



**CCL PRODUCTS (INDIA) LIMITED**  
**ANNUAL REPORT 2010-2011**



**50<sup>th</sup> ANNUAL GENERAL MEETING**

Wednesday 10<sup>th</sup> August, 2011  
at 3.00 P.M.,  
Duggirala – 522 330  
Guntur Dist.  
Andhra Pradesh  
INDIA

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**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 (upto 8.11.2010)  
Mr. Viplav Sharma (upto 17.4.2011)  
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

**Shareholders' / Investors'  
Grievance Committee**

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

**Remuneration Committee**

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



**NOTICE**

Notice is hereby given that the 50<sup>th</sup> Annual General Meeting of the Company will be held on Wednesday, 10<sup>th</sup> August, 2011 at 3.00 P.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 31<sup>st</sup> March, 2011 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 2010-11.
3. To appoint a Director in place of Mr. Zafar Saifullah who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Jonathan T. Feuer 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 approve revision in the remuneration of Mr. Challa Rajendra Prasad, Chairman and Managing 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, and 310 read together with Schedule XIII of the Companies Act, 1956 consent of the members of the company be and is hereby accorded for revision in the remuneration of Mr. Challa Rajendra Prasad, Chairman and Managing Director of the Company w.e.f 1<sup>st</sup> June, 2011 for the remaining period of his current tenure of office as under:

- a) Salary : ₹ 4,00,000/- per month along with other perquisites as per company's rules and
- b) Commission : In addition to the salary and perquisites, calculated in such a way that the salary and commission shall not exceed 5% of the net profits of the company computed in terms of Sections 349 & 350 of the Companies Act, 1956.”

“ **FURTHER RESOLVED** that the salary and perquisites referred above shall be paid as minimum remuneration to Mr. Challa Rajendra Prasad, Chairman & Managing Director of the company for the remaining period of his current tenure.”



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7. To approve increase in remuneration of Mr. Challa Srishant , 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 and 310 read together with Schedule XIII of the Companies Act, 1956 consent of the members of the company be and is hereby accorded for increase in the remuneration of Mr. Challa Srishant, Executive Director of the Company w.e.f 1<sup>st</sup> June, 2011 for the remaining period of his current tenure of office as under:

- a) Salary : ₹ 3,00,000/- 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 3% of the net profits of the company computed in terms of Sections 349 & 350 of the Companies Act, 1956.”

**“ FURTHER RESOLVED** that the salary and perquisites referred above shall be paid as minimum remuneration to Mr. Challa Srishant, Executive Director of the company for the remaining period of his current tenure.”

By order of the Board of Directors

Sd/-

Challa Rajendra Prasad  
Chairman & Managing Director

Place : Hyderabad  
Date : 27<sup>th</sup> May, 2011

### 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 Share Transfer Books of the Company in respect of Equity Shares will remain closed from 6<sup>th</sup> August, 2011 to 10<sup>th</sup> August, 2011 (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.



## CCL PRODUCTS (INDIA) LIMITED

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.
7. Members holding shares in physical form are requested to furnish their bank account details to the STA to print the same on the dividend warrants so as to avoid any possible fraudulent encashment/misuse of dividend warrants by others.
8. 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 dividend warrants from the financial year 2004-05 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 6 :

It has been proposed to revise the remuneration payable to Mr. Challa Rajendra Prasad, Chairman & Managing Director of the company within the overall limits of remuneration approved by the shareholders in the Annual General Meeting held on 4<sup>th</sup> September, 2009.

According to Sections 198, 269, 309 and 310 read together with Schedule XIII to the Companies Act, 1956 any change in the terms and conditions of the remuneration payable to the Managing Director is subject to the approval of the members of the company. Hence, the Board commends this resolution for your approval.

None of the Directors except Mr. Challa Rajendra Prasad, whose remuneration is proposed for revision and Mr. Challa Srishant being a relative is interested in this resolution.

#### ITEM NO 7 :

Considering the valuable services rendered to the company, it has been proposed to increase the remuneration of Mr. Challa Srishant, Executive Director of the company for the remaining period of his current tenure.

According to Sections 198, 269, 309 and 310 read together with Schedule XIII to the Companies Act, 1956 any increase in the remuneration payable to the Wholetime or Executive Director is subject to the approval of the members of the company. Hence, the Board commends this resolution for your approval.

None of the Directors except Mr. Challa Srishant whose remuneration is proposed for increase and Mr. Challa Rajendra Prasad, being a relative is interested in this resolution.

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

Sd/-

**Challa Rajendra Prasad**  
Chairman & Managing Director

Place : Hyderabad  
Date : 27<sup>th</sup> May, 2011



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

<b>Name of the Director</b>	:	<b>Mr. Zafar Saifullah</b>
Date of Birth	:	24-04-1936
Occupation	:	I.A.S. (Retd.)
Expertise in specific functional areas	:	He is a former Cabinet Secretary, Government of India and has held various other key posts with the Central and State Governments such as Advisor to the Governor of Haryana, Additional Chief Secretary & Development Commissioner, Govt. of Karnataka, Chairman, Mumbai Port Trust, etc,
Directorships in other Indian Companies	:	Metrali India(Pvt) Ltd., Good Earth Mining (Pvt)Ltd. Shankara Pipes(India) Ltd. Carf Pharma Private Ltd.
Committee positions held in other Companies	:	-NIL-
Shareholding in the Company	:	-NIL-

**Brief Profile:**

Mr. Zafar Saifullah held various positions in the administrative system of Government of India and various State Governments as an IAS Officer during his tenure of service. Some of the important positions held by him in the past are as under:

- F Cabinet Secretary, Government of India
- F Special Assistant to Union Minister for Industrial Development
- F Advisor to Governor, State of Haryana
- F Development Commissioner and Additional Chief Secretary, Government of Karnataka
- F Chairman, Mumbai Port Trust
- F Secretary to Govt. of Karnataka, Rural Development and Cooperation Department.
- F CMD, Mysore Paper Mills Limited
- F CMD, Karnataka State Industrial Investment & Development Corporation
- F Managing Director, Trade Fair Authority of India (now ITPO)
- F Managing Director, Gauribidanur Corporation Sugar Factory Limited
- F Director, Industries & Commerce, Government of Karnataka
- F General Manager, National Mineral Development Corporation Limited



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<b>Name of the Director</b>	:	<b>Mr. Jonathan T. Feuer</b>
Date of Birth	:	22-11-1951
Occupation	:	Business
Expertise in specific functional areas	:	Over 3 decades experience and expertise of being a full member of the Green Coffee Association of New York, the Pacific Coast Coffee Association, the Tea and Coffee Association of Canada and the National Coffee Association of the USA.
Directorships in other Indian Companies	:	-NIL-
Committee positions held in other Companies	:	-NIL-
Shareholding in the Company	:	3,36,500

### **Brief Profile:**

Mr. Feuer is the President of a privately held firm, L. M. Zuckerman & Co., Inc., New York, an importer and manufacturer's representative specializing exclusively in the trade of soluble coffee. Mr. Feuer joined the firm in 1977, advancing to the position of President and CEO in 1990.

For over 30 years, he has been a full member of The Green Coffee Association of New York, The Pacific Coast Coffee Association, The Tea and Coffee Association of Canada and The National Coffee Association of the USA. Apart from this he has served in various other roles as well with all of these trade associations, including being a Committee Member, Director and Member of the Executive Committee.

Most notably, Mr. Feuer has served as the Treasurer of The National Coffee Association of the USA for 8 years from 1996 until 2004, during which period, the membership increased by 100%, the budget of the Association increased by 50% and the reserves increased from 20% to 78% of annual operating budget. The Association is the leading trade association serving North America and represents the industry and Government in all international forums such as International Coffee Organization (ICO). Mr. Feuer continues to serve on the Executive Committee of the NCA.

Mr. Feuer is on the Board of Super Continental Private Ltd., a soluble coffee manufacturer in Singapore since 1996. Mr. Feuer is on the Board of CCL Products (India) Ltd., since the inception of instant coffee unit in 1994.

In addition, Mr. Feuer has served as Director of various charitable organizations. As a member of the Investment Committee of a New York based religious organization, his responsibilities included overseeing of USD 125 million per annum investment fund. Mr. Feuer has served as Board member and President of the Holt-Elwell Memorial Foundation from 1988 to 1996, which has owned and operated a summer camp for boys since 1903.

Mr. Feuer travels extensively to South America, South-East Asia, Europe and India in connection with the soluble coffee business.

**Directors' Report**

Your Directors' submit their report for the financial year ended 31<sup>st</sup> March, 2011:

(₹.in Lakhs)

<b>Particulars</b>	<b>2010-11</b>	<b>2009-10</b>
Gross Income	<b>35,550</b>	28,201
Gross Profit (before Interest, Depreciation & Tax)	<b>6,775</b>	6,306
Less:		
Interest	<b>1,242</b>	1,394
Depreciation and other write offs	<b>1,505</b>	1,419
Provision for Taxation	<b>1,276</b>	792
Net Profit	<b>2,752</b>	2,700
Profit Brought Forward	<b>552</b>	1,085
Balance available for appropriation	<b>3,304</b>	3,785
Short provision for Income Tax	<b>53</b>	0
Provision for dividend	<b>266</b>	200
Provision for dividend tax	<b>43</b>	33
Transfer to General Reserve	<b>2,000</b>	3,000
Net Profit c/f to Balance sheet	<b>942</b>	552

**Company Performance**

Your Company has performed well inspite of the adverse global economic conditions. During the year under review, the production and sales of instant coffee were 11,607 M.Ts and 11,277 M.Ts. as against 8,510 M.Ts. and 8,767 M.Ts. respectively in the previous year. Turnover of the Company has grown to ₹ 35,550 Lakhs from ₹ 28,201 Lakhs and the net profit of the Company is increased to ₹ 2,752 Lakhs as against ₹ 2,700 Lakhs.

**Dividend**

Your Directors are pleased to recommend a dividend of ₹ 2 per equity share of ₹ 10/- face value for the year 2010-11 subject to the approval of shareholders.

**Wholly Owned Subsidiary**

Your Company's wholly owned subsidiary, M/s Jayanti Pte. Ltd. implemented an agglomeration plant through M/s Grandsaugreen S.A., in Switzerland is in the process of implementing through its step down subsidiary M/s Ngon Coffeee Limited, an instant coffee project in Vietnam.

**Service to the Community**

To propagate its philosophy of responding to social welfare causes and philanthropic activities in the areas of education, sports, cultural, natural calamities, and other donations, your company has donated ₹ 8.93 Lakhs for the above said 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 re-appointment.

### **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:**

During the year Mr. Ian Breminer and Mr. Viplav Sharma resigned from the Board of Directors. The Board of Directors placed on record their appreciation for the valuable services rendered by them during their tenure as Directors.

In accordance with the provisions of the Company's Articles of Association Mr. Zafar Saifullah and Mr. Jonathan T. Feuer, Directors of your company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer 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:

- i. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. That the Directors had 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 2010-11 and of the profit or loss of the company for that period;
- iii. That the Directors had 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. That 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.



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

A statement of particulars of the conservation of energy, technology absorption and foreign exchange earnings and outgo 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.

Your Company recycles the solid waste generated during the production of instant 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**

Your Company has been making every endeavor to bring more transparency in the conduct of business. As per the requirements of Listing Agreement with the Stock Exchanges a compliance report on Corporate Governance for the year 2010-11 and Auditors' Certificate are furnished as a part of this Annual Report.

**Human Resources**

Your Company considers its Human Resources as instrumental in achieving its objects which cannot be done without their endeavors at every level. Keeping this in view, the Company gives utmost care to attract and retain quality manpower. 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.

**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 continuous 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 : 27<sup>th</sup> May, 2011



Annexure - I

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Soluble instant coffee, more commonly referred to as instant coffee or coffee powder, is commercially prepared in solid form by either freeze-drying or spray-drying, after which it can be rehydrated. The latest version of instant coffee now becoming popular, is in the form of concentrated liquid.

Instant coffees have now been on the market for many decades. The use of instant coffee has steadily increased, reaching approximately 20% of the world consumption.

**BUSINESS REVIEW**

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 and focused to make a mark in the Liquid Coffee segment, the future for which also seems encouraging.

The Company's endeavours through its R & D division 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 customers are showing results by taking the products to new competitive markets. Efforts to achieve in the right mix of raw-materials are also giving advantage to the company in achieving the right quality products at the right price.

The expanded capacity of the plant at Duggirala in Guntur District of Andhra Pradesh and also the multidimensional presence of the company will help to cater to the increased demand for instant coffee in international markets.

During the year under review the sales of your Company grew from ₹ 28,201 Lakhs to ₹ 35,550 Lakhs. The Net Profit is at ₹ 2,752 Lakhs as against ₹ 2,700 Lakhs in comparison with the corresponding previous financial year.

Earnings per share (EPS) for the current year is ₹ 20.69

**INDUSTRY STRUCTURE AND DEVELOPMENTS**

The domestic market demand is forecast to grow at 10.5% p.a. from 2008 to 2013, driven by increasing per capita income and urbanised lifestyle among the young generation, who appreciate the convenience of instant coffee.

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

**OUTLOOK**

The instant coffee sector outlook is bright as consumers increasingly value instant coffee's simplicity of preparation. The increasing trend of preferring speed and convenience over orthodoxy has induced consumers to choose instant coffee for daily domestic and office use. In 2009, instant coffee sales totalled USD 21bn worldwide, or about 40% of overall annual world coffee consumption, according to the Gerson Lehrman Group.



Euromonitor International also reported that over 67% of Eastern Europe's coffee sales value came from instant coffee, compared to 29% in Western Europe and 13% in North America. In many countries other than the US, instant coffee is the primary form of coffee consumption. The instant coffee share in the UK is 81% and in Japan 63%.

### **OPPORTUNITIES AND THREATS**

An analysis of the drivers explain the factors for growth of the industry. These include rising demand for ready to drink (RTD) coffee, export promotion schemes for coffee, favourable demographics and growing disposable income. Key trends in the market have also been analysed including global players foraying into the market, and investments made by Private equity players. These include industry potential, emergence of organic coffee, growth of franchising of emerging coffee retail shops and brand expansion into smaller cities.

Your Company's wholly owned step down subsidiary in Vietnam, M/s. Ngon Coffee Company Limited, is fast nearing completion, and is expected to commence commercial operations during the third or fourth quarter of the Financial Year 2011-12. This plant will help the company to explore and expand in new markets.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Your Company has appropriate internal control systems for business processes, efficiency in its operations, and compliance with all the applicable laws and regulations. Regular internal checks and audits ensures that the responsibilities are being effectively executed. In-depth review of internal controls, accounting procedures and policies of Company is conducted. Your 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 monthly basis.

Internal auditors work with all levels of management and their 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 and the 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 their full potential and inculcating a sense of belongingness.

Your Company's industrial relations continued to be harmonious during the year under review .

### **CERTIFICATIONS**

Your Company has upgraded its ISO 9001:2000 Quality Management System certificate to ISO 9001:2008 in November, 2010 and additionally is also HACCP and BRC certified.

Further more, your company is certified by Fairtrade Labelling Organizations (FLO Certified) to produce fair trade coffees, by Ecocert to produce Organic certified coffees and by Rainforest Alliance to produce Rainforest



certified coffees. Consequently, your company has the ability to produce dual and triple certified coffees. Your company is also Halal Certified as well as 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 the Government Regulations, Tax 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 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 the company's routine operations and hence, no specific allocation to be identified under research and development.



**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 2006
  - 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 company is committed to sell 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 other countries and the same effort will be made in future to introduce new 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	₹ in Crores
Used	108.84
Earned	337.16

On behalf of the Board

Sd/-

**Challa Rajendra Prasad**  
Chairman & Managing Director

Place : Hyderabad  
Date : 27<sup>th</sup> May, 2011



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 ₹	Previous Employment Details
Mr.Challa Rajendra Prasad B.E.(Mech.) 59 Years	Chairman & Managing Director	01-04-1994	35 Years	1,88,67,225	Asian Coffee Ltd. Managing Director
Mr.Challa Srishant B.A., B.L (Hons.) 28 Years	Executive Director	18-07-2005	6 Years	37,73,585	--

- 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

Sd/-

**Challa Rajendra Prasad**  
Chairman & Managing Director

Place : Hyderabad  
Date : 27<sup>th</sup> May, 2011

**REPORT ON CORPORATE GOVERNANCE****Company's philosophy on Code of Governance:**

Over the years, CCL 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. CCL 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 the management of the Company.

At CCL we have always sought to be a value driven organisation, 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 31<sup>st</sup> March, 2011, CCL's Board consisted of 7 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 five are Non Executive Directors out of whom four are Independent Directors and the composition of Board is in consonance with the requirements of Clause 49 of the Listing Agreement.

None of the Directors on the Board is a member of 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 10-11-2010	Attendance at Board Meetings		Other	
					Held	Present	Directorships**	Committee memberships
1.	Mr. Zafar Saifullah	Independent Non-Executive	Director	No	6	3	--	3
2.	Mr. I. J. Rao	Independent Non-Executive	Director	Yes	6	6	1	3
3.	Mr. Vipin K Singal	Independent Non-Executive	Director	Yes	6	4	1	3
4.	Mr. Jonathan T Feuer	Non-Executive	Director	No	6	--	--	--
5.	Mr. Viplav Sharma*	Independent Non-Executive	Director	Yes	6	5	--	--
6.	Mr. Challa Rajendra Prasad	Executive	Chairman & Managing Director	Yes	6	6	--	--
7.	Mr. Challa Srishant	Executive	Executive Director	Yes	6	6	--	--

\* Mr. Viplav Sharma resigned from the Board with effect from 18-04-2011.

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



**DATES OF BOARD MEETINGS**

The Board met 6 times in the financial year 2010-11 on the following dates, with a gap not exceeding four months between any two meetings:

30 <sup>th</sup> April, 2010	11 <sup>th</sup> August, 2010	29 <sup>th</sup> September, 2010	15 <sup>th</sup> October, 2010	10 <sup>th</sup> November, 2010	10 <sup>th</sup> February, 2011
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**Committees of the Board:**

Currently, there are three Board Committees – The Audit Committee, The Remuneration Committee and The Investor Grievance Committee. The terms of reference of the Board Committees are determined by the Board from time to time. Meetings of Board Committees 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 four Non-executive Independent Directors, constituted in accordance with the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges and Section 292A of the Companies Act, 1956. The Committee is empowered with the provisions as prescribed under 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. Zafar Saifullah	Chairman	5	3
2.	Mr. I. J. Rao	Member	5	5
3.	Mr. Vipin K Singal	Member	5	4
4.	Mr. Viplav Sharma*	Member	5	4

**\* Mr. Viplav Sharma resigned from the board with effect from 18-04-2011**

All the 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.

**Meetings of Audit Committee:**

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



30 <sup>th</sup> April, 2010	11 <sup>th</sup> August, 2010	29 <sup>th</sup> September, 2010	10 <sup>th</sup> November, 2010	10 <sup>th</sup> February, 2011
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### Remuneration Committee

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

Sr. No.	Name of the Director	Category
1	Mr. I J Rao	Chairman
2	Mr. Zafar Saifullah	Member
3	Mr. Vipin K Singal	Member
4	Mr. Viplav Sharma*	Member

\* Mr. Viplav Sharma resigned from the Board with effect from 18-04-2011

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 and Non-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 2010-11 and their shareholding as on 31<sup>st</sup> March, 2011:

Name of the Director	Sitting Fees Paid ( ₹ )	Commission For the year 2010-11 in ₹	No. of Shares held on 31-03-2011
Mr. I. J. Rao	43,000	50,000	500
Mr. Vipin K Singal	34,000	50,000	500
Mr. Jonathan T Feuer	-	50,000	3,36,500
Mr. Ian Breminer*	-	50,000	15,20,607
Mr. Zafar Saifullah	25,000	50,000	--
Mr. Viplav Sharma*	34,000	50,000	200

\* Mr. Ian Breminer and Mr. Viplav Sharma resigned from the Board

### 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 two independent members as its quorum. The said committee met on the following dates:

30 <sup>th</sup> April, 2010	11 <sup>th</sup> August, 2010	10 <sup>th</sup> November, 2010	10 <sup>th</sup> February, 2011
------------------------------	-------------------------------	---------------------------------	---------------------------------



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. Zafar Saifullah	Member	4	2
3.	Mr. Vipin K Singal	Member	4	3
4.	Mr. Viplav Sharma*	Member	4	3

\* Mr. Viplav Sharma resigned from the Board with effect from 18-04-2011

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

In accordance with Clause 49 of the Listing Agreement with Stock Exchanges, the Board has authorised 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, will be 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 31<sup>st</sup> March, 2011.

**General Body Meetings:**

Last three 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 <sup>st</sup> March, 2010	10-11-2010	Wednesday	09.00 A.M.	Re-appointment of Executive Director of the Company
31 <sup>st</sup> March, 2009	04-09-2009	Friday	11.00 A.M.	None
31 <sup>st</sup> March, 2008	30-09-2008	Thursday	09:30 A.M.	None

All Special Resolutions moved at the last three AGMs were passed by show of hands 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-compliances 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.



## CCL PRODUCTS (INDIA) LIMITED

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 with the Stock Exchanges.

### Means of communication:

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

Financial results and other information are displayed in the Investor Relations section on the company's Website: [www.cclproducts.com](http://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 50<sup>th</sup> Annual General Meeting of the company will be held on Wednesday, 10<sup>th</sup> August, 2011 at 3.00 P.M. at the Registered Office of the company situated at Duggirala, Guntur Dist, Andhra Pradesh.

F	Financial Calendar	:	1 <sup>st</sup> of April, 2011 to 31 <sup>st</sup> of March, 2012.
F	Results for the quarter ending		
	30 <sup>th</sup> June, 2011		First /Second week of August, 2011
	30 <sup>th</sup> September, 2011		First/Second week of November, 2011
	31 <sup>st</sup> December, 2011		First/Second week of February, 2012
	31 <sup>st</sup> March, 2012		Second week of May, 2012
F	Date of Book closure	:	From 6 <sup>th</sup> August, 2011 to 10 <sup>th</sup> August, 2011 (both days inclusive)
F	Dividend Payment Date	:	With in fifteen working days from the Date of AGM subject to the approval of shareholders on the same at the AGM.
F	Listing on Stock Exchanges	:	1) Bombay Stock Exchange Ltd, Phiroze Jeejeebhoy Towers, Dalal Street, MUMBAI -400001
			2) National Stock Exchange of India Ltd. 'EXCHANGE PLAZA' 5 <sup>th</sup> Floor, Plot No.C/1, G-Block, Bandra-Kurla Complex, Bandra(E), MUMBAI-400051



## CCL PRODUCTS (INDIA) LIMITED

### ◆ Stock Code

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

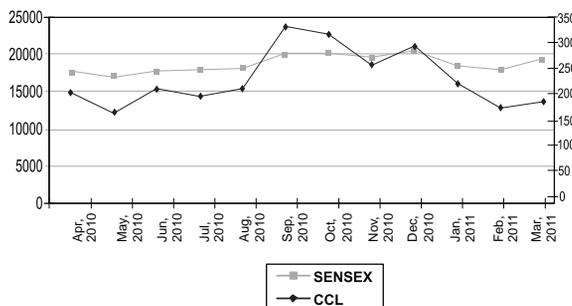
The Listing fees for the year 2011-2012 have been paid to both the above Stock Exchanges.

### Market Price Data

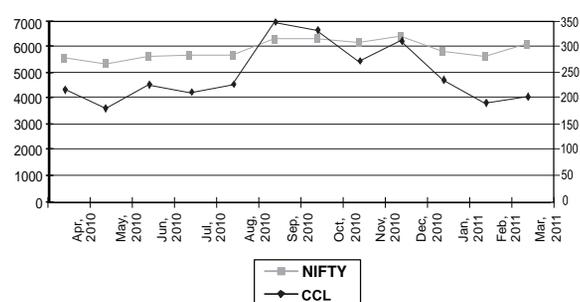
High, low during each month and trading volumes of the Company's Equity Shares during the last financial year 2010-11 at The Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) are as under:

DATE	BSE			NSE		
	High	Low	Qty Traded	High	Low	Qty Traded
April, 2010	236.95	205.00	60,172	237.00	205.10	99,269
May, 2010	211.90	168.00	61,971	212.00	165.40	1,09,390
June, 2010	222.00	157.75	98,801	222.95	157.65	1,94,159
July, 2010	234.50	193.10	1,72,369	243.00	198.00	2,98,588
August, 2010	243.00	195.05	3,88,625	241.70	195.70	4,77,692
Sept'ber, 2010	380.50	213.10	24,37,005	380.55	216.00	43,57,051
October, 2010	351.30	303.00	3,49,024	349.70	307.00	8,48,127
November, 2010	336.00	221.00	1,34,961	335.95	220.15	4,25,642
December, 2010	305.50	240.00	1,59,031	307.00	243.00	3,18,652
January, 2011	299.70	223.25	3,11,724	301.00	221.25	7,89,538
February, 2011	233.90	168.10	1,25,487	233.90	168.00	3,52,350
March, 2011	222.55	181.05	6,82,661	222.95	180.55	13,61,377

**SHARE PERFORMANCE BSE**



**SHARE PERFORMANCE NSE**





## 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<sup>st</sup> March, 2011, 65.06 % of the Company's Shares are dematerialised.
- ◆ Outstanding GDRs/ADRs/Warrants or any : Nil  
convertible instruments, conversion date and likely impact on equity
- ◆ Plant Location : Duggirala, Guntur Dist,  
Andhra Pradesh - 522 330  
Ph: 08644-277294 / 277296  
Fax: 08644-277295
- ◆ Address for Correspondence & : The Company Secretary  
Any query on Annual Report : 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 effected 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 : Members are requested to claim unclaimed  
dividend amounts to Investor : dividend, if any for the years 2004 - 2005  
Education and Protection Fund : 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 (Awareness and Protection  
of Investors) Rules, 2001.
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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 50<sup>th</sup> Annual Report.
- ◆ Compliance Certificate : Certificate from the Statutory Auditors of the Company 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 50<sup>th</sup> Annual Report.

### Distribution Schedule:

#### Distribution Schedule as on 31-03-2011

S.No.	Range	No. of Shares Held	% to Capital	No. of Share Holders	% to total Holders
1	1 to 500	6,28,529	4.72	6,136	88.77
2	501 to 1000	2,69,074	2.02	330	4.77
3	1001 to 2000	2,76,639	2.08	182	2.63
4	2001 to 3000	1,56,502	1.17	61	0.88
5	3001 to 4000	1,00,512	0.75	28	0.40
6	4001 to 5000	1,57,475	1.18	33	0.47
7	5001 to 10000	3,51,230	2.64	49	0.74
8	More than 10000	1,13,62,831	85.43	93	1.34
	TOTAL	1,33,02,792	100	6,912	100



## CCL PRODUCTS (INDIA) LIMITED

### Shareholding Pattern as on 31.03.2011

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)
(A)	Shareholding of Promoter and Promoter Group							
1	Indian							
(a)	Individual / Hindu Undivided Family	11	4028995	2308582	30.29	30.29	250000	6.21
(b)	Central Government/ State Government	-	-	-	-	-	-	-
(c)	Body Corporate	-	-	-	-	-	-	-
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total(A)(1)	11	4028995	2308582	30.29	30.29	250000	6.21
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	4028995	2308582	30.29	30.29	250000	6.21
(B)	Public Shareholding							
1	Institutions						N.A.	N.A.
(a)	Mutual Funds/UTI	1	1296885	1296885	9.75	-	N.A.	N.A.
(b)	Financial Institutions / Banks	3	11250	11250	0.08	-	-	-
(c)	Central Government/State Government(s)	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	3	851148	851148	6.40	-	-	-
(g)	Foreign Venture Capital Investor	-	-	-	-	-	-	-
(h)	Any Other(Specify)	-	-	-	-	-	-	-
	Sub-Total(B)(1)	7	2159283	2159283	16.23	-	-	-
2	Non-institutions							
(b)	Bodies Corporate	295	768554	758054	5.78	-	N.A.	N.A.
(i)	Individuals							
	i) Individuals shareholders holding nominal share capital in Upto of Rs. 1 Lakh	6439	1653677	1465492	12.43	-	-	-
	ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	5	1267460	1167269	9.53	-	-	-
(c)	Any Other (specify)							
	i) NRIs /OCBs	118	1071063	725046	8.05	-	-	-
	ii) Foreign Collaborators	7	2353760	11822	17.69	-	-	-
	Sub-total(B)(2)	6894	7114514	4127683	53.8	0.00	-	-
	Total Public Shareholding	6901	9273797	6286966	69.71	69.71	-	-
	B=(B)(1)+(B)(2)							
	TOTAL(A)+(B)	6912	13302792	8595548	100.00	100.00	-	-
C	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	N.A.	-	N.A.	N.A.
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>6912</b>	<b>13302792</b>	<b>8595548</b>	<b>100.00</b>	<b>100.00</b>	<b>250000</b>	<b>1.88</b>



## CCL PRODUCTS (INDIA) LIMITED

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### 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 in 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 : 27<sup>th</sup> May, 2011



**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 31<sup>st</sup> March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of condition 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, 31<sup>st</sup> 2011, 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 : Hyderabad  
Date : 27<sup>th</sup> May, 2011



**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 31<sup>st</sup> March, 2011 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 31<sup>st</sup> March 2011 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. 8 (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 31<sup>st</sup> 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 : 27<sup>th</sup> May, 2011



**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, excise duty, cess and other statutory dues applicable to it. No undisputed amount was outstanding as at 31st March, 2011 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.

Name of the Statute	Nature of dues	Relevant Financial Year	Disputed amount (₹ in lakhs)	Forum where dispute is pending
Customs Act, 1962	Customs Duty	1996-97	31.76	CEGAT
Income Tax Act, 1961	Income Tax	2005-06	1394.98	ITAT, Hyderabad
Income Tax Act, 1961	Income Tax	2006-07	1547.13	CIT(A), Hyderabad

- 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 : 27<sup>th</sup> May, 2011

**CCL PRODUCTS (INDIA) LIMITED****BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2011**

Particulars	Schedule No.	As at 31-03-2011		As at 31-03-2010	
		₹	₹	₹	₹
<b>SOURCES OF FUNDS</b>					
1) Share Holders' Funds					
a) Share Capital	1		13,30,27,920		13,30,27,920
b) Reserves and surplus	2		2,10,93,22,970		1,87,03,25,942
2) Loan Funds					
a) Secured Loans	3		1,53,71,42,875		1,50,07,34,775
b) Unsecured Loans	4		2,13,08,116		6,00,85,945
3) Deferred Tax			19,87,94,573		17,43,98,952
<b>Total</b>			<b>3,99,95,96,454</b>		<b>3,73,85,73,534</b>
<b>APPLICATION OF FUNDS</b>					
1) Fixed Assets	5				
a) Gross Block		3,10,12,63,810		2,78,45,28,682	
b) Less: Depreciation		82,12,73,154		67,29,81,968	
c) Net Block		2,27,99,90,656		2,11,15,46,714	
d) Add: Capital Work in Progress		-		30,62,48,458	
			2,27,99,90,656		2,41,77,95,172
2) Investments	6		37,55,40,170		18,04,10,902
3) Current Assets, Loans & Advances	7				
a) Inventories		72,56,47,258		63,99,69,942	
b) Sundry Debtors		51,20,45,065		42,03,16,409	
c) Cash and Bank Balances		4,53,32,582		2,56,46,659	
d) Loans and Advances		39,44,89,657		34,43,96,396	
		1,67,75,14,562		1,43,03,29,406	
Less: Current Liabilities & Provisions	8				
a) Liabilities		16,12,35,558		17,84,72,873	
b) Provisions		17,22,13,376		11,14,89,073	
		33,34,48,934		28,99,61,946	
Net Current Assets			1,34,40,65,628		1,14,03,67,460
<b>Total</b>			<b>3,99,95,96,454</b>		<b>3,73,85,73,534</b>
Significant Accounting Policies & Notes to Accounts	14				
Schedules 1 to 14 form an integral part of Accounts As per our attached report of even date For <b>M.ANANDAM &amp; CO.</b> , Chartered Accountants					
Sd/- <b>(M.V.Ranganath)</b> Partner M.No.28031 Place : Hyderabad Date : 27 <sup>th</sup> May, 2011	Sd/- <b>K.V.L.N. Sarma</b> Chief Financial Officer	Sd/- <b>N. Vanitha</b> Company Secretary	Sd/- <b>I.J. Rao</b> Director	By order of the Board Sd/- <b>Challa Rajendra Prasad</b> Chairman & Managing Director	Sd/- <b>Challa Srishant</b> Executive Director

**CCL PRODUCTS (INDIA) LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2011**

Particulars	Schedule No	Year Ended March 31, 2011 ₹	Year Ended March 31, 2010 ₹
<b>1. INCOME</b>			
Sales Turnover (Gross)		<b>3,55,49,75,850</b>	2,82,00,84,202
Less : Excise Duty		<b>1,53,88,680</b>	63,43,457
Sales Turnover (Net)		<b>3,53,95,87,170</b>	2,81,37,40,745
Other Income	9	<b>4,06,47,180</b>	5,15,01,598
Increase / (Decrease) in stock	10	<b>9,49,41,574</b>	(10,35,67,398)
		<b>3,67,51,75,924</b>	2,76,16,74,945
<b>2. EXPENDITURE</b>			
Raw Material Consumed	11	<b>2,11,84,98,535</b>	1,49,34,91,487
Manufacturing, Administration & Selling Expenses	12	<b>87,91,96,716</b>	63,75,70,195
Profit before Interest and Depreciation		<b>67,74,80,673</b>	63,06,13,263
Interest	13	<b>12,42,22,471</b>	13,94,45,005
Profit before Depreciation		<b>55,32,58,202</b>	49,11,68,258
Depreciation		<b>15,05,05,668</b>	14,19,33,705
Profit before Tax		<b>40,27,52,534</b>	34,92,34,553
Provision for Taxes			
Income Tax		<b>10,31,73,869</b>	5,91,48,289
Excess Provision tax reversal		-	(1,04,91,495)
Deferred Tax		<b>2,43,95,621</b>	3,05,54,632
Profit after Tax		<b>27,51,83,044</b>	27,00,23,127
Balance Brought Forward		<b>5,52,28,347</b>	10,84,73,549
Amount Available for appropriation		<b>33,04,11,391</b>	37,84,96,676
Short provisions for Income Tax - in earlier years		<b>52,64,341</b>	-
Amount Available for appropriation		<b>32,51,47,050</b>	37,84,96,676
<b>Appropriations</b>			
<u>Dividend</u>			
- Dividend		<b>2,66,05,584</b>	1,99,54,188
- Dividend Tax		<b>43,16,091</b>	33,14,141
Transfer to General Reserve		<b>20,00,00,000</b>	30,00,00,000
Profit/(Loss) carried to the Balance Sheet		<b>9,42,25,375</b>	5,52,28,347
Basic and Diluted Earnings Per Share (₹ 10/- Per Share)		<b>20.69</b>	20.30
Significant Accounting Policies & Notes to 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

Sd/-  
**(M.V.Ranganath)**

Partner  
M.No.28031  
Place : Hyderabad  
Date : 27<sup>th</sup> May, 2011

Sd/-  
**K.V.L.N. Sarma**  
Chief Financial Officer

Sd/-  
**N. Vanitha**  
Company Secretary

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 31<sup>ST</sup> MARCH 2011

Particulars	2010-2011 ₹	2009-2010 ₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit before tax and extraordinary items	40,27,52,534	34,92,34,553
Adjustments for :		
Depreciation	15,05,05,668	14,19,33,705
Interest	12,42,22,471	13,94,45,005
Loss on Sale of Assets	1,07,850	-
Profit on Sale of Investment in Shares	(2,78,60,323)	-
Interest income	(20,09,865)	(50,48,268)
Dividend on Investments	(12,13,118)	(12,19,283)
Other Income	(95,63,874)	(1,06,94,196)
Operating profit before working capital changes	63,69,41,343	61,36,51,515
Adjustments for :		
Trade Receivables	(9,17,28,655)	4,77,96,869
Inventories	(8,56,77,316)	(16,75,31,269)
Loans and Advances	(7,11,29,779)	(10,80,55,388)
Trade and Other payables	(5,15,68,051)	1,53,10,786
Cash generated from operations	33,68,37,542	40,11,72,513
Interest paid on working capital	(7,16,44,449)	(7,59,16,563)
Net Cash from operating activities	26,51,93,093	32,52,55,951
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets (Include CWIP)	(1,32,38,075)	4,30,95,360
Sale of Subsidiary Investment	8,93,59,375	-
Purchase of Subsidiary investment	(25,66,28,320)	-
Sale of Assets	4,29,073	-
Interest received on Deposits	20,09,865	50,48,268
Dividend Received	12,13,118	12,19,283
Other Income Received	95,63,874	1,06,94,196
Net Cash flow from Investing Activities	(16,72,91,090)	6,00,57,107
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds/ (Repayment) of Unsecured Loans	(3,87,77,829)	5,32,22,417
Proceeds from borrowings on term loans	25,00,00,000	-
Repayment of borrowings on term loans	(35,38,91,467)	(56,99,28,942)
Bank Borrowings on working capital	14,02,99,567	16,48,45,424
Interest paid on term loans	(5,25,78,022)	(6,35,28,442)
Dividend paid	(1,99,54,188)	(1,33,02,791)
Corporate Dividend tax	(33,14,141)	(22,60,809)
Net Cash Flow from Financing Activities	(7,82,16,080)	(43,09,53,143)
Net Increase in cash and cash equivalents	1,96,85,923	(4,56,40,085)
Cash and Cash equivalents as at 31-03-2010	2,56,46,659	7,12,86,744
Cash and Cash equivalents as at 31-03-2011	4,53,32,582	2,56,46,659

As per our attached report of even date  
For **M.ANANDAM & CO.**,  
Chartered Accountants

Sd/-  
**(M.V.Ranganath)**  
Partner  
M.No.28031  
Place : Hyderabad  
Date : 27<sup>th</sup> May, 2011

Sd/-  
**K.V.L.N. Sarma**  
Chief Financial Officer

Sd/-  
**N. Vanitha**  
Company Secretary

Sd/-  
**I.J. Rao**  
Director

Sd/-  
**Challa Srishant**  
Executive Director

By order of the Board

Sd/-  
**Challa Rajendra Prasad**  
Chairman & Managing Director



## CCL PRODUCTS (INDIA) LIMITED

### SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS AT 31<sup>st</sup> MARCH, 2011

Particulars	As at 31-03-2011		As at 31-03-2010	
	₹	₹	₹	₹
<b><u>SCHEDULE 1 - SHARE CAPITAL:</u></b>				
Authorised Share Capital				
20,000,000 Equity Shares of Rs.10 each		<b>20,00,00,000</b>		20,00,00,000
Issued, Subscribed and Paid up Share Capital				
13,302,792 Equity Shares of Rs.10 each		<b>13,30,27,920</b>		13,30,27,920
<b><u>SCHEDULE 2 - RESERVES AND SURPLUS:</u></b>				
General Reserve		<b>2,01,50,97,595</b>		1,81,50,97,595
Profit & Loss account		<b>9,42,25,375</b>		5,52,28,347
		<b>2,10,93,22,970</b>		1,87,03,25,942
<b><u>SCHEDULE 3 - SECURED LOANS:</u></b>				
Term Loans				
From Banks	<b>46,92,53,836</b>		57,31,45,303	
Working Capital				
Packing Credit	<b>1,06,25,86,553</b>		86,56,35,581	
Cash Credit	<b>1,34,577</b>		88,41,297	
Export/Inland Bills Discounting	<b>51,67,909</b>		5,31,12,594	
		<b>1,53,71,42,875</b>		1,50,07,34,775
<b><u>SCHEDULE 4 - UNSECURED LOANS:</u></b>				
Sales Tax Deferment		<b>49,57,211</b>		75,85,945
Others		<b>1,63,50,905</b>		5,25,00,000
		<b>2,13,08,116</b>		6,00,85,945

(Amount in. ₹)

**SCHEDULE 5 - FIXED ASSETS AS AT 31.03.2011**

Name of Assets	Gross Block			Accumulated Depreciation			Net Block	
	As on 01-04-2010	Additions	Deletions/ Adjustment	As on 31-03-2011	As on 01-04-2010	Deletions/ Adjustments	As on 31-03-2011	As on 31-03-2010
Land	1,19,00,197	-	-	1,19,00,197	-	-	1,19,00,197	1,19,00,197
Buildings	32,77,07,046	1,50,52,365	-	34,27,59,411	6,55,60,859	-	26,75,45,211	26,21,46,187
Plant & Machinery	2,39,03,69,861	30,27,37,510	23,11,405	2,69,07,95,966	57,91,11,842	19,32,332	1,97,66,02,859	1,81,12,58,019
Lab Equipment	74,28,056	-	-	74,28,056	58,46,340	-	12,28,036	15,81,716
Material Handling Equipment	58,21,777	-	-	58,21,777	25,88,481	-	26,73,380	32,33,296
Fire Fighting Equipment	12,65,694	-	-	12,65,694	58,4,279	-	5,50,543	6,81,415
Vehicles	1,83,94,451	8,81,200	4,40,000	1,88,35,651	79,67,403	2,82,150	94,16,137	1,04,27,048
Office Equipment	1,51,16,338	8,05,725	-	1,59,22,063	75,71,131	-	75,60,721	75,45,207
Furniture & Fixtures	65,25,262	9,733	-	65,34,995	37,51,633	-	25,13,572	27,73,629
<b>Total</b>	<b>2,78,45,28,682</b>	<b>31,94,86,533</b>	<b>27,51,405</b>	<b>3,10,12,63,810</b>	<b>67,29,81,968</b>	<b>22,14,482</b>	<b>2,27,99,90,656</b>	<b>2,11,15,46,714</b>
Previous Year	2,82,90,01,634	1,04,56,794	5,49,29,746	2,78,45,28,682	53,10,48,263	-	11,15,46,714	2,29,79,53,371
					Add: Capital Work In Progress		-	30,62,48,458
							2,27,99,90,656	2,41,77,95,172



## CCL PRODUCTS (INDIA) LIMITED

### SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS AT 31<sup>ST</sup> MARCH, 2011

Particulars	As at 31-03-2011		As at 31-03-2010	
	₹	₹	₹	₹
<b>SCHEDULE 6 - INVESTMENTS:</b>				
Quoted Trade Investments:				
Andhra Bank Shares	1,77,936		1,77,936	
(5300 Equity Shares Face value of ₹ 10/- each)	<u>1,77,936</u>	<u>1,77,936</u>	<u>1,77,936</u>	<u>1,77,936</u>
Un quoted Non Trade Investments				
Coffee Futures Exchange India Ltd	1,00,00		10,000	
(Equity Subscription for Membership as Ordinary member - 1 share of ₹ 10,000)	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Associated Coffee Merchants (Intl) Ltd	1,47,90,765		7,62,89,817	
(187400 Preference Shares Face value of GBP1 each)				
Previous Year : 24013 Equity Shares				
Face value of GBP 32 each,)				
187400 Preference Shares Face value of GBP1 each)	<u>1,47,90,765</u>	<u>1,47,90,765</u>	<u>7,62,89,817</u>	<u>7,62,89,817</u>
Jayanti Pte Ltd	36,05,61,469		10,39,33,149	
(10975950 Equity Shares Face Value of S\$ 1 each)				
(Previous Year : 3418300 Equity Shares				
Face Value of S\$ 1 each)	<u>36,05,61,469</u>	<u>36,05,61,469</u>	<u>10,39,33,149</u>	<u>10,39,33,149</u>
		<u><u>37,55,40,170</u></u>		<u><u>18,04,10,902</u></u>
<b>SCHEDULE 7 - CURRENT ASSETS, LOANS AND ADVANCES:</b>				
a) Inventories				
(As taken, valued and certified by the Management)				
Raw Materials	43,30,55,551		44,47,94,432	
Packing Materials	3,97,12,294		4,17,87,017	
Stores & Consumables	37,66,059		23,48,533	
Engineering Goods	5,73,97,606		5,42,65,786	
Work in process	1,16,47,754		47,65,598	
Finished Goods	<u>18,00,67,994</u>		<u>9,20,08,576</u>	
		<u>72,56,47,258</u>		<u>63,99,69,942</u>
b) Sundry Debtors				
(Unsecured, Considered Good)				
Over six months	6,31,584		4,99,334	
Others	<u>51,14,13,481</u>		<u>41,98,17,075</u>	
		<u>51,20,45,065</u>		<u>42,03,16,409</u>
c) Cash and Bank Balances				
Cash in Hand	1,01,523		1,94,178	
Balances with Scheduled Banks				
In Current Accounts*	1,17,92,207		1,25,16,641	
In Dividend Accounts	19,76,852		20,55,925	
In Margin Deposits Accounts	<u>3,14,62,000</u>		<u>1,08,79,915</u>	
(* Includes Rs.8,92,899 EEFC A/c)		<u>4,53,32,582</u>		<u>2,56,46,659</u>



## CCL PRODUCTS (INDIA) LIMITED

### SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS AT 31<sup>ST</sup> MARCH, 2011

Particulars	As at 31-03-2011		As at 31-03-2010	
	₹	₹	₹	₹
d) Loans and Advances (Unsecured – considered good)				
Advance Recoverable in Cash or in kind- or for Value to be received	19,37,72,261		13,18,14,407	
Advance to Subsidiary	5,42,83,019		8,21,69,236	
Advances for raw materials	8,70,02,350		5,21,24,781	
Advances for Capital Goods & others	21,50,255		5,76,105	
Deposit with Govt.	90,38,459		84,81,392	
Other Deposits	48,97,293		48,47,938	
MAT Credit entitlement	4,33,46,020		6,43,82,537	
		<u>39,44,89,657</u>		<u>34,43,96,397</u>
		<u>1,67,75,14,563</u>		<u>1,43,03,29,406</u>

#### **SCHEDULE 8 - CURRENT LIABILITIES AND PROVISIONS:**

##### a) Current Liabilities

Sundry Creditors for goods - Dues to other than Micro, Small and Medium Enterprises undertakings	8,35,09,409	10,66,95,598
Sundry creditors for capital goods	49,64,635	89,66,472
Sundry creditors for expenses	7,07,84,662	6,07,54,878
Unclaimed dividends	19,76,852	20,55,925
	<u>16,12,35,558</u>	<u>17,84,72,873</u>

##### b) Provisions

Income Tax	14,12,91,701	8,73,31,837
Fringe Benefit Tax	-	8,88,907
Dividend	2,66,05,584	1,99,54,188
Dividend Tax	43,16,091	33,14,141
	<u>17,22,13,376</u>	<u>11,14,89,073</u>
	<u>33,34,48,934</u>	<u>28,99,61,946</u>

#### **SCHEDULE 9 - OTHER INCOME:**

Interest on Deposits	20,09,865	50,48,268
Dividend on Investments	12,13,118	12,19,283
Miscellaneous Income	95,63,874	1,06,94,196
Profit on Sale of Investment In Shares	2,78,60,323	-
Exchange fluctuation (net)	-	3,45,39,851
	<u>4,06,47,180</u>	<u>5,15,01,598</u>

#### **SCHEDULE 10 – INCREASE/(DECREASE) IN STOCK OF WORK-IN-PROCESS & FINISHED GOODS:**

Opening Stock	9,67,74,174	20,03,41,572
Less : Closing Stock	19,17,15,748	9,67,74,174
	<u>9,49,41,574</u>	<u>(10,35,67,398)</u>



## CCL PRODUCTS (INDIA) LIMITED

### SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS AT 31<sup>ST</sup> MARCH, 2011

Particulars	As at 31-03-2011		As at 31-03-2010	
	₹	₹	₹	₹
<b><u>SCHEDULE 11 - RAW MATERIAL CONSUMED:</u></b>				
Opening Stock	44,47,94,432		17,41,93,530	
Add : Purchases	2,10,67,59,654		1,76,40,92,389	
Less : Closing Stock	43,30,55,551		44,47,94,432	
		<u>2,11,84,98,535</u>		<u>1,49,34,91,487</u>
<b><u>SCHEDULE 12 - MANUFACTURING, ADMINISTRATION &amp; SELLING EXPENSES:</u></b>				
Packing Materials Consumed		32,85,60,467		24,25,72,192
Stores and Consumables		1,65,04,875		1,11,88,822
Power and Fuel		23,15,53,750		16,36,63,265
Repairs and Maintenance				
on Plant & Machinery	4,32,59,542		3,44,57,324	
on Buildings	1,04,496		7,69,691	
on Other assets	18,19,015		12,01,405	
		<u>4,51,83,053</u>		3,64,28,420
Transportation, Clearing & Forwarding		7,57,07,021		5,51,72,303
Insurance		63,20,646		56,47,742
Rent, Rates and taxes		61,64,283		67,97,199
Remuneration to Directors	2,26,40,810		2,00,40,000	
Directors' Sitting Fee	1,41,000		1,52,000	
Salaries and Wages	5,68,11,578		3,86,28,298	
Contributions to Gratuity, PF and Superannuation Funds	99,93,455		61,16,650	
		<u>8,95,86,843</u>		6,49,36,948
Staff welfare expenses		1,33,54,730		86,23,634
Selling Expenses		1,01,50,918		1,39,88,316
Commission on Sales		1,09,48,065		65,39,274
Sales Tax		1,15,16,441		18,46,593
Traveling & Conveyance		43,17,630		52,39,226
Postage & Telephone		33,63,424		26,62,127
Printing and Stationery		6,25,593		5,88,752
Office Maintenance		1,05,68,014		59,80,194
Donations		8,93,055		13,64,430
Professional Fees & Expenses		40,81,888		25,00,103
Subscription and Membership fee		2,11,114		5,52,018
Miscellaneous expenses		3,72,378		1,27,859
Books and Periodicals		7,803		20,431
Audit Fee & Expenses		10,42,097		7,80,347
Directors' Commission		3,50,000		3,50,000
Loss on Sale of Vehicle		1,07,850		-
Exchange Fluctuation (net)		77,04,778		-
		<u>87,91,96,716</u>		<u>63,75,70,195</u>



## CCL PRODUCTS (INDIA) LIMITED

### SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS AT 31<sup>ST</sup> MARCH, 2011

Particulars	As at 31-03-2011		As at 31-03-2010	
	₹	₹	₹	₹

#### **SCHEDULE 13 - INTEREST & OTHER FINANCIAL CHARGES:**

Term Loans	5,25,78,022		6,35,28,442	
Working Capital	4,37,96,087		5,83,94,146	
Bank Charges	1,42,60,391		1,07,19,191	
Others	1,35,87,971		68,03,226	
		<u>12,42,22,471</u>		<u>13,94,45,005</u>



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**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-Process 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 of 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.

Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method. The Company accounts for leave encashment liability of its employees on the basis of actuarial valuation carried out by an independent actuary.

## 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 :****1 Contingent Liabilities:**

As on Balance sheet date existing contingent liabilities are Bank Guarantees including Corporate Guarantees ₹ 10,818.80 lakhs (Previous Year: ₹ 4,112.53 lakhs); disputed taxes/ duties ₹ 2,973.87 lakhs (Previous Year: ₹ 31.76 lakhs) aggregating to ₹ 13,792.67 lakhs (Previous Year: ₹ 4,144.29 lakhs)

**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, including the ₹ 25 Crores availed during the year, 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:****a) 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	2010-11	2009-10
Discount Rate	8.00%	8.00%
Salary Escalation	4.00%	4.00%



## CCL PRODUCTS (INDIA) LIMITED

	Particulars	( ₹ In Lakhs) 2010-11	( ₹ In Lakhs) 2009-10
1	Table showing changes in present value of obligations :		
	Present value of obligation as at beginning of year	46.22	46.00
	Interest Cost	3.70	3.68
	Current Service Cost	4.71	4.45
	Benefits paid	(3.99)	(10.95)
	Actuarial Gain/Loss on obligations	14.91	3.04
	Present value of obligation as at end of year	65.55	46.22
2	Table showing changes in the fair value of plan assets		
	Fair value of plan assets as at beginning of year	54.86	54.05
	Expected return on plan assets	4.86	4.48
	Contributions	21.56	7.29
	Benefits paid	(3.99)	(10.95)
	Actuarial Gain/Loss on Plan assets	-	-
	Fair value of plan assets at the end of year	77.30	54.86
3	Table showing fair value of plan assets		
	Fair value of plan assets at beginning of year	54.86	54.05
	Actual return on plan assets	4.86	4.48
	Contributions	21.56	7.29
	Benefits paid	(3.99)	(10.95)
	Fair value of plan assets at the end of year	77.30	54.86
	Funded status	11.74	8.64
4	Actuarial Gain/Loss recognized		
	Actuarial gain/Loss for the year – obligation	(14.91)	(3.04)
	Actuarial gain/Loss for the year – plan assets	-	-
	Total gain/loss for the year	14.91	3.04
	Actuarial gain/loss recognized in the year	14.91	3.04
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	65.55	46.22
	Fair value of plan assets as at the end of the year	77.30	54.86
	Funded status	11.74	8.64
	Net Asset/Liability recognized in balance sheet	(11.74)	(8.64)
6	Amounts to be recognized in the Profit and loss :		
	Current Service Cost	4.71	4.45
	Interest Cost	3.70	3.68
	Expected return on plan assets	(4.86)	(4.48)
	Net Actuarial (gain)/Loss recognized in the year	14.91	3.04
	Expenses recognized in statement of Profit & Loss	18.46	6.69

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

### b) Leave Encashment:

The Company has made provision for leave encashment of ₹ 4,22,558/- based on actuarial valuation. Since actuarial valuation is done first time, previous year figures are not given.



## CCL PRODUCTS (INDIA) LIMITED

<b>6 Remuneration paid to Managing Director and Whole-Time Director:</b>		(Amount in ₹)
	<b>2010-2011</b>	<b>2009-2010</b>
Salary	<b>14,40,000</b>	14,40,000
Commission	<b>2,12,00,810</b>	1,86,00,000
<b>Computation of net profit in accordance with Section 198 of the Companies Act, 1956.</b>		
Profit after taxation as per profit and loss account	<b>27,51,83,044</b>	27,00,23,127
Add :		
Managerial remuneration to		
- Whole-Time Directors	<b>2,26,40,810</b>	2,00,40,000
- Non-Whole Time Directors	<b>3,50,000</b>	3,50,000
Director's sitting fees	<b>1,41,000</b>	1,52,000
Net (surplus)/deficit on fixed assets, Shares sold as per Section 350 of the Companies Act	<b>(2,77,62,641)</b>	-
Provision for taxes	<b>12,75,69,490</b>	7,92,11,426
	<b><u>12,29,38,659</u></b>	<b><u>9,97,53,426</u></b>
Net Profit	<b><u>39,81,21,703</u></b>	<b><u>36,97,76,553</u></b>
Commission to Whole Time Directors @ 6% restricted to Percentage of net Profit :	<b>2,26,40,810</b>	20,040,000
Commission to Non-whole time Directors @ 1% restricted to	<b>3,50,000</b>	3,50,000
<b>7. Remuneration to Auditors:</b>		(Amount in ₹)
	<b>2010-11</b>	<b>2009-10</b>
Audit fee	<b>4,50,000</b>	3,50,000
Audit fee for Consolidation of accounts	<b>3,00,000</b>	2,00,000
Tax Audit	<b>1,50,000</b>	1,00,000
Out-of Pocket Expenses	<b>14,097</b>	30,347
Certification fee	<b>1,28,000</b>	1,00,000
Total	<b>10,42,097</b>	7,80,347



## CCL PRODUCTS (INDIA) LIMITED

### 8. Quantitative & Other Information:

	2010-11	2009-10
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. -	- N.A. -
ii) Installed capacity - MTs (per annum) (Installed capacity is as certified by management being technical matter not verified by Auditors)	<b>15,000.00</b>	14,000.00
iii) Production (MTs)	<b>11,607.16</b>	8,510.45
iv) Sales (MTs)	<b>11,276.64</b>	8,767.27
v) Sales (₹. In Lakhs)	<b>35,549.76</b>	28,200.84
vi) Opening Stock of Finished Goods (MTs)	<b>431.73</b>	688.55
vii) Closing Stock of Finished Goods (MTs)	<b>762.25</b>	431.73
B) Details of Raw material consumed :		
Raw Coffee		
Qty/(Mts)	<b>27,752.57</b>	20,061.52
Value (₹.In Lakhs)	<b>21,184.99</b>	14,934.91
C) Earnings in Foreign Currency (₹. In Lakhs)		
FOB Value of Exports	<b>33,703.84</b>	27,303.75
Dividend	<b>11.87</b>	11.95
D) C I F Value of All Imports (₹. In Lakhs)	<b>10,776.95</b>	12,511.22
E) Expenditure in Foreign Exchange (₹.In Lakhs)		
Interest	<b>68.03</b>	115.99
Travelling & Others	<b>38.69</b>	38.43
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:

	2010-11	(Amount in ₹) 2009-10
Profit after taxation as per profit and loss account	<b>27,51,83,044</b>	27,00,23,127
Weighted Average number of Equity Shares outstanding	<b>1,33,02,792</b>	1,33,02,792
Basic and diluted earnings per share in Rs	<b>20.69</b>	20.30

### 10. Deferred Tax:

	2010-11	(₹ In Lakhs) 2009-10
Opening Balance	<b>1,743.99</b>	1,438.44
Add : Timing Difference - Depreciation	<b>243.96</b>	305.55
<b>Total</b>	<b>1,987.95</b>	1,743.99



## CCL PRODUCTS (INDIA) LIMITED

### 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  
( ₹ In Lakhs)

Particulars	<b>Instant Coffee</b>	Instant Coffee
	<b>2010 - 11</b>	2009 -10
<b>A REVENUE</b>		
1 External Sales	35,549.76	28,200.84
2a Other income	374.24	452.34
2b Interest income on term deposits	20.10	50.48
2c Income on Investments	12.13	12.19
3 Total Revenue	35,956.23	28,715.86
<b>B RESULT</b>		
1 Segment result / operating profit	5,269.75	4,886.80
2 Income (referred to A (2b) above)	-	-
3 Total operating profit	5,269.75	4,886.80
4 Interest expense	1,242.22	1,394.45
5 Provision for contingencies	-	-
6 Provision for taxes	1,275.69	792.11
7 Net Profit	2,751.83	2,700.23
<b>C OTHER INFORMATION</b>		
1 Segment assets	39,575.05	38,481.25
2 Investments and inter corporate deposits including interest accrued thereon	3,755.40	1,804.11
Total Assets	43,330.45	40,285.35
1 Segment liabilities	1,592.59	1,764.17
2 Share capital and reserves	22,423.51	20,033.54
3 Secured and unsecured loans	15,584.51	15,608.21
4 Unclaimed dividends, interest accrued on loans and unclaimed debentures	19.77	20.56
5 Provision for taxation & Dividend	1,722.13	1,114.89
6 Provision for deferred tax	1,987.95	1,743.99
Total liabilities	43,330.45	40,285.35
7 Capital expenditure including capital work in progress	132.38	118.34
8 Depreciation (including impairment loss on fixed assets and deficit on fixed assets sold / scrapped)	1,505.06	1,419.34
<b>D Other Non cash adjustments :</b>		
9 Provision for Gratuity (net)	-	-
10 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:

**a. Segment revenue and expenses:**

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

**b. 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)

**12 Reporting on related parties :** In accordance with the Accounting standard 18, Name of related Parties and description of relationship is as under:

(₹ in Lakhs)

Sl. No.	Nature of Transaction	Key Management Personnel / Relatives	Subsidiaries	Total
1	Remuneration & Commission	226.41 (200.40)	- (-)	226.41 (200.40)
2	Rent	31.58 (24.25)	- (-)	31.58 (24.25)
3	<u>Jayanti Pte. Ltd., Singapore</u>			
	Interest Income		11.08 (12.01)	11.08 (12.01)
	Remittance from repayment of Loan		111.11	111.11
	Equity Investment		(448.74) 2,566.28 (-)	(448.74) 2,566.28 (-)
4	<u>Grandsaugreen SA, Switzerland</u>			
	Sale of Instant Coffee		4,188.02 (1,044.30)	4,188.02 (1,044.30)
5	<u>Associated Coffee Merchants (International) Limited – UK</u>			
	Purchase of Goods		1,333.09 (3,770.08)	1,333.09 (3,770.08)
	Sale of Goods		4,031.72 (9,509.41)	4,031.72 (9,509.41)
	Pref. Dividend		5.95 (11.95)	5.95 (11.95)



## CCL PRODUCTS (INDIA) LIMITED

- |  |   |
|--|---|
| 1 Key Management Personnel             | Mr.Challa Rajendra Prasad, Chairman & Managing Director<br>Mr.Challa Srishant, Executive Director   |
| 2 Relative of Key Management Personnel | Mrs.Challa Shantha Prasad - (Spouse of Mr.Challa Rajendra Prasad C.M.D.)<br>Ms.Challa Soumya - (Daughter of Mr.Challa Rajendra Prasad C.M.D.)   |
| 3 Subsidiaries                         | M/s. Jayanti Pte Ltd., Singapore<br>(Subsidiary of CCL Products (India) Limited – India)<br>M/s. Grandsaugreen SA, Switzerland<br>(Subsidiary of Jayanti Pte. Ltd., Singapore)<br>M/s. Ngon Coffee Company, Vietnam<br>(Subsidiary of Jayanti Pte. Ltd., Singapore) |

**Note:**

1. Figures in brackets indicate corresponding previous year figures.
2. During the year the Company has made disinvestment of shares in M/s.Associated Coffee Merchants (International) Limited – UK. Hence, transactions upto the date of disinvestment is disclosed.

- 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

Sd/-  
**(M.V.Ranganath)**  
Partner  
M.No.28031  
Place : Hyderabad  
Date : 27<sup>th</sup> May, 2011

Sd/-  
**K.V.L.N. Sarma**  
Chief Financial Officer

Sd/-  
**N. Vanitha**  
Company Secretary

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	Particulars	Jayanati Pte Ltd	Grandsaugreen SA	Ngon Coffee Company Limited
1	The Financial Year of the Subsidiary Company ended on	: 31st March,2011	31st March,2011	31st March,2011
2	Year from which it became Subsidiary Companies	: 2009-10	2009-10	2010-11
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	: 10975950 Equity Shares of S\$ 1 each	3000000 Equity Shares of CHF 1 each	93368633286 Equity Shares of VND 1 each
	b) Extent of interest of Holding Company at the end of the financial year of the Subsidiary Companies	: 100.00%	100.00%	100.00%
4	Net aggregate amount of Profit/(Loss) of the Subsidiary for the financial year ended 31st March,2011 so far as they concern to members of CCL Products (India) Ltd.			
	a) Dealt with in the account of CCL Products (India) Limited (₹.in Lakhs)	: Nil	Nil	Nil
	b) Not Dealt with in the accounts of CCL Products (India) Limited (₹ in Lakhs)	: 13.68	(120.42)	Nil
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 (₹ in Lakhs)	: NA	NA	NA
	b) Not Dealt with in the accounts of CCL Products (India) Limited (₹ in Lakhs)	: 6.62	NA	NA
6	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	Nil	Nil
7	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	NA	NA
8	Remarks	: Nil	Nil	Nil

**By order of the Board**

Sd/-  
**Challa Rajendra Prasad**  
Chairman & Managing Director

Place : Hyderabad	Sd/- <b>K.V.L.N. Sarma</b>	Sd/- <b>N. Vanitha</b>	Sd/- <b>I.J. Rao</b>
Date : 27 <sup>th</sup> May, 2011	Chief Financial Officer	Company Secretary	Director
			Sd/- <b>Challa Srishant</b> Executive Director



**Balance Sheet abstract and Company's General Business Profile**

**I. Registration Details**

Registration Number  State Code   
Balance Sheet Date

**II. Capital Raised During The Year**

Public Issue  Rights Issue   
Bonus Issue  Private Placement

**III. Position of Mobilisation and Deployment of Funds :**

**Sources of Funds**

Total Liabilities	<input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="9"/> <input type="text" value="5"/> <input type="text" value="9"/> <input type="text" value="6"/> <input type="text" value="4"/> <input type="text" value="5"/> <input type="text" value="4"/>	Total Assets	<input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="9"/> <input type="text" value="5"/> <input type="text" value="9"/> <input type="text" value="6"/> <input type="text" value="4"/> <input type="text" value="5"/> <input type="text" value="4"/>
Paid Up Capital	<input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="9"/> <input type="text" value="2"/> <input type="text" value="0"/>	Reserves and Surplus	<input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="7"/> <input type="text" value="0"/>
Secured Loans	<input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="7"/> <input type="text" value="5"/>	Unsecured Loans	<input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="8"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="6"/>
Deferred Tax	<input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="8"/> <input type="text" value="7"/> <input type="text" value="9"/> <input type="text" value="4"/> <input type="text" value="5"/> <input type="text" value="7"/> <input type="text" value="3"/>		

**Application of Funds**

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

**IV Performance of the Company**

Turnover	<input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="4"/> <input type="text" value="9"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="8"/> <input type="text" value="5"/> <input type="text" value="0"/>	Total Expenditure	<input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="6"/>
Profit/(Loss) before Tax	<input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="3"/> <input type="text" value="4"/>	Profit/ (Loss) after Tax	<input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="4"/> <input type="text" value="4"/>

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

Item Code No. (ITC Code)	<input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="0"/>
Product Description	Instant Coffee
Item Code No. (ITC Code)	<input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="0"/>
Product Description	Roasted Chicory Coffee



**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 Grandsaugreen Ltd, Les Verrieres, Jayanthi Pte Ltd, Singapore and Ngon Coffee Company Limited, Vietnam as at 31st March 2011, 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, Grandsaugreen Ltd, Les Verrieres and Jayanthi Pte Ltd, Singapore whose financial statements reflect the total assets of ₹ 11,206.14 Lakhs as at 31st March 2011 and total revenues of ₹ 5,327.06 Lakhs for the year ended 31st March, 2011. 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. We also did not audit the financial statements of subsidiary, Ngon Coffee Company Limited, Vietnam, whose financial statements reflect the total assets of ₹ 7,421.03 lakhs as at 31st March, 2011.
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, Grandsaugreen Ltd, Les Verrieres Jayanthi Pte Ltd, Singapore and Ngon Coffee Company Limited, Vietnam, 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 31st March, 2011; and
  - b. In case of the Consolidated Profit and Loss account, of the consolidated results of operations of the Company and its subsidiaries 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 subsidiaries 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 : 27<sup>th</sup> May, 2011

**CCL PRODUCTS (INDIA) LIMITED****CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2011**

Particulars	Schedule No.	As at 31-03-2011		As at 31-03-2010	
		₹	₹	₹	₹
<b>SOURCES OF FUNDS</b>					
1) Share Holders' Funds					
a) Share Capital	1		<b>13,30,27,920</b>		13,30,27,920
b) Reserves and surplus	2		<b>2,03,85,55,736</b>		1,87,56,39,301
2) Minority Interest			-		3,19,59,878
3) Loan Funds					
a) Secured Loans	3		<b>2,48,11,64,583</b>		2,25,00,07,137
b) Unsecured Loans	4		<b>2,13,08,116</b>		11,58,41,821
4) Deferred Tax			<b>19,90,12,286</b>		17,57,69,008
<b>Total</b>			<b><u>4,87,30,68,641</u></b>		<b><u>4,58,22,45,065</u></b>
<b>APPLICATION OF FUNDS</b>					
1) Fixed Assets	5				
a) Gross Block			<b>3,59,68,29,900</b>		2,87,34,46,537
b) Less: Depreciation			<b>86,34,89,651</b>		69,52,31,539
c) Net Block			<b>2,73,33,40,249</b>		2,17,82,14,998
d) Add: Capital Work in Progress			<b>41,97,81,739</b>		73,45,15,455
			<b>3,15,31,21,988</b>		2,91,27,30,453
2) Investments	6		<b>1,49,78,701</b>		15,64,706
3) Current Assets, Loans & Advances	7				
a) Inventories			<b>80,68,69,543</b>		85,85,44,119
b) Sundry Debtors			<b>50,09,51,921</b>		72,33,60,080
c) Cash and Bank Balances			<b>40,99,13,448</b>		6,16,22,076
d) Loans and Advances			<b>34,21,44,864</b>		36,10,08,542
			<b>2,05,98,79,776</b>		2,00,45,34,817
Less: Current Liabilities & Provisions	8				
a) Liabilities			<b>18,22,92,847</b>		22,38,33,065
b) Provisions			<b>17,26,18,977</b>		11,27,51,846
			<b>35,49,11,824</b>		33,65,84,911
Net Current Assets			<b>1,70,49,67,952</b>		1,66,79,49,906
<b>Total</b>			<b><u>4,87,30,68,641</u></b>		<b><u>4,58,22,45,065</u></b>

Significant Accounting Policies  
& Notes to 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

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

Sd/-  
**(M.V.Ranganath)**  
Partner

Sd/-  
**K.V.L.N. Sarma**  
Chief Financial Officer

Sd/-  
**N. Vanitha**  
Company Secretary

Sd/-  
**I.J. Rao**  
Director

Sd/-  
**Challa Srishant**  
Executive Director

Place : Hyderabad  
Date : 27<sup>th</sup> May, 2011

**CCL PRODUCTS (INDIA) LIMITED****CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2011**

Particulars	Schedule No.	Year Ended March 31,2011 ₹	Year Ended March 31,2010 ₹
<b>1. INCOME</b>			
Sales Turnover (Gross)		<b>3,66,56,00,843</b>	4,38,16,51,488
Less : Excise Duty		<b>1,53,88,680</b>	63,43,457
Sales Turnover (Net)		<b>3,65,02,12,163</b>	4,37,53,08,031
Other Income	9	<b>9,78,14,246</b>	5,53,07,965
Increase / (Decrease) in stock	10	<b>13,42,27,621</b>	(13,84,97,621)
		<b>3,88,22,54,030</b>	<b>4,29,21,18,375</b>
<b>2. EXPENDITURE</b>			
Raw Material Consumed	11	<b>2,22,77,21,130</b>	2,85,01,64,559
Manufacturing, Administration & Selling Expenses	12	<b>90,93,19,052</b>	77,17,99,089
Profit before Interest and Depreciation		<b>74,52,13,848</b>	67,01,54,727
Interest	13	<b>15,93,88,454</b>	16,24,28,370
Profit before Depreciation		<b>5,88,25,394</b>	50,77,26,357
Depreciation		<b>19,25,95,516</b>	14,29,81,011
Profit before Tax		<b>39,32,29,878</b>	36,47,45,346
Provision for Taxes			
Income Tax		<b>10,43,24,755</b>	6,04,55,889
Excess Provision tax reversal		-	(1,04,91,495)
Deferred Tax		<b>2,43,95,621</b>	3,19,60,916
Profit after Tax before Minority Interest		<b>26,45,09,502</b>	28,28,20,036
Transfer to Minority Interest		-	27,98,430
Profit after Tax after Minority Interest		<b>26,45,09,502</b>	28,00,21,606
Balance Brought Forward		<b>5,64,84,162</b>	9,51,29,452
Amount Available for appropriation		<b>32,09,93,663</b>	37,51,51,058
Short provisions for Income Tax - in earlier years		<b>52,64,341</b>	-
Amount Available for appropriation		<b>31,57,29,322</b>	37,51,51,058
<b>Appropriations:</b>			
Dividend			
-Shares (Subsidiary)		-	3,98,157
-Dividend		<b>2,66,05,584</b>	1,99,54,188
-Dividend Tax		<b>43,16,091</b>	33,14,141
Transfer to General Reserve		<b>20,00,00,000</b>	30,00,00,000
Profit/(Loss) carried to the Balance Sheet		<b>8,48,07,647</b>	5,14,84,572
Basic and Diluted Earnings Per Share (₹.10/- Per Share)		<b>19.88</b>	21.05
Significant Accounting Policies & Notes to 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

**By order of the Board**

Sd/-

**Challa Rajendra Prasad**  
Chairman & Managing Director

Sd/-

**(M.V.Ranganath)**

Partner

M.No.28031

Place : Hyderabad

Date : 27<sup>th</sup> May, 2011

Sd/-

**K.V.L.N. Sarma**

Chief Financial Officer

Sd/-

**N. Vanitha**

Company Secretary

Sd/-

**I.J. Rao**

Director

Sd/-

**Challa Srishant**

Executive Director



**CCL PRODUCTS (INDIA) LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

Particulars	2010-2011 ₹	2009-2010 ₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit before tax and extraordinary items	39,32,29,880	36,47,45,346
Adjustments for :		
Depreciation	19,25,95,516	14,29,81,011
Interest	15,93,88,454	16,24,28,370
Profit on Sale of Investment	(2,78,60,323)	-
Loss on Sale of Vehicles	1,07,850	12,751
Foreign Exchange Transalation	(6,40,32,470)	(37,94,518)
Interest Income	(52,80,376)	(88,54,971)
Dividend on Investments	(12,13,118)	(23,850)
Other Income	(84,67,105)	(1,18,89,293)
Operating profit before working capital changes	<u>63,84,68,308</u>	<u>64,56,04,846</u>
Adjustments for :		
Trade Receivables	(7,06,26,846)	5,91,58,623
Inventories	(12,86,30,492)	(13,08,69,096)
Loans and Advances	(5,16,87,497)	(6,00,30,260)
Trade and other payables	(8,44,15,428)	(1,80,08,474)
Cash generated from operations	<u>30,31,08,046</u>	<u>49,58,55,639</u>
Interest paid on working capital	(10,68,10,432)	(9,88,99,928)
Net Cash from operating activities	<u>19,62,97,614</u>	<u>39,69,55,711</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets (Including CWIP)	(43,69,64,018)	(44,82,01,417)
Sale of Subsidiary investments	9,00,09,935	10,25,56,379
Interest received on Deposits	52,80,376	88,54,971
Dividend Received	12,13,118	23,850
Other Income Received	84,67,105	1,18,89,293
Net Cash flow from Investing Activities	<u>(33,19,93,483)</u>	<u>(32,48,76,924)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds/ (Repayment) of Unsecured Loans	(3,87,77,829)	10,89,78,290
Proceeds from borrowings on term loans	75,34,41,766	35,03,30,360
Repayment of borrowings on term loans	(41,98,81,327)	(56,99,28,942)
Bank Borrowings on working capital	29,65,39,009	8,72,61,897
Interest paid on term loans	(5,25,78,022)	(6,35,28,442)
Dividends paid	(1,99,54,188)	(1,37,00,949)
Corporate Dividend tax	(33,14,141)	(22,60,810)
Net Cash Flow from Financing Activities	<u>51,54,75,267</u>	<u>(10,28,48,596)</u>
Net Increase in cash and cash equivalents	<u>37,97,79,398</u>	<u>(3,07,69,809)</u>
Cash and Cash equivalents as at 31-03-2010	6,16,22,076	9,23,91,885
Less: Upon hiving off Subsidiary Company	3,14,88,026	-
	<u>3,01,34,050</u>	9,23,91,885
Cash and Cash equivalents as at 31-03-2011	<u>40,99,13,448</u>	<u>6,16,22,076</u>

As per our attached report of even date  
For **M.ANANDAM & CO.,**  
Chartered Accountants

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

Sd/-  
**(M.V.Ranganath)**  
Partner  
M.No.28031  
Place : Hyderabad  
Date : 27<sup>th</sup> May, 2011

Sd/-  
**K.V.L.N. Sarma**  
Chief Financial Officer

Sd/-  
**N. Vanitha**  
Company Secretary

Sd/-  
**I.J. Rao**  
Director

Sd/-  
**Challa Srishant**  
Executive Director



## CCL PRODUCTS (INDIA) LIMITED

### CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS A/C

Particulars	As at 31-03-2011		As at 31-03-2010	
	₹	₹	₹	₹
<b><u>SCHEDULE 1 - SHARE CAPITAL:</u></b>				
<u>Authorised Share Capital</u>				
20,000,000 Equity Shares of Rs.10 each	<b>20,00,00,000</b>		20,00,00,000	
<u>Issued, Subscribed and Paid up Share Capital</u>				
13,302,792 Equity Shares of Rs.10 each	<b>13,30,27,920</b>		13,30,27,920	
	<b>13,30,27,920</b>		<b>13,30,27,920</b>	
<b><u>SCHEDULE 2 - RESERVES AND SURPLUS:</u></b>				
Capital Reserve	(5,94,313)		1,83,87,289	
General Reserve	2,01,50,97,595		1,81,50,97,595	
Profit & Loss account	8,48,07,647		5,14,84,572	
Foreign Currency Translation Reserve	(6,07,55,193)		(93,30,155)	
	<b>2,03,85,55,736</b>		<b>1,87,56,39,301</b>	
<b><u>SCHEDULE 3 - SECURED LOANS:</u></b>				
Term Loans				
From Banks	1,25,70,36,102		92,34,75,663	
Working Capital				
Packing Credit	1,06,25,86,553		86,56,35,581	
Cash Credit	15,63,74,019		40,77,83,299	
Export/Inland Bills Discounting	51,67,909		5,31,12,594	
	<b>2,48,11,64,583</b>		<b>2,25,00,07,137</b>	
<b><u>SCHEDULE 4 - UNSECURED LOANS:</u></b>				
Sales Tax Deferment	49,57,211		75,85,945	
Others	1,63,50,905		10,82,55,876	
	<b>2,13,08,116</b>		<b>11,58,41,821</b>	

(Amount in. ₹)

**SCHEDULE 5 - FIXED ASSETS AS AT 31.03.2011**

Name of Assets	Gross Block		Accumulated Depreciation		Net Block		
	As on 01-04-2010	Additions 31-03-2011	Deletions/ Adjustments	As on 01-04-2010	Depreciation Adjustments	As on 31-03-2011	As on 31-03-2010
Land	7,07,03,600	-	-	-	-	7,07,03,600	7,07,03,600
Buildings	32,77,07,046	21,54,62,403	-	6,55,60,859	1,76,69,742	45,99,38,848	26,21,46,187
Plant & Machinery	2,39,03,69,861	53,27,93,211	23,11,405	57,91,11,842	17,04,46,586	2,17,32,25,571	1,81,12,58,019
Lab Equipment	74,28,056	-	-	58,46,340	3,53,680	12,28,036	15,81,716
Material Handling Equipment	58,21,777	-	-	25,88,481	5,59,916	26,73,380	32,33,296
Fire Fighting Equipment	12,65,694	-	-	5,84,279	1,30,872	5,50,543	6,81,415
Vehicles							
- of ACMIL *	41,18,007	-	41,18,007	17,27,497	-	-	23,90,510
- of Others	1,89,82,459	28,29,819	4,40,000	79,67,403	18,81,219	1,16,95,573	1,10,15,056
Office Equipment							
- of ACMIL *	2,20,00,681	-	2,20,00,681	2,05,22,074	-	-	14,78,607
- of Others	1,51,34,719	9,08,074	-	7,571,131	7,99,304	76,62,666	75,63,588
Furniture & Fixtures	99,14,638	2,59,948	-	37,51,633	7,54,197	56,62,032	61,63,005
<b>Total</b>	<b>2,87,34,46,538</b>	<b>75,22,53,455</b>	<b>2,88,70,093</b>	<b>69,52,31,539</b>	<b>19,25,95,516</b>	<b>2,73,33,40,249</b>	<b>2,17,82,14,999</b>
					<b>Add: Capital Work In Progress</b>	<b>41,97,81,739</b>	<b>73,45,15,455</b>
						<b>3,15,31,21,988</b>	<b>2,91,27,30,454</b>
<b>Previous Year</b>	<b>2,86,12,29,779</b>	<b>7,34,57,997</b>	<b>6,12,41,239</b>	<b>55,85,90,596</b>	<b>14,29,81,011</b>	<b>2,17,82,14,998</b>	<b>2,30,26,39,183</b>

\* Upon hiring off Subsidiary Company



## CCL PRODUCTS (INDIA) LIMITED

### CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS A/C

Particulars	As at 31-03-2011		As at 31-03-2010	
	₹	₹	₹	₹
<b>SCHEDULE 6 - INVESTMENTS:</b>				
Quoted Trade Investments :				
Andhra Bank Shares	1,77,936		1,77,936	
(5300 Equity Shares Face value of ₹.10/- each)	<u>1,77,936</u>	1,77,936	<u>1,77,936</u>	1,77,936
Un quoted Non Trade Investments				
Coffee Futures Exchange India Ltd	10,000		10,000	
(Equity Subscription for Membership as Ordinary member - 1 share of ₹.10,000)	<u>10,000</u>	10,000	<u>10,000</u>	10,000
Associated Coffee Merchants (Intl) Ltd	1,47,90,765		-	
(187400 Preference Shares Face value of GBP 1 each)				
(Previous Year: 24013 Equity Shares Face value of GBP 32 each, 187400 Preference Shares Face value of GBP 1 each)	<u>1,47,90,765</u>	1,47,90,765	<u>-</u>	-
Ngon Coffee Company Limited	-		13,76,770	
(Previous Year: Share application money pending allotment)	<u>-</u>	-	<u>13,76,770</u>	13,76,770
		<u>1,49,78,701</u>		<u>15,64,706</u>

### SCHEDULE 7 - CURRENT ASSETS, LOANS AND ADVANCES:

a) Inventories				
(As taken, valued and certified by the Management)				
Raw Materials	47,49,91,789		44,47,94,432	
Packing Materials	3,97,12,294		4,17,87,017	
Stores & Consumables	37,66,059		23,48,533	
Engineering Goods	5,73,97,606		5,42,65,786	
Work in process	1,16,47,754		47,65,598	
Finished Goods	<u>21,93,54,041</u>		<u>31,05,82,753</u>	
		<u>80,68,69,543</u>		85,85,44,119
b) Sundry Debtors				
(Unsecured, Considered Good)				
Over six months	6,31,584		4,99,334	
Others	<u>50,03,20,337</u>		<u>72,28,60,746</u>	
		<u>50,09,51,921</u>		72,33,60,080
c) Cash and Bank Balances				
Cash in Hand	3,59,37,438		2,58,189	
Balances with Scheduled Banks				
In Current Accounts*	3,32,87,888		4,84,28,047	
In Dividend Accounts	19,76,852		20,55,925	
In Margin Deposits Accounts	<u>33,87,11,270</u>		<u>1,08,79,915</u>	
(* Includes ₹.8,92,899 EEFC A/c)		<u>40,99,13,448</u>		6,16,22,076



## CCL PRODUCTS (INDIA) LIMITED

### CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS A/C

Particulars	As at 31-03-2011		As at 31-03-2010	
	₹	₹	₹	₹
d) Loans and Advances (Unsecured – considered good) Advance Recoverable in Cash or in kind -				
or for Value to be received	19,57,10,487		25,12,65,506	
Advances for raw materials	8,70,02,350		2,60,84,408	
Advances for Capital Goods & others	21,50,255		5,76,105	
Deposit with Govt.	90,38,459		84,81,392	
Other Deposits	48,97,293		1,02,18,594	
MAT Credit entitlement	4,33,46,020		6,43,82,537	
		<b>34,21,44,864</b>		<b>36,10,08,542</b>
		<b>2,05,98,79,776</b>		<b>2,00,45,34,817</b>

#### **SCHEDULE 8 - CURRENT LIABILITIES AND PROVISIONS:**

##### a) Current Liabilities

Sundry Creditors for goods -		
Dues to other than Micro, Small and Medium Enterprises undertakings	10,45,66,698	15,20,55,790
Sundry creditors for capital goods	49,64,635	89,66,472
Sundry creditors for expenses	7,07,84,662	6,07,54,878
Unclaimed dividends	19,76,852	20,55,925
	<b>18,22,92,847</b>	<b>22,38,33,065</b>

##### b) Provisions

Income Tax	14,16,97,302	8,85,94,610
Fringe Benefit Tax	-	8,88,907
Dividend	2,66,05,584	1,99,54,188
Dividend Tax	43,16,091	33,14,141
	<b>17,26,18,977</b>	<b>11,27,51,846</b>
	<b>35,49,11,824</b>	<b>33,65,84,911</b>

#### **SCHEDULE 9 - OTHER INCOME:**

Interest on Deposits	52,80,376	88,54,971
Dividend on Investments	12,13,118	23,850
Miscellaneous Income	84,67,105	1,18,89,293
Profit on Sale of Investment in Shares	2,78,60,323	-
Exchange fluctuation (net)	5,30,63,683	3,45,39,851
Exceptional Income	19,29,641	-
	<b>9,78,14,246</b>	<b>5,53,07,965</b>



**CCL PRODUCTS (INDIA) LIMITED**

**CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS A/C**

Particulars	As at 31-03-2011		As at 31-03-2010	
	₹	₹	₹	₹
<b><u>SCHEDULE 10 – INCREASE/(DECREASE) IN STOCK OF WORK-IN-PROCESS &amp; FINISHED GOODS:</u></b>				
Opening Stock	23,05,87,274		36,90,84,895	
Less : Upon hiving off Subsidiary Company	13,38,13,100			
	<u>9,67,74,174</u>			
Less : Closing Stock	23,10,01,795		23,05,87,274	
		<u>13,42,27,621</u>		<u>(13,84,97,621)</u>
<b><u>SCHEDULE 11 – RAW MATERIAL CONSUMED:</u></b>				
Opening Stock	44,47,94,432		17,41,93,530	
Add : Purchases	2,25,79,18,487		3,12,07,65,461	
Less : Closing Stock	<u>47,49,91,789</u>		<u>44,47,94,432</u>	
		<u>2,22,77,21,130</u>		<u>2,85,01,64,559</u>
<b><u>SCHEDULE 12 - MANUFACTURING, ADMINISTRATION &amp; SELLING EXPENSES:</u></b>				
Packing Materials Consumed	33,00,83,442		24,25,72,192	
Stores and Consumables	1,65,04,875		1,11,88,822	
Power and Fuel	23,15,53,750		16,36,63,265	
Repairs and Maintenance				
on Plant & Machinery	4,32,59,542		3,46,01,384	
on Buildings	10,94,990		7,69,691	
on Other assets	<u>22,11,628</u>		<u>17,98,215</u>	
		4,65,66,160		3,71,69,290
Transportation, Clearing & Forwarding	7,57,07,021		9,05,27,240	
Insurance	63,20,646		1,16,37,680	
Rent, Rates and taxes	72,48,758		1,40,73,464	
Remuneration to Directors	2,28,51,753		4,21,35,324	
Directors' Sitting Fee	1,41,000		1,52,000	
Salaries and Wages	7,41,79,037		7,47,30,092	
Contributions to Gratuity, PF and Superannuation Funds	<u>99,93,455</u>		<u>97,67,955</u>	
		10,71,65,245		12,67,85,371
Staff welfare expenses	1,33,54,730		86,23,634	
Selling Expenses	1,25,03,120		2,63,23,517	
Commission on Sales	1,09,48,065		65,39,274	
Sales Tax	1,15,16,441		18,46,593	
Travelling & Conveyance	80,15,164		71,01,862	
Postage & Telephone	33,63,424		38,87,940	
Printing and Stationery	6,25,593		8,06,371	
Office Maintenance	1,29,83,974		1,37,40,731	



## CCL PRODUCTS (INDIA) LIMITED

### CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS A/C

Particulars	As at 31-03-2011		As at 31-03-2010	
	₹	₹	₹	₹
Donations	8,93,055		13,64,430	
Professional fee & Expenses	40,81,888		25,00,103	
Subscription and Membership fee	2,11,114		5,52,018	
Miscellaneous expenses	3,72,378		10,81,473	
Books and Periodicals	7,803		20,431	
Audit Fee & Expenses	11,29,778		26,18,344	
Directors' Commission	3,50,000		3,50,000	
Loss on Sale of Vehicle	1,07,850		12,751	
Exchange Fluctuation (Net)	77,04,778		-	
Forward Contracts	-		(31,87,707)	
	<u>90,93,19,052</u>		<u>77,17,99,089</u>	

#### SCHEDULE 13 - INTEREST & OTHER FINANCIAL CHARGES:

Term Loans	5,25,78,022	6,35,28,442
Working Capital	7,88,79,169	6,94,36,400
Bank Charges	1,43,43,292	2,22,93,547
Others	1,35,87,971	71,69,981
	<u>15,93,88,454</u>	<u>16,24,28,370</u>



**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	M/s.Jayanti Pte Ltd ("Jayanti")	100.00%	Singapore
2	M/s. Grandsaugreen SA (Subsidiary of Jayanti)	100.00%	Switzerland
3	M/s. Ngon Coffee Company Limited (Subsidiary of Jayanti)	100.00%	Vietnam

Note: Unaudited financials of Ngon Coffee Company Limited adopted for consolidation.



**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 of 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 the in an 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-process are valued at cost. Finished goods are valued at cost or net realizable value whichever is lower.

**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.



## CCL PRODUCTS (INDIA) LIMITED

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.

	(₹ in Lakhs)	
	2010-2011	2009-2010
<b>3 Deferred Tax:</b>		
Opening Balance	1,757.69	1,438.44
Add : Timing Difference - Depreciation	243.96	319.25
Less : Upon hiving off Subsidiary Company	10.25	Nil
<b>Total</b>	<u>1,991.40</u>	<u>1,757.69</u>
	(Amount in ₹)	
	2010-2011	2009-2010
<b>4 Earnings Per Share:</b>		
Profit after taxation as per profit and loss account	26,45,09,502	28,00,21,606
Weighted Average number of Equity Shares outstanding	1,33,02,792	1,33,02,792
Basic and diluted earnings per share in ₹.	19.88	21.05
	(₹ in Lakhs)	
	2010-2011	2009-2010
<b>5 Contingent Liabilities:</b>		
Guarantees :	10,818.80	4,112.53
Others:	2,973.87	31.76



## CCL PRODUCTS (INDIA) LIMITED

### 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 Coffee.

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

(₹ In lakhs)

Particulars	Instant Coffee	Instant Coffee
	2010-11	2009-10
<b>A REVENUE</b>		
1 External Sales	36,656.01	43,816.51
2 Other income	913.21	464.29
2b Interest income on term deposits	52.80	88.55
2c Dividend on Investments	12.13	0.24
3 Total Revenue	37,634.15	44,369.59
<b>B RESULT</b>		
1 Segment result / operating profit	5,526.18	5,271.74
2 Income (referred to A (2b) above)	-	-
3 Total operating profit	5,526.18	5,271.74
4 Interest expense	1,593.88	1,624.28
5 Provision for contingencies	-	-
6 Provision for taxes	1,287.20	819.25
7 Net Profit	2,645.10	2,828.20
<b>C OTHER INFORMATION</b>		
1 Segment assets	52,130.02	49,172.65
2 Investments and inter corporate deposits including interest accrued thereon	149.79	15.65
Total Assets	52,279.80	49,188.30
1 Segment liabilities	1,803.16	2,217.77
2 Share capital and reserves	21,715.84	20,086.67
3 Secured and unsecured loans	25,024.73	23,658.49
4 Unclaimed dividends, interest accrued on loans and unclaimed debentures	19.77	20.56
5 Provision for taxation & Dividend	1,726.19	1,127.52
6 Provision for Deferred Tax	1,990.12	1,757.69
7 Minority Interest	-	319.60
Total liabilities	52,279.80	49,188.30
8 Capital expenditure including capital work in progress	177.38	2,726.52
9 Depreciation (including impairment loss on fixed assets and deficit on fixed assets sold / scrapped)	1,925.96	1,429.81
<b>D Other Non cash adjustments :</b>		
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:

**a. Segment revenue and expenses :**

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

**b. 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).

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

(₹ in Lakhs)

Sl. No.	Nature of Transaction	Key Management Personnel/ Relatives
1	Remuneration & Commission	228.52 (200.40)
2	Rent	31.58 (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.)  
Ms.Challa Soumya - (Daughter of Mr.Challa Rajendra Prasad C.M.D.)

**Note:** Figures in brackets indicate corresponding previous year figures.

**8** 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

Sd/-  
**(M.V.Ranganath)**  
Partner  
M.No.28031  
Place : Hyderabad  
Date : 27<sup>th</sup> May, 2011

Sd/-  
**K.V.L.N. Sarma**  
Chief Financial Officer

Sd/-  
**N. Vanitha**  
Company Secretary

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 HIGHLIGHTS – 2010-11

Sl No	Particulars	Jayanthi Pte. Ltd.	Grandsaugreen SA	Ngon Coffee Company Ltd
1	Capital	8,000,131	3,000,000	103,515,000,000
2	Reserves	42,816	(475,401)	-
3	Total Assets	9,139,762	14,610,275	336,589,891,575
4	Total Liabilities	9,139,762	14,610,275	336,589,891,575
5	Turnover	73,027	11,582,386	-
6	Profit/(Loss) before Taxation	36,528	(457,625)	-
7	Provision for Taxation	6,215	17,776	-
8	Profit/(Loss) after Taxation	30,313	(475,401)	-
9	Dividend	-	-	-
10	Investment	-	-	-
	Reporting Currency	USD	CHF	VND
	Exchange Rate used for Conversion :			
	- Average Yearly rates for Profit and Loss Account items	44.90	45.71	0.00224
	- Year end rates for Balance Sheet items	44.65	49.13	0.00216



**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 50<sup>th</sup> Annual General  
Meeting of the Company to be held on Wednesday, the 10<sup>th</sup> August, 2011 at 03:00 PM and any adjourn-  
ment thereon.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011.



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 8<sup>th</sup> August, 2011.



**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 50<sup>th</sup> Annual General Meeting of the Company to be held on  
Wednesday, the 10<sup>th</sup> August, 2011 at 03:00 PM 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](mailto:info@cclproducts.com)

Website: [www.cclproducts.com](http://www.cclproducts.com)