



CCL PRODUCTS (INDIA) LIMITED

ANNUAL REPORT 2010-2011



50th ANNUAL GENERAL MEETING

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

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CCL PRODUCTS (INDIA) LIMITED

Company Information

Board of Directors:

Mr. 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



CCL PRODUCTS (INDIA) LIMITED

NOTICE

Notice is hereby given that the 50th Annual General Meeting of the Company will be held on Wednesday, 10th 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 31st 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 1st 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 1st 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 : 27th 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 6th August, 2011 to 10th 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.



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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 4th 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 : 27th May, 2011



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. Zafar Saifullah
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:

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



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Name of the Director	:	Mr. Jonathan T. Feuer
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.



CCL PRODUCTS (INDIA) LIMITED

Directors' Report

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

(₹.in Lakhs)

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