103.55
2 Income (referred to A (2b) above)	-	-
3 Total operating profit	5,271.74	4,103.55
4 Interest expense	1,624.28	1,924.52
5 Provision for contingencies	-	-
6 Provision for taxes	819.25	438.50
7 Net Profit	2,828.20	1,740.53
C OTHER INFORMATION		
1 Segment assets	49,172.65	45,110.74
2 Investments and inter corporate deposits including interest accrued thereon	15.65	1,041.21
Total Assets	49,188.30	46,151.95
1 Segment liabilities	2,217.77	2,088.52
2 Share capital and reserves	20,086.67	17,560.57
3 Secured and unsecured loans	23,658.49	23,892.08
4 Unclaimed dividends, interest accrued on loans and unclaimed debentures	20.56	20.85
5 Provision for taxation & Dividend	1,127.52	859.87
6 Provision for Deferred Tax	1,757.69	1,438.44
7 Minority Interest	319.60	291.62
8 Total liabilities	49,188.30	46,151.95
9 Capital expenditure including capital work in progress	5,031.03	2,726.52
10 Depreciation (including impairment loss on fixed assets and deficit on fixed assets sold / scrapped)	1,429.81	1,434.62
Other Non cash adjustments :		
11 Provision for Gratuity (net)	-	-
12 Provision for contingencies	-	-



CCL PRODUCTS (INDIA) LIMITED

Segment accounting policies

In addition to the significant accounting policies applicable to the business segment as set out in Note 1– Schedule 14 of the Notes to the Accounts, the accounting policies in relation to segment accounting are as under:

Segment assets and liabilities :

All segment assets and liabilities are directly attributable to the segment.

Segment assets include all operating assets used by the segment and consist principally of fixed assets, inventories, sundry debtors, loans and advances and operating cash and bank balances. Segment assets and liabilities do not include investments, inter corporate deposits, reserves and surplus, borrowings, provision for contingencies and income tax (both current and deferred).

Segment revenue and expenses :

Segment revenue and expense are directly attributable to the segment. Segment revenue and expenses do not include interest income on inter-corporate deposits, profit on sale of investments, interest expense, provision for contingencies and income tax

- 7. Reporting on related parties :** In accordance with the Accounting Standard 18, Name of related Parties and description of relationship is as under.

Rs. in Lakhs		
Sl. No.	Nature of Transaction	Key Management Personnel/ Relatives
1	Remuneration & Commission	200.40
2	Rent	24.25

1 Key Management Personnel

Mr.Challa Rajendra Prasad, Chairman & Managing Director
Mr.Challa Srishant, Executive Director

2 Relative of Key Management Personnel

Mrs.Challa Shantha Prasad -
(Spouse of Mr.Challa Rajendra Prasad C.M.D.)

- 8** Previous Year's figures are regrouped/rearranged/recasted wherever considered necessary to conform the current year figures

Schedules 1 to 14 form an integral part of Accounts

As per our attached report of even date

For **M.ANANDAM & CO.,**

Chartered Accountants

Firm Regn No: 000125S.

Sd/-

(M.V.Ranganath)

Partner

M.No.28031

Place : Hyderabad

Date : 29.09.2010

Sd/-

K.V.L.N. Sarma

C.F.O.

Sd/-

I.J. Rao

Director

By order of the Board

Sd/-

Challa Rajendra Prasad

Chairman & Managing Director

Sd/-

Challa Srishant

Executive Director



CCL PRODUCTS (INDIA) LIMITED

SUBSIDIARY COMPANY FINANCIAL HIGHLIGHT – 2009-10

Sl No	Particulars	Associated Coffee Merchants (International) Limited - Group	Complete Coffee Ltd	CCL Products (UK) Limited	Ernest a Breminer	The Priory Tea & Coffee Company Ltd	Ridge Futures Limited	Jayanati Pte Ltd
1	Capital	282,259	1,425,884	52,620	150,000	200,000	90,000	2,500,131
2	Reserves	1,305,960	482,994	880	884	125,000	309	12,504
3	Total Assets	8,347,317	9,088,273	53,500	177,039	325,000	90,309	3,825,690
4	Total Liabilities	8,347,317	9,088,273	53,500	177,039	325,000	90,309	3,825,690
5	Turnover	41,048,374	41,048,374	-	-	-	-	81,855
6	Profit/(Loss) before Taxation	214,367	214,389	-	-	-	-	33,415
7	Provision for Taxation	(33,565)	(33,565)	-	-	-	-	-7,745
8	Profit/(Loss) after Taxation	180,802	180,824	-	-	-	-	25,670
9	Dividend	22,518	-	-	-	-	-	-
10	Investment	-	-	-	-	-	-	-
	Reporting Currency	GBP	GBP	GBP	GBP	GBP	GBP	USD
	Exchange Rate used for Conversion :							
	- Average Yearly Rates for Profit and							
	Loss Account Items	70.45	70.45	70.45	70.45	70.45	70.45	48.05
	- Year end Rates for Balance							
	Sheet Items	68.03	68.03	68.03	68.03	68.03	68.03	45.14



CCL PRODUCTS (INDIA) LIMITED

CCL PRODUCTS (INDIA) LIMITED

Regd.Off: Duggirala Mandal, Guntur Dist.-522 330, Andhra Pradesh

PROXY FORM

No. of shares held :
Regd. Folio No. :
(If held in physical form)

DP Id :
Client Id :
(If dematerialized)

I/We _____ of _____ being a member
/ members of CCL PRODUCTS (INDIA) LIMITED, , hereby appoint _____
_____ of _____ or failing him/her _____ of _____
_____ as my / our proxy to vote for me/ us on my / our behalf at the 49th Annual
General Meeting of the Company to be held on Wednesday, the 10th November, 2010 at 09.00 AM and
any adjournment thereon.

Signed this _____ day of _____ 2010.

Affix Re. 1
Revenue
Stamp

Signature across the stamp

- Note: 1. The proxy form shall be signed by the appointer or his attorney duly authorised in writing or, if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.
2. The proxy form duly completed and signed should be deposited at the Registered office of the Company not less than 48 hours before the time fixed for the commencement of the meeting i.e., on or before 09.00 AM of 8th November, 2010.



CCL PRODUCTS (INDIA) LIMITED

Regd.Off: Duggirala Mandal, Guntur Dist. – 522 330, Andhra Pradesh

ATTENDANCE SLIP

Please present this slip at the entrance of the meeting venue.

No. of shares held :
Regd. Folio No. :
(If held in physical form)

DP Id :
Client Id :
(If dematerialized)

I hereby record my presence at the 49th Annual General Meeting of the Company to be held on
Wednesday, the 10th November, 2010 at 09.00 AM at the Registered office of the Company at Duggirala
Mandal, Guntur Dist. – 522 330, Andhra Pradesh.

Name of the member :

Name of the proxy :

Signature of member / proxy attending the meeting :
(To be signed at the time of handing over the slip)





If undelivered Please return to:

Corporate Office

CCL Products (India) Ltd

7-1-24/2/D, "Greendale", Ameerpet, Hyderabad-500 016,

Tel: +91-40-23732455, Fax: +91-40-23732499

E-mail: info@cclproducts.com

Website: www.cclproducts.com