



CCL PRODUCTS (INDIA) LIMITED

ANNUAL REPORT 2011-12



51st ANNUAL GENERAL MEETING

Saturday 29th September, 2012

at 11.00 A.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. K. Chandrahas IRS (Retd.)
Mr. J. Rambabu IAS (Retd.)
Mr. Challa Srishant, Executive Director
Mr. Challa Rajendra Prasad, Chairman & Managing Director

Chief Financial Officer

Mr. K.V.L.N. Sarma

Company Secretary & Compliance Officer

Ms. Sridevi Dasari

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

ICICI Bank Ltd
State Bank of India
State Bank of Hyderabad
Kotak Mahindra Bank Ltd

Board Committees

Audit Committee

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

Shareholders' / Investors' Grievance Committee

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

Remuneration Committee

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



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NOTICE

Notice is hereby given that the 51st Annual General Meeting of the Company will be held on Saturday, the 29th of September, 2012 at 11.00 A.M. , at the Registered Office of the Company at Duggirala, Guntur District, Andhra Pradesh-522 330 to transact the following items of business:

Ordinary Business:

1. To receive, consider and adopt the Audited Profit and Loss Account for the financial year ended 31st of March, 2012 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 2011-12.
3. To appoint a Director in place of Mr. I. J. Rao who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Vipin K. Singal who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. M. Anandam & Co., Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

Special Business:

6. To appoint Mr. Kata Chandrahas as Director of the Company.

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

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

7. To appoint Mr. Jonnalagadda Rambabu as Director of the Company.

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

“RESOLVED THAT pursuant to Article 84 of the Company’s Articles of Association and in conformity with the provisions of Section 260 of the Companies Act, 1956, Mr. Jonnalagadda Rambabu, who was appointed as an Additional Director of the Company by the Board of Directors, and who holds office under the said Article and Section 260 of the Companies Act, 1956, only upto the date of this Annual General Meeting, and in respect of whom, the Company has received a notice in writing



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along with a deposit of ₹ 500/- under Section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of Director, be and is hereby elected and appointed as Director of the Company, liable to retire by rotation.”

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

“RESOLVED THAT pursuant to Article 87 of the Company’s Articles of Association and in conformity with the provisions of Section 309(4) of the Companies Act, 1956, the consent of the members be and is hereby accorded to pay a commission upto 1% of the net profits of the Company computed in the manner laid down in Section 349 and 350 of the Companies Act, 1956 in any financial year to the Non-Executive Directors of the Company”.

By order of the Board of Directors

Sd/-

Sridevi Dasari

Company Secretary

Place : Hyderabad

Date : 11th August, 2012

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 20th September, 2012 to 29th September, 2012 (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.

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 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 informed to furnish their bank account details to the STA to have printed the same on the dividend warrants so as to avoid any possible fraudulent encashment / misuse of dividend warrants by others.
8. Pursuant to Section 205C 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



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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 for 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

Mr. Kata Chandrahas was appointed by the Board of Directors as an Additional Director with effect from 07th September, 2011 under Article 84 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 and holds his office upto the date of this Annual General Meeting. As required by Section 257 of the said Act, a notice along with the requisite deposit of ₹ 500/- has been received from a member signifying his intention to propose Mr. Kata Chandrahas, as a candidate for the office of the Director.

Mr. Kata Chandrahas is a M. Sc. (Physics) Graduate from S.V. University, Tirupati, M.B.A from Hull University, UK. He joined the Indian Revenue Service (IRS) in the year 1976, served at various levels in Income Tax Department in Hyderabad, Delhi, Chennai, Pune, Allahabad and Nagpur. He worked as under Secretary in Finance Ministry, New Delhi during 1984-85. And also worked as Personnel Secretary to Union Ministry of State for Finance during 1985-88. He retired as the Chief Commissioner of Income Tax, Chennai. Presently he is working as Insurance Ombudsman, Hyderabad having jurisdiction over Andhra Pradesh and Karnataka, with Governing Body of Insurance Council, Mumbai.

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

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

None of the Directors of the company is interested in passing this resolution except Mr. Kata Chandrahas.

ITEM NO. 7

Mr. Jonnalagadda Rambabu was appointed by the Board of Directors as an Additional Director with effect from 14th May, 2012 under Article 84 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 and holds his office upto the date of this Annual General Meeting. As required by Section 257 of the said Act, a notice along with the requisite deposit of ₹ 500/- has been received from a member signifying his intention to propose Mr. Rambabu, as a candidate for the office of the Director.

Mr. Rambabu is a BE (Mechanical), First Class with Honours from Andhra University and holds a Post Graduate Diploma in Urban Development. He was selected as Officer in the EME, Army, while doing Engineering and he had served the Army up to 1971 and held rank of Major at the time of leaving. After that he appeared for IAS, got selected in 1971 and allotted to Andhra Pradesh State.

As a Managing Director of AP State Housing Corporation, by contacting RBI and other banks, he raised substantial credit under priority sector to implement the largest programme at the National level for the construction of permanent houses for the weaker sections all over the state. The Corporation consistently retained first position at National level.



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As a Chairman of Andhra Pradesh State Financial Corporation, during his tenure of six years, the Corporation wiped the accumulated losses, substantially increased volume of business and posted record Net Profits. Stood first amongst all SFCs in the country under all parameters. All organizational issues were streamlined and systems have been built. Risk Mitigation, Project Appraisal, accountability and rating mechanism were fine tuned, training intensified, reward mechanism to incentivize good performance made scientific and Computerization was strengthened.

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

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

None of the Directors of the Company is interested in passing this resolution except Mr. Jonnalagadda Rambabu.

ITEM NO. 8

Though day-to-day management is delegated to Managing Director and Executive Director, the Non-Executive Directors play the crucial role of laying down 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 competitively. 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 upto 1% of the net profits may be paid to the Directors other than the Managing Director and Executive Director subject with approval of shareholders by way of Special Resolution. The resolution passed by the shareholders in this regard at their meeting held on 29th September, 2007 is effective for five years i.e upto 28th September, 2012.

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.

By order of the Board of Directors

Place : Hyderabad
Date : 11th August, 2012

Sd/-
Sridevi Dasari
Company Secretary



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)

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

Brief Profile:

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

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

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

He is presently the Chairman for the Investors' Grievance Committee and Remuneration Committee and a member of the Audit Committee of the Company.

Name of the Director	: Mr. Vipin K. Singal
Date of Birth	: 25-01-1949
Occupation	: Business
Expertise in specific functional areas	: Rich experience in the field of business and management as he has been in the business of traveling & tourism since several decades.
Directorships in other Indian Companies	: Delhi Express Travels Pvt. Ltd
Committee positions held in other Companies	: ESS VEE Holdings Limited BSRC Holdings Private Limited Senses Experience Advisors Pvt. Ltd.
Shareholding in the Company	: 500



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Brief Profile:

Mr. Vipin Kumar Singal is a Graduate in Agricultural Engineering from the Punjab Agricultural University. Mr Singal has rich and varied experience in the International Tourism and engaged in Inbound Tourism, Outbound Holidays, and Cruises, distribution of Hotels & Resorts in India, Domestic Tourism and promotion & marketing of Eurail in India. His association with the travel and tourism industry spans over 3 decades.

He is currently a member of the Audit Committee, Investors' Grievance Committee and Remuneration Committee of the Company.



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Directors' Report

Your Directors submit their report for the financial year ended 31st March, 2012:

(₹ in Lakhs)

Particulars	2011-12	2010-11
Revenue from operations	48936	35281
Profit for the year after meeting all expenses (before Interest, Depreciation & Tax)	8175	6775
Less:		
Interest	1156	1242
Depreciation and other write offs	1585	1505
Provision for Taxation	1781	1276
Net Profit	3653	2752
Balance brought forward	942	552
Balance available for appropriation	4595	3304
Short provision for Income Tax earlier	-	53
Provision for dividend	665	266
Provision for dividend tax	108	43
Transfer to General Reserve	1000	2000
Balance carried forward to Balance sheet	2822	942

Company Performance

Your Company posted good financial results during the year under review. The production and sales of Instant Coffee were **12,392 M.Ts.** and **12,589 M.Ts.** as against **11,607 M.Ts.** and **11,277 M.Ts.** respectively in the preceding year. Turnover of the Company has increased from ₹ **35,550 Lakhs** to ₹ **49,291 Lakhs**, registering growth of **39%**. The net profit of the Company for the current year is ₹ **3,653 Lakhs** as against ₹ **2,752 Lakhs** in the preceding year, registering growth of **33%**.

Dividend

Your Directors are pleased to recommend a dividend of ₹ 5/- per equity share of ₹ 10/- for the year 2011-12 subject to the approval of shareholders.

Wholly Owned Subsidiary

Your Company's 100% stepdown subsidiary M/s. Grandsaugreen, Switzerland, catering to the requirements of the clients in the Europe, has performed well during the year.

Your Company has since completed implementation of the instant coffee project through its 100% stepdown subsidiary, M/s. Ngon Coffee Company Limited, Vietnam. Presently, the Company is carrying out trial runs and the commercial production is expected to commence during the third quarter of the current financial year.