



CCL PRODUCTS (INDIA) LIMITED

ANNUAL REPORT 2006-07





CCL PRODUCTS (INDIA) LIMITED

46TH ANNUAL GENERAL MEETINGSaturday, 29th day of September, 2007

at 2.00 P.M

Duggirala - 522 330

Guntur Dist

Andhra Pradesh

INDIA

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CCL PRODUCTS (INDIA) LIMITED

Company Information

Board of Directors:

Mr. B N Jayasimha IAS (Retd.),
 Mr. Zafar Saifullah IAS (Retd.), w.e.f. 25.04.2007
 Mr. I J Rao IRS (Retd.)
 Mr. N Balakrishna Iyer
 Mr. Vipin K Singal
 Mr. Jonathan T Feuer
 Mr. Ian Breminer
 Mr. Gerard Sierro
 Mr. Challa Srishant, Executive Director
 Mr. Challa Rajendra Prasad, Chairman & Managing Director

Auditors

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

Internal Auditors

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

Registered Office & Factory:

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

Bankers

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

**Registrars & Share Transfer Agent
(Physical & Demat)**

Bigshare Services Pvt Ltd
 G-10, Left Wing, Amrutha Ville,
 Somajiguda, Hyderabad 500 082
 Ph: 040 23374967, Telefax : 040 23370295

Board Committees**Audit Committee**

Mr. B N Jayasimha -Chairman
 Mr. I J Rao
 Mr. N Balakrishna Iyer
 Mr. Vipin K Singal

Shareholders' / Investors' Grievance Committee

Mr. I J Rao - Chairman
 Mr. B N Jayasimha
 Mr. N Balakrishna Iyer
 Mr. Challa Rajendra Prasad

Remuneration Committee

Mr. B N Jayasimha
 Mr. N Balakrishna Iyer
 Mr. Challa Rajendra Prasad



CCL PRODUCTS (INDIA) LIMITED

NOTICE

Notice is hereby given that the 46th Annual General Meeting of the Company will be held on Saturday, 29th day of September, 2007 at 2.00 P.M., at the Registered office of the Company at Duggirala Mandal, Guntur District- 522 330 Andhra Pradesh to transact the following items of business:

Ordinary Business:

1. To receive, consider and adopt the Audited Profit and Loss Account for the financial year ended 31st March, 2007 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 2006-07.
3. To appoint a director in place of Mr. Jonathan T Feuer who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Ian Breminer who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a director in place of Mr. Gerard Sierro who retires by rotation and being eligible, offers himself for re-appointment.
6. 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:

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

 "RESOLVED THAT Mr. Zafar Saifullah, who was co-opted as an Additional Director of the Company by the Board of Directors and who hold office under Section 260 of the Companies Act, 1956, until the date of Annual General Meeting, and in respect of whom the Company has received a notice in writing proposing his candidature for the office of a director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
8. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

 "RESOLVED THAT in pursuance of Article No:87 of the Article of Association and pursuant to the provisions of Section 309(4) of the Companies Act, 1956 the consent of the Company be and is hereby accorded to pay a commission of 1% of the net profits of the Company computed in the manner laid down in Section 349 and 350 of the Companies Act, 1956 to the Non-Executive Directors of the Company."
9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-



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“RESOLVED THAT pursuant to the provisions of Section 293(1) (d) of the Companies Act, 1956, and in supersession of the resolution passed by the members in the Extra-Ordinary General Meeting held on 29th day of April, 2005, authorizing the Board to borrow up to Rs.200,00,00,000/- (Rupees Two Hundred Crores only), the consent of the Members of the Company be and is hereby accorded to enhance the Borrowing powers of the Board, to borrow from time to time any sum or sums of moneys which, together with the moneys already borrowed by the Company (apart from Working Capital Credit Facilities and Temporary Loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/ moneys so borrowed by the company shall not at any time exceed the limit of Rs. 300,00,00,000/- (Rupees Three Hundred Crores only).”

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

“RESOLVED THAT pursuant to the provisions of Section 293 (1) (a) of the Companies Act, 1956 and in supersession to the resolution passed by the members in their Extra Ordinary General Meeting held on 29th day of April, 2005 authorizing the Board to create charge on the immovable and movable property of the Company, the consent of the members be and is hereby accorded to authorize the Board to mortgage and /or create charge to the extent of new Borrowing Limits of the Board of Directors, of all or any of the movable or immovable properties both present and future or the whole or substantially the whole of the undertakings of the Company to or in favour of any Financial Institutions, Banks or Agencies to secure the term loan and other financial assistance that has been or may in future be granted by them to the Company from time to time.”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to sign and forward all the documents, papers whatever necessary and to do all other incidental acts which are necessary for creating the charge(s).”

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

ITEM NO. 7

To broad base the Board and to get the able guidance and ideas of experienced and eminent personalities on the Board in the growth path of the Company, Mr.Zafar Saifullah, IAS (Retd.), Former Cabinet Secretary, Govt. of India has been co-opted as an Additional Director to act as an Independent Director of the Company with effect from 25th April, 2007. As per the provisions of Section 260 of the Companies Act, 1956 Mr.Zafar Saifullah will hold the office as an Additional Director upto the ensuing Annual General Meeting of the Company. The Company has received a special notice in writing from a member as per the provisions of section 257 of the Companies Act, 1956.

None of the Directors of the Company is interested in passing this resolution except Mr.Zafar Saifullah.

ITEM NO. 8

The Company is managed by the Board. Though day-to-day management is delegated to Managing Director and Executive Director, the Directors play the crucial role of laying down



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policies and providing guidelines for conduct of Company's business. By the valued contribution made by the Directors through their active participation in the meetings of the Board and its Committees the Company has been going forward. The rich experience of Directors in business, management and administration has led to sound decisions. The Directors are required to devote considerable time to provide and laydown the policies and guidelines to carry-on the business competetively. It is appropriate that the services being rendered by them to the Company are recognised by way of remuneration.

In accordance with the provisions of Section 309(4)(b) of the Companies Act, 1956 remuneration by way of commission up to 1% of the net profits may be paid to the directors other than the Managing Director & Executive Director subject to the approval of shareholders by way of Special Resolution. The resolution passed by the shareholders in this regard at their meeting held on 22nd May, 2002 is effective for five years i.e. up to the financial year 2005-2006.

Further, the specific amount payable to directors annually will be decided by the Board from time to time.

The directors of the Company, other than Managing Director and Executive Director, are considered to be interested in the said resolution to the extent of commission which may be paid to them.

ITEM NO. 9

To enhance the Borrowing powers of the Board of Directors.

With a view to augment long term financial resources of the company and to meet the costs of the capital expansion projects and future plans, the Board may resort to borrowings which together with the borrowings already made by the Company will exceed the earlier monetary limits allowed by the members.

In this regard Directors of your Company proposed to enhance the borrowing powers to Rs. 300,00,00,000 /- (Rupees Three Hundred Crores only) to meet the costs of the above mentioned activities.

Hence, the Board commends this resolution for your approval.

None of the Directors of the Company is interested in passing this resolution.

ITEM NO. 10

To Authorise the Board to create charge on the immovable and movable property of the Company to the extent of new borrowing limits of the Board of Directors.

The Financial Institutions / Banks / Outside agencies whenever they sanction term loans / credit facilities may insist on creation of charge on the movable, immovable properties to have proper security for the loans / credit facilities sanctioned by them.

As per the provisions of Section 293 (1) (a) of the Companies Act, 1956 creation of charge requires passing of an ordinary resolution in the general meeting.



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Hence, the Board commends this resolution for your approval.

None of the Directors of the Company is interested in passing this resolution.

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

Hyderabad
19th July, 2007

Sd/-
D S Rao
Secretary

NOTES FOR MEMBERS ATTENTION:

- 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.**

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.

2. The Register of Members and Share Transfer Books of the Company in respect of Equity Shares will remain closed from **20th September, 2007 to 29th September, 2007** (both days inclusive).
3. M/s.Bigshare Services Pvt.Ltd, G -1, Left wing, Amrutha Ville, Somajiguda, Hyderabad - 500 082 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.
4. 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.
5. Members holding shares in physical form are informed to furnish their bank account details to the STA to have printed the same on the dividend warrants so as to avoid fraudulent encashment.



CCL PRODUCTS (INDIA) LIMITED

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

Name of the Director	:	Mr.Jonathan T Feuer
Date of Birth	:	22-11-1951
Occupation	:	Business Executive
Expertise in specific functional areas	:	30 years membership in 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 Companies	:	-NIL-
Committee positions held in other Companies	:	-NIL-
Shareholding in the Company	:	300000

Brief Profile:

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

During the past 30 years, the company has been members 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. Mr. Feuer has served in various roles with all of these trade associations, including Committee Member, Treasurer and Vice-Chairman of the Board.

Most notably, Mr. Feuer served as the Treasurer of the National Coffee Association of the USA for 8 years from 1996 until 2004. During this time, the membership increased by 100%, the budget of the Association increased by 50% and reserves increased from 20% to 78% of annual operating budget. The Association is the leading coffee trade association serving North America, and represents the industry and government in all international forums such as International Coffee Organisation (ICO). Mr. Feuer presently is the incoming Chairman of the NCA.

Mr. Feuer was 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 its inception of Instant Coffee Unit in 1994.

In addition, Mr. Feuer has served as Director of various charitable organisations. As a member of the Investment Committee of a New York based religious organisation, responsibility included oversight of USD 125 million per annum investment fund. Mr. Feuer has also served as Board member and President of the Holt-Elwell Memorial Foundation from 1988 to 1996.

Mr.Feuer travels widely to South America, Southeast Asia, Europe and India in connection with the soluble coffee business.



CCL PRODUCTS (INDIA) LIMITED

Name of the Director	:	Mr. Ian Breminer
Date of Birth	:	27-08-1952
Occupation	:	Coffee Merchant
Expertise in specific functional areas	:	He has very good knowledge and experience of both Green and Soluble Coffee markets, particularly in Europe. He is second generation, having been brought up in the family coffee trading business and the third generation is already also in the business as his daughter, Kristine, joined in 2004. He has a commendable marketing network in Europe and is widely known and active in many International coffee forums.
Directorships in other Companies	:	-NIL-
Committee positions held in other Companies	:	-NIL-
Shareholding in the Company	:	1609798

Brief Profile:

Mr. Ian Breminer is one of the Foreign Collaborators of your Company. He has been associated with the coffee industry for the past 37 years. At present he is the Managing Director of Complete Coffee Limited, UK.

OTHER INFORMATION

1985/86	Vice Chairman of The Coffee Trade Federation Ltd., UK
1988	Co-ordinator of 6th International Coffee Congress in Brighton, UK
1991/92	Vice Chairman of The Coffee Trade Federation Ltd., UK
1993/94	Chairman of The Coffee Trade Federation Ltd., UK
1994/95	Chairman of CECA (Committee of European Coffee Associations)
1996/97	Re-elected Chairman of CECA for a further 2-year period
1996	Awarded ' Coffee Man of the Year ' by Tea & Coffee Trade Journal USA
1998/00	Re-elected Chairman of CECA for a further 2-year period
1999 (part)	Acting President of European Coffee Federation
2001	Awarded <i>Medalla de Merito Cafetero 'Manuel Mejia'</i> for services to the Colombian Coffee Industry
2004 - 06	Vice Chairman The British and Colombian Chamber of Commerce
2005	Complete Coffee Ltd WINNER of "British and Colombian Business and Social Award" 2005 – Category 1 " in recognition of its outstanding achievements as a British Company developing , or involved in, business relationships with <i>Colombia</i> "
2006	Elected Chairman of The British and Colombian Chamber of Commerce