CONTINENTAL COFFEE

08th March, 2021

To

The Corporate Relations Department
Bombay Stock Exchange
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400 001

Dear Sir,

Sub: Submission of Notice of Tribunal Convened Meeting of Trade/Sundry Creditors as per Regulation 30 of SEBI(LODR) Regulations, 2015

Ref: Our Company Code – 519600

In terms of Regulation 30 of SEBI (Listing Obiligations and Disclosure Requirements) Regulations, 2015, we are herewith enclosing the Notice along with Explanatory Statement and Annexures, of Tribunal Convened Meeting of Trade/Sundry Creditors pursuant to the Order of the Hon'ble National Company Law Tribunal, Amaravati Bench, dated 26th February, 2021 in connection to the merger of CCL Beverages Private Limited, wholly owned subsidiary of the Company into CCL Products (India) Limited. The Notice is being sent to the Creditors in electronic mode and through courier to those, whose e-mail Ids are not available with the Company.

The Notice along with Explanatory Statement and Annexures is also uploaded on the website of the Company and the weblink is https://www.cclproducts.com/wp-content/uploads/2021/03/Notice-of-Tribunal-Convened-Meeting-of-Trade-Creditors.pdf

This is for your information and necessary records.

Regards,

For **CCL Products (India) Limited**

Sridevi Dasari
Company Secretary & Compliance Officer

Encl: as above

CCL PRODUCTS (INDIA) LIMITED
CIN: L15110AP1961PLC000874
Regd. Off: Duggirala, Guntur District,
Andhra Pradesh, India- 522330 Tel: +91 8644-277294
EMAIL: companysecretary@continental.coffee,
Website: www.cclproducts.com

HON'BLE NATIONAL COMPANY LAW TRIBUNAL CONVENED MEETING OF TRADE / SUNDRY CREDITORS OF CCL PRODUCTS (INDIA) LIMITED	
DAY	Saturday
DATE	10TH Day of April, 2021
TIME	12:30 PM (IST)
MODE OF MEETING	In view of the ongoing COVID-19 pandemic and related social distancing norms, as per the directions of the Hon'ble National Company Law Tribunal, Amaravathi Bench, the meeting shall be conducted through video conferencing / other audiovisual means.
CUT-OFF DATE FOR E-VOTING	Sunday, 31ST January, 2021
REMOTE E-VOTING START DATE AND TIME	Wednesday, 7th April, 2021 at 9.00 a.m. (IST)
REMOTE E-VOTING END DATE AND TIME	Friday, 9th April, 2021 at 5.00 p.m. (IST)

CCL PRODUCTS (INDIA) LIMITED
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NOTICE OF THE TRIBUNAL CONVENED MEETING OF TRADE / SUNDRY CREDITORS OF CCL PRODUCTS (INDIA) LIMITED/ APPLICANT / TRANSFEREE COMPANY AS PER THE DIRECTIONS OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, AMARAVATHI BENCH

The Notice of the Meeting, Statement under Sections 230 and 232 read with Section 102 and other applicable provisions of the Act and Rule 6 of the CAA Rules and Annexure I to Annexure X constitute a single and complete set of documents and should be read together as they form an integral part of this document.

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL

AMARAVATHI BENCH AT HYDERABAD

C.A. (CAA) NO.1/230/AMR/2021

IN THE MATTER OF COMPANIES ACT, 2013

AND

IN THE MATTER OF SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013

AND

ALL OTHER APPLICABLE PROVISIONS OF THE SAID ACT

AND

IN THE MATTER OF SCHEME OF AMALGAMATION

BETWEEN

CCL BEVERAGES PRIVATE LIMITED

(TRANSFEROR COMPANY)

AND

CCL PRODUCTS (INDIA) LIMITED

(TRANSFEREE COMPANY)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

CCL PRODUCTS (INDIA) LIMITED, a Company
incorporated under the provisions of Companies Act, 1956,
bearing CIN: L15110AP1961PLC000874
and having its registered office situated at
Duggirala, Guntur, AP 522330, India

….Applicant / Transferee Company

NOTICE OF THE TRIBUNAL CONVENED MEETING OF TRADE / SUNDRY CREDITORS OF CCL PRODUCTS (INDIA) LIMITED/ APPLICANT / TRANSFEREE COMPANY AS PER THE DIRECTIONS OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, AMARAVATHI BENCH

To
The Trade / Sundry Creditors of
CCL PRODUCTS (INDIA) LIMITED
("The Company" or "Applicant Company " or Transferee Company")

Notice is hereby given that by an order dated 26th day of February, 2021, the Amaravathi Bench of the Hon'ble National Company Law Tribunal, at Hyderabad has directed a meeting to be held of **Trade / Sundry Creditors of CCL Products (India) Limited** for the purpose of considering, and if thought fit, approving with or without modification(s), the Scheme of Amalgamation between CCL Beverages Private Limited (Transferor Company) and CCL Products (India) Limited (Transferee Company) and their respective Shareholders and Creditors, by passing the following Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications, amendments, re-enactments thereof for the time being in force, relevant rules of the Companies(Compromises, Arrangements and Amalgamation) Rules, 2016 and the provisions of the Memorandum and Articles of Association of the Company and subject to the requisite approvals, sanctions, consents, observations, no objections, confirmations, permissions from the Hon'ble National Company law Tribunal, Amaravathi Bench, (NCLT) or such other competent authority as may be applicable, and the confirmation, permission, sanction and approval of the other statutory/regulatory authorities, if any, in this regard and subject to such other conditions or guidelines, if any, as may be prescribed or stipulated by any such authorities, from time to time, while granting such approvals, sanctions, consents, observations, no objections, confirmations, permissions and which may be agreed by the Board of Directors of the Company, the draft "Scheme of Amalgamation between CCL Beverages Private Limited (Transferor Company) and CCL Products (India) Limited (Transferee Company) and their respective Shareholders and Creditors" ("Scheme"), providing for amalgamation of CCL Beverages Private Limited (Transferor Company) with the Company on a going concern basis with effect from 01.04.2020 (First Day of April, Two Thousand and Twenty) being the Appointed Date, as placed before the meeting and initialed by the chairman for the purpose of identification, be and is hereby approved."

"RESOLVED FURTHER THAT the Board be and is hereby authorized, empowered and directed to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to aforesaid resolution and to effectively implement the arrangements embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'bleNational Company Law Tribunal, Amaravathi Bench, while sanctioning the amalgamation embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as may be deemed fit and proper".

In pursuance of the said order and as directed therein further notice is hereby given that a meeting of Trade / Sundry Creditors of CCL Products (India) Limited will be held through video conferencing ("VC") / other audio visual means ("OAVM") on Saturday, the 10th day of April, 2021, at 12:30 P.M. (IST). For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by Trade / Sundry Creditors using remote e-voting as well as the e-voting system on the date of the Meeting will be provided by CDSL. The instructions for electronic voting are detailed in this Notice.

The **Trade / Sundry Creditors** are required to cast their vote by recording their assent or dissent on the electronic voting portal of CDSL.

A person, whose name appears in the list of the Trade / Sundry Creditors of the Company as on the cut-off date, i.e. Sunday, January 31, 2021 only shall be entitled to exercise his/her/its voting rights on the resolution proposed in the Notice and attend the Meeting. A person who is not a Trade / Sundry Creditors as on the cut-off date, should treat the Notice for information purpose only.

A copy of the said Scheme, statement under Sections 230 and 232 read with Section 102 and other applicable provisions of the Act and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("CAA Rules") along with all annexures to such statement and Certificate issued by the statutory auditors of the Transferee Company confirming the Accounting Treatment proposed in the Scheme are enclosed herewith. A copy of this Notice and the accompanying documents would be sent by electronic mode to those Trade / Sundry Creditors whose e-mail addresses are registered with the Company, unless the Trade / Sundry Creditors have requested for a physical copy of the same, and physically dispatched to those Trade

/ Sundry Creditors who have not provided their e-mail addresses to the Company.

A copy of this Notice and the accompanying documents shall also be placed on the website of the Company, i.e., www.cclproducts.com; the website of CDSL (agency for providing the e-voting and other facilities for convening of the Meeting, i.e., www.evotingindia.com and the website of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited, i.e., www.bseindia.com and www.nseindia.com.

The Tribunal has appointed Mr. J. Basavaraju, Advocate, (Mobile No.9849474600) to be the Chairman for the Meeting and in respect of any adjournment thereof and Ms. Narala Varalakshmi, Practising Company Secretary (Mobile No.9000987444) to be the Scrutinizer for the Meeting.

The Voting result of the meeting shall be announced by the Chairman upon receipt of Scrutinizer's report within 48 (forty eight) hours from the conclusion of this meeting and the same shall be displayed on the website of the Company, i.e., www.cclproducts.com; and also on the website of CDSL, i.e., www.evotingindia.com.

The above mentioned Scheme of Amalgamation between CCL Beverages Private Limited (Transferor Company) and CCL Products (India) Limited (Transferee Company) and their respective Shareholders and Creditors ("Scheme"), if approved at the meeting, will be subject to such other approvals, permissions and sanctions of regulatory or other authorities, as may be necessary and the subsequent approval of the Hon'ble National Company Law Tribunal, Amaravathi Bench at Hyderabad.

Sd/-
J. Basavaraju,
Advocate
Chairperson - Tribunal Convened
Meeting of Trade/Sundry Creditors of
CCL Products (India) Limited
Flat no 303, Sumitra Mansion,
H. No. : 6-3-609/13/1,
Anand Nagar Colony, Khairatabad,
Hyderabad-500 004

Date : 06.03.2021
Place : Hyderabad

Notes:

1. **Pursuant to the directions of the Hon'ble National Company Law Tribunal, Amaravathi Bench vide its Order dated 26th February,2021 ("Tribunal"), the Meeting of the Trade / Sundry Creditors of the Company is being conducted through Video Conferencing ("VC") / other audio visual means ("OAVM") facility to transact the business set out in the Notice convening this Meeting. As such, physical attendance of Trade / Sundry Creditors has been dispensed with and hence the Attendance Slip is not annexed hereto.**

2. The statement pursuant to Sections 230 and 232 read with Section 102 and other applicable provisions of the Companies Act, 2013 ("Act") and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in respect of the business set out in the Notice of the Meeting is annexed hereto.

3. A person, whose name appears in the list of the Trade / Sundry Creditors of the Company as on the cut-off date, i.e. Sunday, January 31, 2021 only shall be entitled to exercise his/her/its voting rights on the resolution proposed in the Notice and attend the Meeting. A person who is not a Trade / Sundry Creditors as on the cut-off date, should treat the Notice for information purpose only.

4. A Trade / Sundry Creditor entitled to attend / participate and vote during the Meeting shall be entitled to appoint one or more proxies to attend / participate and vote instead of himself/herself and such proxy need not be a Trade / Sundry Creditor of the Company. Further, such Trade / Sundry Creditor is required to send a copy of proxy form, which forms part of this Notice, duly completed, signed and stamped or authenticated by the person entitled to attend / participate and vote during the meeting, authorising such proxy to attend / participate and vote during the meeting, not later than 48 hours before the scheduled time of the meeting, at the Registered Office of the Company.

5. No route map of the venue of the Meeting is annexed hereto, since this Meeting is being held through VC / OAVM.

6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.

7. Trade / Sundry Creditors attending / participating in the Meeting, whether in person or by way of proxy, through VC / OAVM shall be reckoned for the purpose of quorum. In terms of the Tribunal Order and Section 103 of the Act, the quorum for the meeting of Trade / Sundry Creditors is 15 (Fifteen) Trade / Sundry Creditors attending the Meeting, in person / proxy.

8. The Notice of the Meeting and the accompanying documents mentioned in the Index are being sent through electronic mode to those Trade / Sundry Creditors whose email addresses are registered with the Company and by Post / courier to the Trade / Sundry Creditors whose email addresses are not registered with the Company.

9. The Trade / Sundry Creditors may note that the aforesaid documents are also available on the website of the Company, and can be accessed / downloaded using the below given link: https://www.cclproducts.com/wp-content/uploads/2021/03/Notice-of-Tribunal-Convened-Meeting-of-Trade/sundry-creditors.pdf, the website of CDSL (agency for providing the e-voting and other facilities for convening of the Meeting, i.e., www.evotingindia.com and the website of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited, i.e., www.bseindia.com and www.nseindia.com.

10. If so desired, Trade / Sundry Creditors may obtain a physical copy of the Notice and the accompanying documents, i.e., Scheme and the Statement under Sections 230 and 232 read with Section 102 and other applicable provisions of the Act and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 etc., free of charge. A written request in this regard, along with details of the outstanding amount due by the Company, may be addressed to the Company Secretary at investors@continental.coffee.

11. A Body Corporate which is a Trade / Sundry Creditor of the Company is entitled to appoint an authorised representative for the purpose of participating and/or voting during the meeting held through video-conferencing facility. Further, such Body Corporates (other than individuals, HUF, NRI etc.) are required to send scanned certified copy of the resolution authorising such representative to attend and vote at the meeting not later than 48 hours before the scheduled time of the meeting, to the e-mail address of the Company at: investors@continental.coffee or at the registered office of the Company. Such authorised representative should furnish his / her valid and legible identity proof issued by a statutory authority (i.e., a PAN Card/ Aadhaar Card/ Passport/ Driving License/ Voter ID Card) to the e-mail address of the Company at investors@continental.coffee or at the registered office of the Company, not later than 48 hours before the scheduled time of the meeting.

12. The remote e voting shall commence at 9.00 a.m. (IST) on Wednesday, 7th April, 2021 and close at 5.00 p.m. (IST) on Friday, 9th April, 2021. Further, the evoting facility shall also be available on 10th April, 2021 during the meeting.

13. In terms of Sections 230 to 232 of the Act, the Scheme shall be considered and approved by the Trade / Sundry Creditors of the Transferee Company if the resolution mentioned above in the notice has been approved by persons representing three-fourths in value of total valid votes cast (remote evoting and voting during the Meeting) and majority of the Trade / Sundry Creditors present and voted during the Meeting.

14. All the relevant documents referred to in the Notice along with accompanying Explanatory Statement are open for inspection at the registered office of the Company on all working days (except on Sundays and Public holidays) between 9:00 A.M. to 5.00 P.M. till the date of Meeting.

15. Details of persons to be contacted for issues relating to participating and/or electronic voting during the meeting:

Name	Designation	Contact Number	Email ID
Sridevi Dasari	Company Secretary & Compliance Officer- CCL Products (India) Limited	+91 40 23738052	investors@continental.coffee
Rakesh Dalvi	Manager- CDSL	1800225533	Helpdesk.evoting@cdslindiacom

16. Instructions regarding CDSL e-Voting System – For Remote e-voting and e-voting during Tribunal Convened Meeting of Trade / Sundry Creditors

1. REMOTE E-VOTING AND E-VOTING AT THE MEETING:

Pursuant to the directions of the Tribunal given under the Tribunal Order, the Company is providing to its Trade / Sundry Creditors facility to exercise their right to vote on the resolution proposed to be passed (i) remotely, using an electronic voting system on the dates mentioned herein below (“remote e-voting’’); and (ii) at the Meeting by electronic means (“e-voting at the Meeting”).

The Company has engaged the services of CDSL as the agency to provide the facility for remote e-voting and e-voting at the Meeting. The manner of voting using e-voting facility is provided in the instructions given below.

The remote e-voting facility will be available during the voting period specified above in the Notice.

The remote e-voting will not be allowed beyond the end date and time specified in the voting period as stated in the Notice and the remote e-voting module shall be forthwith disabled by CDSL upon expiry of the aforesaid period.

Further, the facility for voting through electronic voting system will also be made available at the Meeting and Trade / Sundry Creditors attending the Meeting who have not cast their votes by remote e-voting will be able to vote electronically at the Meeting through such facility.

Voting rights of a Trade / Sundry Creditor shall be in proportion to the outstanding amount due by the Company as on the Cut off date, i.e, 31.01.2021.

Pursuant to the directions of the Hon'ble Tribunal, Ms. Narala Varalakshmi, Practising Company Secretary (Mobile No.9000987444), shall act as Scrutiniser to scrutinise the process of remote e-voting and e-voting at the Meeting in a fair and transparent manner and she has communicated her willingness to be appointed and will be available for the said purpose.

Instructions relating to e-voting:

The Trade / Sundry Creditors who have cast their votes by remote e-voting may also attend the Meeting but shall not be entitled to cast their votes again at the Meeting. Once the vote on the resolution is cast by a Trade / Sundry Creditor, whether partially or otherwise, the Trade / Sundry Creditor will not be allowed to change it subsequently or cast the vote again.

A Trade / Sundry Creditor can opt for only one mode of voting, i.e., through remote e-voting or e-voting at the Meeting. If a Trade / Sundry Creditor casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as "INVALID".

A person, whose name is recorded in the list of Trade / Sundry Creditors of the Company as on the cut-off date (specified in the Notice) only shall be entitled to avail the facility of remote e-voting or for participation and e-voting at the Meeting. A person who is not a Trade / Sundry Creditor as on the cut-off date, should treat the Notice for information purpose only.

Procedure relating to remote e-voting:

i The remote e voting shall commence at 9.00 a.m. (IST) on Wednesday, 7th April, 2021 and close at 5.00 p.m. (IST) on Friday, 9th April, 2021. The remote e-voting module shall be forthwith disabled by CDSL upon expiry of the aforesaid period. Further, the evoting facility shall also be available on 10th April, 2021 during the meeting.

ii The Trade / Sundry Creditors should log on to the e-voting website www.evotingindia.com.

iii Click on "Shareholders" module.

iv Now enter your User ID

- Trade / Sundry Creditor should enter the Creditor ID registered and mailed by Company .

v Next enter the Image Verification as displayed and Click on Login.

vi And follow the steps given below:

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department . ★ Trade / Sundry Creditors who have not updated their PAN with the Company are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. ★ In case the sequence number is less than 8 digits, enter the applicable number of '0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details	Please enter your Creditor ID in the field.

vii. After entering these details appropriately, click on “SUBMIT” tab.

viii. Trade / Sundry Creditors will then directly reach the Company selection screen.

ix. Click on the EVSN for the relevant Company, i.e., CCL Products (India) Limited on which you choose to vote.

x. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xi. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire resolution details.

xii. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

xiii. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

xiv. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

Instructions for Trade / Sundry Creditors for E-Voting during the Meeting :

i. The procedure for e-Voting on the day of the Meeting is same as the instructions mentioned above for Remote e-voting.

ii. Only those Trade / Sundry Creditors, who are present in the Meeting through VC/OAVM facility and have not casted their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the Meeting.

iii. If any votes are cast by a Trade / Sundry Creditor through the e-voting available during the Meeting and if the same Trade / Sundry Creditor has not participated in the meeting through VC/OAVM facility , then the votes cast by such Trade / Sundry Creditor shall be considered invalid as the facility of e-voting during the meeting is available only to the Trade / Sundry Creditor attending the meeting.

iv. Trade / Sundry Creditors who have voted through Remote e-voting will be eligible to attend the Meeting. However, they will not be eligible to vote at the Meeting.

Instructions for Trade / Sundry Creditors attending the Meeting through VC/OAVM:

i. Trade / Sundry Creditors will be provided facility to attend the Meeting through VC/OAVM through the CDSL e-Voting system. Trade / Sundry Creditors may access the same at https://www.evotingindia.com under shareholders/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

ii. Trade / Sundry Creditors are advised to join the Meeting through Laptops / IPads for better experience.

iii. Further, Trade / Sundry Creditors will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.

iv. Please note that participants connecting from mobile devices or Tablets or through Laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

v. Trade / Sundry Creditors who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance, i.e., from 2nd April, 2021 (9.00 a.m. IST) to 7th April, 20, 2021 (5.00 p.m. IST), mentioning their name, Creditor ID, email ID, mobile number at investors@continental.coffee. The Trade / Sundry Creditors who do not wish to speak during the Meeting but have queries may send their queries in advance, i.e., from 2nd April, 2021 (9.00 a.m. IST) to 7th April, 20, 2021, mentioning their name, Creditor ID, email id, mobile number at investors@continental.coffee. These queries will be replied suitably by the Company vide email.

vi. Those Trade / Sundry Creditors who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time during the Meeting.

Process for those Trade / Sundry Creditors whose email addresses are not registered with the Company for obtaining login credentials for e-voting on the resolution proposed in this Notice:

i. Please provide necessary details like Name, Creditor ID, email ID, mobile number, PAN (self attested), by email to the Company Secretary at investors@continental. coffee.

ii. The Company Secretary shall provide the login credentials.

Non – Individual Trade / Sundry Creditors

Non-Individual Trade / Sundry Creditors (i.e. other than Individuals, HUF, NRI etc.) are required to follow the same voting instructions as laid above.

General Instructions:

i Voting rights of a Trade / Sundry Creditor shall be in proportion to the outstanding amount due by the Company as on the Cut off date, i.e, 31.01.2021.

ii The Scrutinizer, after scrutinising the votes cast at the meeting through remote e-voting and during the Meeting will, not later than 48 hours from the conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.cclproducts.com and on the website of CDSL www.cdslindia.com. The results shall simultaneously be communicated to the Stock Exchanges.

iii The voting result will be announced by the Chairman or any other person authorized by him within two days of the Meeting.

iv Subject to receipt of requisite majority of votes, as per Section 230 to 232 of the Act, and other applicable rules and regulations, the Resolution proposed in the Notice shall be deemed to have been passed on the date of the Meeting, i.e, 10th April, 2021

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
AMARAVATHI BENCH AT HYDERABAD
C.A. (CAA) NO.1/230/AMR/2021
IN THE MATTER OF COMPANIES ACT, 2013
AND
IN THE MATTER OF SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013
AND
ALL OTHER APPLICABLE PROVISIONS OF THE SAID ACT
AND
IN THE MATTER OF SCHEME OF AMALGAMATION
BETWEEN
CCL BEVERAGES PRIVATE LIMITED
(TRANSFEROR COMPANY)
AND
CCL PRODUCTS (INDIA) LIMITED
(TRANSFEREE COMPANY)
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

CCL PRODUCTS (INDIA) LIMITED, a Company
incorporated under the provisions of Companies Act, 1956,
bearing CIN: L15110AP1961PLC000874
and having its registered office situated at
Duggirala, Guntur, AP 522330, India

….Applicant / Transferee Company

EXPLANATORY STATEMENT UNDER SECTION 102 READ WITH SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND DETAILS & INFORMATION AS REQUIRED UNDER RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

1. A Scheme of Amalgamation between CCL Beverages Private Limited (Transferor Company) and CCL PRODUCTS (INDIA) LIMITED(Transferee Company) and their respective Shareholders and Creditors ("Scheme"), was proposed by the Board of Directors of the Transferee Company and the Board of Directors of the Transferor Company for the purpose of amalgamation of CCL Beverages Private Limited with CCL Products (India) Limited (Transferee Company) on a going concern basis with effect from 01.04.2020 (First Day of April, Two Thousand and Twenty), being the Appointed Date.

2. The said Scheme of Amalgamation was approved by the Board of Directors of the Company and the Board of Directors of the Transferor Company at their respective meetings held on 20th day of October, 2020 under the provisions of Sections 230 to 232 of the Companies Act, 2013, by passing respective Board Resolutions. The Board of Directors of the Company approved the Scheme after taking into consideration the rationale of the Scheme and the certificate issued by the Statutory Auditors of the Company to the effect that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.

3. The Board of Directors of the Transferee Company and Transferor Company at their respective meeting held on 20th day of October, 2020, authorized, empowered and directed severally , Mrs. Sridevi Dasari, Company Secretary and Mr. Bandi Mohan Krishna (DIN: 03053172), Director, respectively, to file the Scheme along with necessary documents by making application, petition etc., with the Hon'ble National Company Law Tribunal, Amaravathi Bench at Hyderabad ("Hon'ble Tribunal/ NCLT") and with such other authorities as may be required for taking their approval to the Scheme and further authorized, empowered and directed them to take all such necessary steps and actions to give effect to the provisions of the Scheme.

4. Accordingly, a Joint Application vide C.A. (CAA) NO.1/230/AMR/2021 was made to the Hon'ble National Company Law Tribunal, Amaravati Bench at Hyderabad, by the Applicant Companies for obtaining the sanction of the Tribunal to the Scheme of Amalgamation under sections of section 230 to 232 of the Companies Act, 2013, on 11thday of January, 2021.

5. The C.A. (CAA) NO.1/230/AMR/2021 was allowed by the Hon'ble Tribunal vide Order dated 26th Day of February, 2021 and pursuant to said Order a meeting of the Trade / Sundry Creditors of CCL Products (India) Limited (Transferee Company) is being convened on Saturday, the 10th day of April, 2021 at 12.30 P.M. through video conferencing ("VC") / other audio visual means ("OAVM"), for the purpose of considering, and, if thought fit, approving with or without modification(s), the Scheme of Amalgamation between CCL Beverages Private Limited (Transferor Company) and CCL Products (India) Limited (Transferee Company) and their respective Shareholders and Creditors.

6. DESCRIPTION, INFORMATION AND OTHER DETAILS PERTAINING TO THE APPLICANT COMPANIES

TRANSFEREE COMPANY

6.1 CCL Products (India) Limited was originally incorporated under the name and style "Sahayak Finance &Investment Corporation Limited" under the provisions of Companies Act, 1956, on 22.03.1961 (Twenty Second Day of March, One Thousand Nine Hundred and Sixty One) in the state of Andhra Pradesh, vide Certificate of Incorporation No. 874 of 1960-61, issued by the Registrar of Companies, Andhra Pradesh. Subsequently, the name of the Company was changed from "Sahayak Finance & Investment Corporation Limited" to "Continental Coffee Limited" by following due procedure laid down under the applicable provisions of Companies Act, 1956 and a fresh certificate of Incorporation consequent on change of name was issued by the Registrar of Companies, Andhra Pradesh on 22.02.1994 (Twenty Second Day of February, One Thousand Nine Hundred and Ninety Four). Subsequently, the name of the Company was changed from "Continental Coffee Limited" to its present name, i.e.,"CCL Products (India) Limited" by following due procedure laid down under the applicable provisions of Companies Act, 1956 and a fresh certificate of incorporation consequent on change of name was issued by the Registrar of Companies, Andhra Pradesh, on 21.11.2002 (Twenty First Day of November Two Thousand and Two). The present Corporate Identification Number (CIN) of the Company is L15110AP1961PLC000874. The PAN of the Company is AAACC9552G. (Hereinafter referred to as the **"Transferee Company"**). The Company is a Public Limited Company, listed on BSE Limited and National Stock Exchange of India Limited.

The registered office of the Transferee Company is situated at Duggirala, Guntur District, Andhra Pradesh- 522330 India and the E-mail address is companysecretary@continental.coffee

6.2 Few of the main objects of the Transferee Company are as follows:

a) To carry on the business solely or in collaboration with others, Indian or foreign, in manufacture of Coffee, Tea, Chicory, Cocoa, Milk Products, Condensed Milk, Cheese, Plain and all flavoured, Yoghurt, Shrikhand, Creamers including non-dairy creamer, sweetner, natural & artificial and the like, in all or any of their forms (including spray dried, freeze dried, agglomerate, granulated, blended and preparations thereof for consumption by human beings and also including all versions, alternatives, substitutes thereof and therefor in whatsoever manner, that is to say, either mechanically or otherwise, by employing electricity or any other power or energy, and sale thereof, either in whole sale and/or in retail or otherwise, whether in the country or abroad.

b) To carry on business in processing, manipulating, preparing, preserving, carrying, refining, bottling, buying, rendering marketable and dealing in Coffee, Tea, Chicory, Cocoa and the like in their prepared, manufactured or raw state and whether in whole sale and/or in retail.

c) To manufacture, sell and deal in any manner with Plant and Machinery, Equipment, Knowhow for manufacture of coffee, tea, cocoa and milk products.

d) To acquire by purchase or otherwise, and to carry on the business of planters, cultivators, growers and manufacturers or sellers and dealers in tea, coffee, cocoa and to manufacture, dispose of, buy and deal in the said products.

e) To develop, manufacture, prepare, process, convert, buy, import or otherwise acquire and to sell, distribute, deal in, market, trade, export or otherwise dispose of in, to, at or from any part of India and elsewhere globally all sorts of food and food stuffs, natural food, instant food, fast food, cooked food, packaged food, ready food, canned food, dehydrated foods, pulps and purees, sauces, preserved food, prepared food, noodles, snacks (whether or not plain, flavoured, spiced, curried, coloured) and edible food colours (natural, artificial, synthetic or chemical) and all raw materials, ingredients, condiments, accompaniments, curries, preparations, sauces, packaging, dispensing accessories and also including all versions, alternatives, substitutes thereof and therefor and to undertake, execute, or otherwise perform the agency business, representative business, transport, delivery, stocking, storing, distribution of any or all aforesaid.

f) To develop, manufacture, prepare, process, convert, buy, import or otherwise acquire and to sell, distribute, deal in, market, trade, package, bottle, export or otherwise dispose of, in, to, at or from any part of India and elsewhere globally all sorts of wines, alcoholic liquors and liqueurs, beverages (alcoholic, non-alcoholic, aerated or non-aerated), food or health beverages, fruit and vegetable pulps and beverages, drinks and all raw materials, ingredients, accompaniments, packaging, bottles, dispensing accessories and also including all versions, alternatives, substitutes thereof and to refer and to undertake, execute, or otherwise perform the agency business, representative business, bottling, distilling, transport, delivery, stocking, storing, distribution of any or all aforesaid

The Transferee Company is mainly engaged in the business of manufacturing and sale of different types of the Coffee in India and abroad.

There has been no instance of change of name or change of registered office or change of objects of the Company, during the last five years.

6.3 The authorized, issued, subscribed and paid-up share capital of Transferee Company as on 31st March, 2020, is as follows:

Share Capital	Amount in Rs.
Authorized Capital 15,00,00,000 (Fifteen Crore) Equity Shares of Rs.2/- (Rupees Two only) each.	30,00,00,000
Total	**30,00,00,000**
Issued, Subscribed and Paid Up Capital 13,30,27,920 (Thirteen Crore Thirty Lakh Twenty Seven Thousand Nine Hundred and Twenty) fully paid up Equity Shares of Rs.2/- (Rupees Two only) each.	26,60,55,840
Total	**26,60,55,840**

Subsequent to 31.03.2020 and till the date of resolution approving the Scheme of Amalgamation by the Board of Directors of the Transferee Company, there has been no change in the capital structure of the Transferee Company.

The following is the Shareholding Pattern of the Transferee Company as on date:

Sl. No.	Category of shareholder	No. of Shareholders	Total No. of shares held	% of holding
1.	Promoter & Promoter Group	6	6,14,49,342	46.19
2.	Public	38,984	7,15,78,578	53.81
	Total	**38,990**	**13,30,27,920**	**100.00**

6.4 Details of Promoters of Transferee Company (as on date of this Notice) along with their addresses are mentioned herein below:

Sl. No.	Name	Address
1.	Challa Rajendra Prasad	8-2-269/4A, Road No 2, Near R B S Bank, Banjara Hills, Khairatabad, Hyderabad – 500034
2.	Challa Shantha Prasad	8-2-269/4A, Road No 2, Near R B S Bank, Banjara Hills, Hyderabad – 500034
3.	Challa Soumya	8-2-269/4A, Road No 2, Near R B S Bank, Banjara Hills, Hyderabad – 500034
4.	Challa Srishant	Lodha Bellezza, Tower 5b, Baldwin Park, Flat 600, Survey No 1009/p, Kukatpally, KPHB Colony, Hyderabad – 500072
5.	Challa Ajitha	8-2-269/4A, Road No 2, Near R B S Bank, Banjara Hills, Hyderabad – 500034
6.	B. Mohan Krishna	8-2-293/82/A/1182, Road No.45, Jubilee Hills, Hyderabad -500033 , Telangana

6.5 Details of Directors of Transferee Company (as on date of this Notice) along with their addresses are mentioned herein below:

Name	DIN	Address	Designation	Date of Appointment
CHALLA SRISHANT	00016035	Lodha Bellezza, Tower 5b, Baldwin Park, Flat 600, Survey No 1009/p, Kukatpally, KPHB Colony, Hyderabad – 500072	Managing Director	18/07/2005
VIPIN KUMAR SINGAL	00505339	B-28, Kailash Colony New Delhi -110048, Delhi, India	Director	12/04/1994
CHALLA RAJENDRA PRASAD	00702292	8-2-269/4A, Road No 2, Near R B S Bank, Banjara Hills, Hyderabad – 500034	Chairman (Wholetime Director)	24/11/1982

CHALLA SHANTHA PRASAD	00746477	8-2-269/4A, Road No 2, Near R B S Bank, Banjara Hills, Hyderabad – 500034	Director	29/07/2016
KULSOOM NOOR SAIFULLAH	02544686	#301, Ashadeep 9, Hailey Road, New Delhi NDMC, New Delhi, G P Central Delhi, Delhi -110001, India	Director	19/01/2015
CHANDRAHAS KATA	02994302	G-1, Reliance Homes, 8-2-547/R, Road No.7, Banjara Hills, Khairatabad, Hyderabad - 500034 Telangana, India	Director	07/09/2011
BANDI MOHAN KRISHNA	03053172	8-2-293/82/A/1182, Road No.45, Jubilee Hills, Hyderabad -500033 , Telangana	Wholetime Director	03/07/2013
KONDAMUDU KASYAP SARMA	06672873	10-2-9AND249, F. No-101A Nasr Apts A C Guards, Khairatabad, Hyderabad - 500004, Telangana, India	Director	03/07/2013
VENKATA KRISHNA RAU GOGINENI	06775731	Villa 116,The Retreat, Tarabanahalli Tharabana Halli, Bangalore, North Bengaluru - 562157 Karnataka, India	Director	28/10/2014
DR. KRISHNANAND LANKA	07576368	H No:1-242/1, S V S College Road, Hasanparthy Mandal, Bhimaram (rural) Warangal - 506015, Telangana, India	Director	29/07/2016
DURGA PRASAD KODE	07946821	8-2-293/82/A/548-A/21, Road No.32, Jubilee Hills Hyderabad - 500033, Telangana, India	Director	01/02/2018
VEERAYYA CHOWDARY KOSARAJU	08485334	Flat No-Teja 511, My Home Navadweepa, Madhapur, K.V.Rangareddy, Hyderabad- 500081, Telangana, India	Director	25/06/2019

6.6 Names of the Directors of CCL Products (India) Limited (Transferee Company) who voted in favor of the resolution approving the Scheme of Amalgamation between CCL Beverages Private Limited (Transferor Company) and CCL Products (India) Limited (Transferee Company) and their respective Shareholders and Creditors at the meeting of Board of Directors of the Company held on 20th October, 2020:

Sl. No.	Name
1.	CHALLA SRISHANT
2.	VIPIN KUMAR SINGAL
3.	CHALLA RAJENDRA PRASAD
4.	CHALLA SHANTHA PRASAD
5.	KULSOOM NOOR SAIFULLAH
6.	CHANDRAHAS KATA

7.	BANDI MOHAN KRISHNA
8.	KONDAMUDU KASYAP SARMA
9.	VENKATA KRISHNA RAU GOGINENI
10.	DR. KRISHNANAND LANKA
11.	DURGA PRASAD KODE
12.	VEERAYYA CHOWDARY KOSARAJU

All the Directors participated and voted in the meeting and none of the Directors voted against the resolution.

6.7 The Transferee Company owes an amount of Rs. 4,14,51,43,000/- (Rupees Four Hundred Fourteen Crores Fifty One Lakhs Forty Three Thousand) to its 4 (Four) Secured Creditors as on 31.01.2021 and all the 4 (Four) Secured Creditors of Transferee Company have given their consent to the Scheme of Amalgamation. The Transferee Company does not have any unsecured creditors as on 31.01.2021 The Transferee Company has 280 Trade/sundry creditors for an amount of Rs. 52,83,92,008/- (Rupees Fifty Two Crores eighty three lakhs Ninety Two Thousand Eight only) as on 31.01.2021. The Transferor Company does not have any Unsecured Creditors/ Trade Creditors. The Company has one secured creditor having an outstanding amount of Rs.45,00,00,000/- (Rupees Forty Five Crores) as on 31.01.2021.

TRANSFEROR COMPANY

6.8 CCL Beverages Private Limited is a Company incorporated under the provisions of Companies Act, 2013, on 14/10/2019 in the state of Andhra Pradesh, vide Corporate Identification Number U15549AP2019PTC113114, issued by Registrar of Companies, Andhra Pradesh. The PAN of the Company is AAICC4206D. (Hereinafter referred to as the "Transferor Company). The Company is a Private Limited Company, and wholly owned subsidiary of CCL Products (India) Limited. None of the securities of the Company is listed on any of the Stock Exchanges.

The Registered Office of the Transferor Company is situated at Door No/SYNo.269/1, Kuvvakolli Village, Varadaiahpalem Mandal, Chittoor District, Andhra Pradesh- 517645 India and the E-mail address is mohan.b@continental.coffee

6.9 The present main objects of the Transferor Company are as follows:

a) To carry on the business, either solely or in collaboration with other persons or entities, whether of Indian or foreign origin, to manufacture, buy, sell, retail, wholesale, trade, market, import, export, process, manipulate, prepare, preserve, carry on, refine, bottle and to deal in all types of coffee, tea, chicory, cocoa, milk, condensed milk, milk products, sugar, sugar substitutes and other similar products, manufactured or raw state, whether in India or elsewhere either in wholesale and/ or in retail or otherwise.

b) To manufacture, sell and deal, in any manner whatsoever, with plant and Machinery, Equipment, Know-how for manufacture of coffee, tea, cocoa, milk, milk products, sugar, sugar substitutes and other similar products.

c) To develop, manufacture, prepare, process, convert, buy, import or otherwise acquire and to sell, distribute, deal in, market, trade, export or otherwise dispose of in, to, at or from any part of India and elsewhere globally all sorts of food and food stuffs, natural food, instant food, cooked food, packaged food, ready food, canned food, dehydrated food, pulps and purees, sauces, preserved food, prepared food, noodles, snacks (whether or not plain, flavoured, spiced, curried, coloured) and edible food colours (natural, artificial, synthetic or chemical) and all raw materials, ingredients, condiments, accompaniments, curries, preparations, sauces, packaging, dispensing accessories and also including all versions, alternatives, substitutes thereof and therefore and to undertake, execute, or otherwise perform the agency business, representative business, transport, delivery, stocking, storing, distribution of any or all aforesaid.

d) To develop, manufacture, prepare, process, convert, buy, import or otherwise acquire and to sell, distribute, deal in, market, trade, package, bottle, export or otherwise dispose off at or from any part of India and elsewhere globally all sorts of wines, alcoholic liquors and liqueurs, beverages (alcoholic, non- alcoholic, aerated or non- aerated), food or health beverages, fruit and vegetable pulps and beverages, drinks and all raw materials, ingredients, accompaniments, packaging, bottles, dispensing accessories and also including all versions, alternatives, substitutes thereof and to refer and to undertake, execute, or otherwise perform the agency business, representative business, bottling, distilling, transport, delivery, stocking, storing, distribution of any or all aforesaid.

There has been no instance of change of name or change of registered office or change of objects of the Company, during the last five years.

6.10 The authorized, issued, subscribed and paid-up share capital of the transferor company as on 31st March 2020 is as follows:

Share Capital	Amount in Rs.
Authorized Capital 1,00,000 (One Lakh) Equity Shares of Rs.10/- (Rupees Ten only) each	10,00,000
Total	**10,00,000**
Issued, Subscribed and Paid Up Capital 10,000 (Ten Thousand) fully paid up Equity Shares of Rs.10/- (Rupees Ten only) each.	1,00,000
Total	**1,00,000**

Subsequent to 31.03.2020 and till the date of resolution approving the Scheme of Amalgamation by the Board of Directors of the Transferor Company, there has been no change in the capital structure of the Transferor Company.

6.11 The following is the extract of the register of equity shareholders of the Transferor Company showing the latest list of the equity shareholders of the Transferor Company:

Sl. No.	Name of shareholder	Total No. of shares held	% of Shareholding
1.	CCL Products (India) Limited (Transferee Company	9,999	99.99
2.	Challa Srishant - Nominee of CCL Products (India) Limited	1	0.01
	Total	**10,000**	**100**

6.12 Details of Promoters of Transferor Company (as on date of this Notice) along with their addresses are mentioned herein below:

Sl. No.	Name	Address
1.	CCL Products (India) Limited	Duggirala, Guntur District, Andhra Pradesh- 522330, India
2.	Challa Srishant (holding beneficial interest on behalf of CCL Products (India) Limited)	Lodha Bellezza, Tower 5b, Baldwin Park, Flat 600, Survey No 1009/p, Kukatpally, KPHB Colony, Hyderabad – 500072

6.13 Details of Directors of Transferor Company(as on date of this Notice) along with their addresses are mentioned herein below:

Name	DIN	Address	Designation	Date of Appointment
CHALLA SRISHANT	00016035	Lodha Bellezza, Tower 5b, Baldwin Park, Flat 600, Survey No 1009/p, Kukatpally, KPHB Colony, Hyderabad – 500072	Director	14/10/2019
BANDI MOHAN KRISHNA	03053172	8-2-293/82/A/1182, Road No.45, Jubilee Hills, Hyderabad -500033 , Telangana	Director	14/10/2019

6.14 Name of the Directors of CCL Beverages Private Limited (Transferor Company) who voted in favor of the resolution approving the Scheme of Amalgamation between CCL Beverages Private Limited (Transferor Company) and CCL Products (India) Limited (Transferee Company) and their respective Shareholders and Creditors at the meeting of Board of Directors the Company held on 20th October, 2020:

Sl. No.	Name
1.	CHALLA SRISHANT
2.	BANDI MOHAN KRISHNA

All the Directors participated and voted in the meeting and none of the Directors voted against the resolution.

7. RATIONALE, OBJECTIVE, PURPOSE AND BENEFITS OF THE SCHEME TO THE COMPANY AND ITS STAKEHOLDERS

The Transferee Company is holding the entire stake in the Transferor Company. The Transferor Company i.e. CCL Beverages Private Limited was incorporated in the year 2019 and was made a wholly owned subsidiary of the Transferee Company in order to implement agglomeration and packing project at Kuvvakolli Village through its Spray Dried Coffee Plant to cater to the increased demand in international markets. However, the Board of Directors of the Transferee Company thought fit and decided to implement the said project under the Transferee Company itself and hence the amalgamation of the Transferor Company with the Transferee Company is being undertaken. The amalgamation of the Transferor Company with the Transferee Company would inter-alia have the following benefits:

1. The amalgamation will enable appropriate consolidation of activities of Transferor Company and Transferee Company with pooling and more efficient utilization of their resources, greater

economies of scale, reduction in overheads and other expenses and improvement in various operating parameters.

2. To achieve consolidation, greater integration and flexibility which will maximize overall share-holder value and improve the competitive position of the combined entity.

3. To achieve greater efficiency in cash management and unfettered access to cash flows generated by the combined entity which can be deployed more effectively to fund organic and inorganic growth opportunities.

4. Improved organizational capability and leadership, arising from the pooling of human capital who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.

5. Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business process, elimination of duplication and rationalization of administrative expenses.

6. The amalgamation will result in reduction of multiplicity of entities, thereby reducing compliance cost of multiple entities viz., statutory filings, regulatory compliances, labour law/ establishment related compliances.

8. SCOPE OF THE SCHEME

This Scheme of Amalgamation is presented pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (to the extent applicable) for the Amalgamation of CCL Beverages Private Limited (Transferor Company) with CCL Products (India) Limited (Transferee Company). The Scheme (as defined hereinafter) also provides for various other matters consequential to, or otherwise integrally connected with the above, as more specifically stated hereinafter. The scope of the scheme is as under:

1. Amalgamation of the Transferor Company with the Transferee Company.

2. Dissolution of the Transferor Company without Winding up.

3. The transfer of the Transferor Company will be on a going concern basis.

   This Scheme of Amalgamation has been drawn up to comply with the conditions as specified under section 2(1B) of Income Tax Act, 1961, such that:

   (i) All the properties of Transferor Company, immediately before the amalgamation, become the properties of Transferee Company by virtue of amalgamation.

   (ii) All the liabilities of Transferor Company, immediately before the amalgamation, become the liabilities of Transferee Company by virtue of amalgamation.

9. SALIENT FEATURES OF THE SCHEME

1. **Appointed Date** means 01st day of April, 2020 or such other date as may be fixed or approved by the Appropriate Authority.The Appointed Date shall be the effective date and the Scheme shall be deemed to be effective from the Appointed Date.

2. Transfer of assets, properties, estates, claims, debts, duties, liabilities, obligations etc.,

2.1 Upon approval of this Scheme by the Tribunal and with effect from the Appointed Date, all properties, assets, liabilities and undertaking(s) of the Transferor Company shall stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company under the provisions of Section 230 to 232 of the 2013 Act and all other applicable provisions, if any, of the 2013 Act and also in accordance with section 2(1B) of the Income-tax Act, 1961, without any further deed or act, subject to existing charges or lis pendens, if any thereon, in favour of banks/ financial institutions.

2.2 Upon approval of this Scheme by the Tribunal and with effect from the Appointed Date, all immovable property (including land, buildings and any other immovable property), if any, of the Transferor Company, whether under constructions, freehold or leasehold, and any documents of title, rights, agreements to sell / agreements of sale and easements in relation thereto, shall stand vested in the Transferee Company, without any act or deed done by the Transferor Company or the Transferee Company, and without any approval or acknowledgement of any third party. With effect from the Appointed Date, the Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfill all obligations, in relation to or applicable to such immovable properties. The mutation/ substitution of the title to such immovable properties shall be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the NCLT and in accordance with the terms hereof. The Transferor Company shall take all steps as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title, interest of its immovable property is given to the Transferee Company.

2.3 Without prejudice to the generality of the foregoing, with effect from the Appointed Date, it is expressly provided that in respect of such of the assets of the Transferor Company that are movable in nature and / or are otherwise capable of transfer by manual or constructive delivery and / or endorsement and delivery or novation, the same shall be deemed to have been so transferred by Transferor Company and shall become the property of the Transferee Company in pursuance of the provisions of section 230 to 232 of the 2013 Act, without any further act, instrument, deed, matter or thing.

2.4 In respect of movables other than those dealt with in Clause 0 above including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, property development rights, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferor Company may, without being obliged, and if it so deems appropriate, at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositee, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).

2.5 Upon approval of this Scheme by the Tribunal and with effect from the Appointed Date all liabilities relating to and comprised in the undertaking of Transferor Company including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations, shall, stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company under the provisions of Sections 230 to 232 of the 2013 Act and other applicable provisions, if any, of the 2013 Act, without any further act, instrument, deed, matter or thing.

2.6 The transfer and vesting as aforesaid shall be subject to subsisting charges, if any, in respect of any assets of Transferor Company. PROVIDED always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed by the Transferor Company and Transferee Company shall not be obliged to create any further or additional security in relation to subsisting charges, if any, thereof after the date of approval of this Scheme by the NCLT or otherwise.

2.7 All staff, workmen and employees of the Transferor Company shall become the staff, workmen and employees of the Transferee Company, without any further act or deed to be done by the Transferor Company or the Transferee Company.

2.8 Upon approval of the Scheme by the Tribunal, the Transferee Company shall, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangement with any party to any contract or arrangement to which the Transferor Company is a party in order to give formal effect to the above provisions. The Transferee Company shall be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliances referred to above on part of the Transferor Company.

2.9 Upon approval of this Scheme by the Tribunal, the Transferee Company shall be entitled to secure the record of the change in the legal ownership upon the vesting of the assets of the Transferor Company in accordance with the provisions of Sections 230 to 232 of the 2013 Act. The Transferor Company and the Transferee Company shall be jointly and severally authorized to execute any writings and / or carry out any formalities or compliance in this regard.

2.10 All taxes, duties, cess payable by the Transferor Company including all or any refunds / credit / claims pertaining to the period prior to the Appointed Date shall be treated as the liability or refunds / credit / claims, as the case may be, of the Transferee Company.

2.11 All the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits (including tax benefits), subsidies, concessions, grants, rights, patents, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 of the 2013 Act and all other applicable provisions of the Act, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

2.12 All the Insurance policies registered in the name of the Transferor Company which are active as on the date of approval of the Scheme by the Tribunal and which can be transferred/assigned shall pursuant to the provisions of Section 232 of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to the benefit of the Transferee Company and accordingly, the insurance companies shall record the name of the Transferee Company in all the insurance policies registered in the name of the Transferor Company so as to ensure that all the rights and privileges under all such policies available to the Transferor Company and / or to any other person / director / employee of Transferor Company, whether in the capacity of the Policy Holder or Owner or Insured or the Beneficiary, as the case may be, be available to the benefit of the Transferee Company and / or to any other person/director/employee of Transferee Company, as the case may be, on the same terms and conditions as they were applicable to the Transferor Company and upon such transfer/assignment, all such policies shall be effective in favour of the Transferee Company as if instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto. However, for the insurance policies which do not permit such transfer/assignment, the Transferee Company may make fresh application(s) to the concerned authority/insurance company(ies) on such terms and conditions as may be prescribed. It is hereby clarified that all the costs and/or expenses and/or premiums in relation to the transfer/ assignment/of the insurance policies in the name of Transferee Company shall be borne by the Transferee Company and the Transferor Company shall have no further obligations in this regard.

2.13 Upon approval of this Scheme by the Tribunal and with effect from the Appointed Date, all existing and future incentives, unavailed credits and expenditures, exemptions and deductions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including MAT credit under the IT Act), excise (including Modvat / Cenvat), customs, VAT, sales tax, service tax, GST including the IGST input tax credit, CGST input tax credit and SGST input tax credit for the registrations of the Transferor Company in all the states, to which the Transferor Company are entitled to shall be available to and vest in the Transferee Company.

2.14 The Transferee Company shall file relevant intimations, for the record of the statutory authorities signifying the transfer of the assets / properties including but not limited to permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorizations of the Transferor Company.

INTER- SE TRANSACTIONS:

Without prejudice to the provisions of Clause 2, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes.

3. Legal Proceedings:

3.1 If any suit, appeal or other proceedings of whatever nature by or against the Transferor Company is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of this amalgamation or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made.

3.2 On and from the date of approval of this Scheme by the Tribunal, the Transferee Company shall, and may, if required, initiate, continue any legal proceedings in relation to the Transferor Company.

4. Staff, Workman & Employees of the Transferor Company:

Upon approval of this Scheme by the Tribunal, all staff, workmen and employees on the payrolls of the Transferor Company, in service on the date of approval of this Scheme by the Tribunal shall be deemed to have become staff, workmen, and employees of Transferee Company on such date without any break or interruption in their service and on the terms and conditions of their employment not less favourable than those subsisting with reference to Transferor Company as on the said date.

5. Dissolution of the Transferor Company:

Upon approval of this Scheme by the Tribunal, the Transferor Company (viz. CCL Beverages Private Limited shall be dissolved without winding up and without any further act or deed on the part of the Transferor Company pursuant to the provisions of Section 232 of the 2013 Act.

6. Consideration:

The entire issued, subscribed and paid-up share capital of the Transferor Company is held (beneficially owned) by the Transferee Company. Upon approval of this Scheme by the Tribunal, no shares of the Transferee Company shall be issued or allotted in lieu of its holding in the Transferor Company, and the Paid up share capital of the Transferor Company shall stand cancelled and extinguished. The investments in the shares of the Transferor Company, appearing in the books of account of Transferee Company shall without any further act or deed, stand cancelled.

7. Consolidation of Authorized Capital of the Transferor Company with the Authorised Capital of the Transferee Company:

7.1 As an integral part of the Scheme, the face value of 1 (One) equity share of Transferor Company amounting to Rs.10/- (Rupees Ten only) shall be sub-divided into face value of Rs.2/- (Rupee Two only) comprising 5 (Five) equity shares of Transferor Company, accordingly the authorised share capital of the Transferor Company shall be restructured and restated as follows:

"The authorised share capital of the Transferor Company is Rs.10,00,000/- (Rupees Ten Lakh only) divided into 5,00,000 (Five Lakh) equity shares of Rs.2/- (Rupee Two only) each".

7.2 The members of the Transferor Company, on approval of the Scheme, shall be deemed to have given their approval u/s 61 of the 2013 Act and all other applicable provisions of the said act for sub-division of the face value of equity shares and for the amendment to the Authorized Capital of the Company and no separate resolutions will be required to be passed for sub-division of the face value of equity shares of the Company and for the amendment to the Authorized Capital of the Company under section 61 of the 2013 Act and no separate notice will be required to be given to the Registrar of Companies, for intimation of sub-division under section 64 of the 2013 Act.

7.3 As an integral part of the Scheme and upon its sanction, and after the sub-division of the face value of the equity shares of the Transferor Company, the Authorized Share Capital of the Transferee Company shall automatically stand increased by merging the Authorized Share Capital of Transferor Company with Transferee Company after filing necessary e-form INC 28 with the ROC / MCA without any further act or deed on the part of the Transferee Company. However, the fee paid by the Transferor Company on its Authorised Capital prior to its amalgamation with the transferee company shall be set off against the fees payable by the transferee company on its Authorised Capital enhanced by the amalgamation as provided under Section 233(11) of the Companies Act, 2013.

7.4 The Memorandum and Articles of association of the Transferee Company (relating to authorized share capital) shall without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purpose of effecting this amendment, and no further resolution(s) under Section 13, 14, 61, 64 or any other applicable provisions of the 2013 Act would be required to be separately passed, as the case may be and for this purpose the stamp duty and fees paid on the authorized capital of the Transferor Company shall be utilised and applied to the increased authorized share capital of the Transferee Company. Pursuant to the approval of this Scheme by the Tribunal and consequent upon the amalgamation of the Transferor Company with the Transferee Company, the authorized share capital of the Transferee Company will be Rs.30,10,00,000/- (Rupees Thirty Crore and Ten Lakh only) divided into 15,05,00,000 (Fifteen Crore and Five Lakh) equity shares of Rs.2/- (Rupees Two only) each.

7.5 It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be given their consent / approval also to the alteration of the Memorandum and Article of Association of the Transferee Company as may be required under the Act and Clause V of the Memorandum of Association of the Transferee Company shall stand substituted by virtue of the Scheme to be read as follows:

Memorandum of Association:

V. The Authorized Share Capital of the Company is Rs.30,10,00,000/- (Rupees Thirty Crore and Ten Lakh only) divided into 15,05,00,000 (Fifteen Crore and Five Lakh) equity shares of Rs.2/- (Rupees Two only) each.

8. Conditionality of the Scheme:

8.1 The Scheme is conditional upon and subject to:

(a) Approval by requisite majority of the members and creditors of Transferor Company and Transferee Company as may be directed by the NCLT either by way of convening a meeting or by way of a dispensation on production of consent affidavits or no-objection certificates;

(b) Approval of the scheme by relevant regulatory authorities;

(c) Sanction of the Scheme by the NCLT;

(d) Certified copies of the orders of the NCLT, sanctioning the Scheme being filed with the Registrar of Companies.

8.2 In the event of this Scheme failing to take effect finally, this Scheme shall become null and void and in that case no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or employees or any other person.

8.3 If any part of this Scheme is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme, and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the Board of Directors of the companies involved in the Scheme shall attempt to bring about a modification in this Scheme, as will best preserve for the parties the benefits, and obligations of this Scheme, including but not limited to such part.

Note : YOU ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME TO GET FULLY ACQUAINTED WITH THE PROVISIONS THEREOF. THE AFORESAID ARE ONLY SOME OF THE KEY PROVISIONS OF THE SCHEME.

10. VALUATION REPORT:

Not Applicable. No shares are proposed to be issued by the Transferee Company pursuant to the Scheme. Therefore there will be no change in the shareholding pattern of the Transferee Company pursuant to the Scheme. In view of the said, valuation report and Fairness Opinion are not applicable.

11. RELATIONSHIP SUBSISTING BETWEEN PARTIES TO THE SCHEME:

The transferor Company is a Wholly Owned Subsidiary of the transferee Company.

12. CAPITAL / DEBT RESTRUCTURING :

There is no Capital / debt restructuring envisaged in the Scheme. No shares are proposed to be issued by the Transferee Company pursuant to the Scheme. Therefore, there will be no change in the Share Capital structure and the post-scheme shareholding pattern of the Transferee Company.

13. Pre and Post Amalgamation Capital Structure

a) The pre and post amalgamation Capital Structure of the Transferee Company is as follows:

Particulars	Pre-Amalgamation		Post-Amalgamation	
	No. of Equity	Amount in INR	No. of Equity	Amount in INR
Authorised Capital	15,00,00,000	30,00,00,000	15,05,00,000	30,10,00,000
Issued, Subscribed & Paid Up Capital	13,30,27,920	26,60,55,840	13,30,27,920	26,60,55,840

a) b) The pre and post amalgamation Capital Structure of the Transferor Company is as follows:

Particulars	Pre-Amalgamation		Post-Amalgamation	
	No. of Equity	Amount in INR	No. of Equity	Amount in INR
Authorised Capital	1,00,000	10,00,000	Nil	Nil
Issued, Subscribed & Paid Up Capital	10,000	1,00,000	Nil	Nil

14. Effect of Scheme on stakeholders

The Scheme of Amalgamation, if approved by the appropriate authorities and the Tribunal, shall not have any adverse impact or effect on the Directors, Key Managerial Personnels, Promoters, Non-Promoter Members, Creditors, whether secured or unsecured, employees of Transferee or Transferor Company. The Applicant Companies does not have any Depositors or Debenture Holders.

A report adopted by the respective Board of Directors of the Transferee and Transferor Company, explaining the effect of Scheme on promoters and non-promoter Shareholders and others is enclosed to this Notice.

15. Interest Of Directors, Key Managerial Personnel (KMPs), their Relatives and Debenture Trustee

None of the Directors, KMPs (as defined under the Act and rules framed thereunder) of the Transferee Company and their respective relatives (as defined under the Act and rules framed thereunder) has any interest in the Scheme except to the extent of their shareholding in the Company, if any. Save as aforesaid, none of the said Directors or the KMPs or their respective relatives has any material interest in the Scheme.

None of the Directors, KMPs (as defined under the Act and rules framed thereunder), as applicable, of the Transferor Company and their respective relatives (as defined under the Act and rules framed thereunder), has any interest in the Scheme except to the extent of their shareholding in the Transferor Company, if any. Save as aforesaid, none of the said Directors or the KMPs or their respective relatives has any material interest in the Scheme.

The Applicant Companies does not have any Depositors or Debenture Holders, hence the question of disclosure of interest of Depositors or Debenture Trustee does not arise.

16. Provisional Financial Statements of CCL Beverages Private Limited (Transferor Company) for the period ended on 31st December, 2020 and Standalone and Consolidated Provisional financial statements for the period ended 31st December, 2020 of the CCL Products (India) Limited (Transferee Company) are enclosed to this Notice.

17. The rights and interests of creditors of the Applicant Companies will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all called from them nor their rights sought to be modified in any manner and post the Scheme, the Transferee Company will be able to meet its liabilities as they arise in the ordinary course of business.

18. There are no winding up proceedings pending against any of the Applicant Companies as on date.

19. No inquiry or investigation under sections 235 to 251 of the Companies Act, 1956, or under Section 210 to 227 of Companies Act, 2013, is pending against any of the Applicant Companies.

20. The financial position of the Transferee Company will not be adversely affected by the Scheme.

21. A copy of the Scheme has been filed by the Company with the Registrar of Companies, for the State of Andhra Pradesh, on 11th January, 2021.

22. The Scheme of Amalgamation requires the approval / sanction / no objection from the following regulatory and government authorities:

    a) Registrar of Companies
    b) Regional Director
    c) Official Liquidator
    d) National Company Law Tribunal

    The Companies are yet to obtain the sanction of Registrar of Companies, Regional Director, Official Liquidator and the National Company Law Tribunal, Amaravati Bench at Hyderabad. The approval of the aforesaid authorities will be obtained at appropriate time.

23. Inspection and / or extract by the Equity Shareholders and creditors of the Transferee Company, of the following documents shall be allowed at the Registered Office of the Company on all working days (except on Sundays and Public holidays) between 9:00 A.M. to 5.00 P.M. till the date of this Meeting.

    a) Joint Company Application No. C.A.(CAA)NO.01/230/AMR/2020 filed by the Applicant Companies with the Hon'ble National Company Law Tribunal, Amaravati Bench at Hyderabad.

    b) Certified copy of the order dated 26th February, 2021, passed by the Hon'ble National Company Law Tribunal, Amaravati Bench at Hyderabad in the C.A. (CAA) NO.1/230/AMR/2021 .

    c) Resolution passed by the Board of Directors of Applicant Companies approving the Scheme of Amalgamation at their respective meetings held on 20th day of October, 2020.

    d) Scheme of Amalgamation between CCL Beverages Private Limited (Transferor Company) and CCL Products (India) Limited (Transferee Company) and their respective Shareholders and Creditors.

    e) A certificate issued by the respective Statutory Auditors of the Applicant Companies to the effect that the accounting treatment proposed in the scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013;

    f) Memorandum and Articles of Association of the Applicant Companies.

    g) Audited Financial Statements of the Applicant Companies for the financial year ended 31.03.2020.

h) Report of the Board of Directors of the Transferor and Transferee Company, pursuant to Section 232(2)(c) of the Act.

i) Standalone and Consolidated Provisional financial statements for the period ended 31st December, 2020 of the Transferee Company

j) Provisional Financial Statements for the period ended December 31, 2020 of the Transferor Company.

24. The Scheme of amalgamation, subject to any modification(s) approved or imposed or directed by the Hon'ble National Company Law Tribunal, Amaravati Bench at Hyderabad, unless otherwise specified in the Scheme, shall be effective and operative from the Appointed Date, i.e., 01.04.2020, upon receipt of Certified copy of Order of the National Company Law Tribunal, Amaravati Bench.

25. A copy of the Notice, the Explanatory Statement, the Scheme of Amalgamation, details & information as required under Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Reports adopted by the Board of Directors of the Transferor Company / Transferee Company, explaining the effect of Scheme on promoters and non-promoter Shareholders of the Company, and other relevant documents are also available on the website of the Company, ie., **www.cclproducts.com** and also available for inspection at the registered office on all working days (except on Sundays and Public holidays) between 9:00 A.M. to 5.00 P.M. till the date of this Meeting.

26. None of the Directors of respective Companies and their respective relatives is concerned or interested, financially or otherwise in the proposed resolution except as shareholders of their respective companies in general.

27. The Board of Directors recommends the resolution set out in the notice in relation to the approval of the proposed Scheme of Amalgamation between CCL Beverages Private Limited (Transferor Company) and CCL Products (India) Limited (Transferee Company) and their respective Shareholders and Creditors.

28. This statement may be treated as an Explanatory Statement under Section 102 read with sections 230 to 232 of the Companies Act, 2013, read with relevant rules made thereunder.

29. A copy of the Notice along with Explanatory Statement may be obtained from the Registered Office of the Company.

Sd/-
J. Basavaraju,
Advocate
Chairperson - Tribunal Convened
Meeting of Trade/Sundry creditors of
CCL Products (India) Limited
Flat no 303, Sumitra Mansion,
H. No. : 6-3-609/13/1,
Anand Nagar Colony, Khairatabad,
Hyderabad-500 004

Date : 06.03.2021
Place : Hyderabad

SCHEME OF AMALGAMATION

UNDER SECTIONS

230 TO 232 OF THE COMPANIES ACT, 2013

AND

ALL OTHER APPLICABLE PROVISIONS OF THE SAID ACT

BETWEEN

CCL BEVERAGES PRIVATE LIMITED

(TRANSFEROR COMPANY)

AND

CCL PRODUCTS (INDIA) LIMITED

(TRANSFEREE COMPANY)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(A) PREAMBLE OF THE SCHEME

This Scheme of Amalgamation is presented pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (to the extent applicable) for the Amalgamation of CCL Beverages Private Limited (Transferor Company) with CCL Products (India) Limited (Transferee Company).

The Scheme (as defined hereinafter) also provides for various other matters consequential to, or otherwise integrally connected with the above, as more specifically stated hereinafter.

(B) DESCRIPTION OF COMPANIES

1. CCL BEVERAGES PRIVATE LIMITED is a Company incorporated under the provisions of Companies Act, 2013, on 14.10.2019 (Fourteenth Day of October, Two Thousand and Nineteen) in the State of Andhra Pradesh, vide Corporate Identification Number U15549AP2019PTC113114, issued by the Registrar of Companies, Andhra Pradesh. The PAN of the Company is AAICC4206D. (Hereinafter referred to as the "Transferor Company").

   The Registered Office of the Transferor Company is situated at Door No/SY No.269/1, Kuvvakolli Village, Varadaiahpalem Mandal, Chittoor AP 517645 IN.

   The present main objects of the Transferor Company are as follows:

   a) To carry on the business, either solely or in collaboration with other persons or entities, whether of Indian or foreign origin, to manufacture, buy, sell, retail, wholesale, trade, market, import, export, process, manipulate, prepare, preserve, carry on, refine, bottle and to deal in all types of coffee, tea, chicory, cocoa, milk, condensed milk, milk products, sugar, sugar substitutes and other similar products, manufactured or raw state, whether in India or elsewhere either in wholesale and/ or in retail or otherwise.

   b) To manufacture, sell and deal, in any manner whatsoever, with plant and Machinery, Equipment, Know-how for manufacture of coffee, tea, cocoa, milk, milk products, sugar, sugar substitutes and other similar products.

   c) To develop, manufacture, prepare, process, convert, buy, import or otherwise acquire and to sell, distribute, deal in, market, trade, export or otherwise dispose of in, to, at or from any part of India and elsewhere globally all sorts of food and food stuffs, natural food, instant food, cooked food, packaged food, ready food, canned food, dehydrated food, pulps and purees, sauces, preserved food, prepared food, noodles, snacks (whether or not plain, flavoured, spiced, curried, coloured) and edible food colours (natural, artificial, synthetic or chemical) and all raw materials, ingredients, condiments, accompaniments, curries, preparations, sauces, packaging, dispensing accessories and also including all versions, alternatives, substitutes thereof and therefore and to undertake, execute, or otherwise perform the agency business, representative business, transport, delivery, stocking, storing, distribution of any or all aforesaid.

d) To develop, manufacture, prepare, process, convert, buy, import or otherwise acquire and to sell, distribute, deal in, market, trade, package, bottle, export or otherwise dispose off at or from any part of India and elsewhere globally all sorts of wines, alcoholic liquors and liqueurs, beverages (alcoholic, non- alcoholic, aerated or non- aerated), food or health beverages, fruit and vegetable pulps and beverages, drinks and all raw materials, ingredients, accompaniments, packaging, bottles, dispensing accessories and also including all versions, alternatives, substitutes thereof and to refer and to undertake, execute, or otherwise perform the agency business, representative business, bottling, distilling, transport, delivery, stocking, storing, distribution of any or all aforesaid.

The authorized, issued, subscribed and paid-up share capital of the Transferor Company as on 31.03.2020 is as follows:

Share Capital	Amount in Rs.
Authorized Capital 1,00,000 (One Lakh) Equity Shares of Rs.10/- (Rupees Ten only) each.	10,00,000
Total	**10,00,000**
Issued, Subscribed and Paid Up Capital 10,000 (Ten Thousand) fully paid up Equity Shares of Rs.10/- (Rupees Ten only) each.	1,00,000
Total	**1,00,000**

Subsequent to 31st March, 2020, there is no change in the authorised, issued, subscribed and paid up share capital of the Transferor Company.

The Transferor Company is wholly owned subsidiary of the Transferee Company. The following is the extract of the Register of Members of the Transferor Company showing its latest list of the equity shareholders:

Sl. No.	Name of shareholder	Total No. of shares held	% of Shareholding
1.	CCL Products (India) Limited (Transferee Company)	9,999	99.99
2.	Mr. Challa Srishant - Nominee of CCL Products (India) Limited	1	0.01
	Total	**10,000**	**100.00**

2. CCL PRODUCTS (INDIA) LIMITED was originally incorporated under the name and style “Sahayak Finance & Investment Corporation Limited” under the provisions of Companies Act, 1956, on 22.03.1961 (Twenty Second Day of March, One Thousand Nine Hundred and Sixty One) in the state of Andhra Pradesh, vide Certificate of Incorporation No. 874 of 1960-61, issued by the Registrar of Companies, Andhra Pradesh. Subsequently, the name of the Company was changed from “Sahayak Finance & Investment Corporation Limited” to “Continental Coffee Limited” by following due procedure laid down under the applicable provisions of Companies Act, 1956 and a fresh certificate of Incorporation consequent on change of name was issued by the Registrar of Companies, Andhra Pradesh on 22.02.1994 (Twenty Second Day of February, One Thousand Nine Hundred and Ninety Four). Subsequently, the name of the Company was changed from “Continental Coffee Limited” to its present name, i.e., “CCL Products (India) Limited” by following due procedure laid down under the applicable provisions of Companies Act, 1956 and a fresh certificate of incorporation consequent on change of name was issued by the Registrar of Companies, Andhra Pradesh, on 21.11.2002 (Twenty First Day of November Two Thousand and Two). The present Corporate Identification Number (CIN) of the Company is L15110AP1961PLC000874. The PAN of the Company is AAACC9552G. (Hereinafter referred to as the “Transferee Company”).

   The registered office of the Transferee Company is situated at Duggirala, Guntur, AP 522330 IN.

   The Transferee Company is mainly engaged in the business of manufacturing and sale of different types of the Coffee in India and abroad. Few of the main objects of the Transferee Company are as follows:

   a) To carry on the business solely or in collaboration with others, Indian or foreign, in manufacture of Coffee, Tea, Chicory, Cocoa, Milk Products, Condensed Milk, Cheese, Plain and all flavoured, Yoghurt, Shrikhand, Creamers including non-dairy creamer, sweetner, natural & artificial and the like, in all or any of their forms (including spray dried, freeze dried, agglomerate, granulated, blended and preparations thereof for consumption by human beings and also including all versions, alternatives, substitutes thereof and therefor in whatsoever manner, that is to say, either mechanically or otherwise, by employing electricity or any other power or energy, and sale thereof, either in whole sale and/or in retail or otherwise, whether in the country or abroad.

   b) To carry on business in processing, manipulating, preparing, preserving, carrying, refining, bottling, buying, rendering marketable and dealing in Coffee, Tea, Chicory, Cocoa and the like in their prepared, manufactured or raw state and whether in whole sale and/or in retail.

   c) To manufacture, sell and deal in any manner with Plant and Machinery, Equipment, Knowhow for manufacture of coffee, tea, cocoa and milk products.

   d) To acquire by purchase or otherwise, and to carry on the business of planters, cultivators, growers and manufacturers or sellers and dealers in tea, coffee, cocoa and to manufacture, dispose of, buy and deal in the said products.

   e) To develop, manufacture, prepare, process, convert, buy, import or otherwise acquire and to sell, distribute, deal in, market, trade, export or otherwise dispose of in, to, at or from any part of India and elsewhere globally all sorts of food and food stuffs, natural food, instant food, fast food, cooked food, packaged food, ready food, canned food, dehydrated foods, pulps and purees, sauces, preserved food, prepared food, noodles, snacks (whether or not plain, flavoured, spiced, curried, coloured) and edible food colours (natural, artificial, synthetic or chemical) and all raw materials, ingredients, condiments, accompaniments, curries, preparations, sauces, packaging, dispensing accessories and also including all versions, alternatives, substitutes thereof and therefor and to undertake, execute, or otherwise perform the agency business, representative business, transport, delivery, stocking, storing, distribution of any or all aforesaid.

f) To develop, manufacture, prepare, process, convert, buy, import or otherwise acquire and to sell, distribute, deal in, market, trade, package, bottle, export or otherwise dispose of, in, to, at or from any part of India and elsewhere globally all sorts of wines, alcoholic liquors and liqueurs, beverages (alcoholic, non-alcoholic, aerated or non-aerated), food or health beverages, fruit and vegetable pulps and beverages, drinks and all raw materials, ingredients, accompaniments, packaging, bottles, dispensing accessories and also including all versions, alternatives, substitutes thereof and to refer and to undertake, execute, or otherwise perform the agency business, representative business, bottling, distilling, transport, delivery, stocking, storing, distribution of any or all aforesaid.

The authorized, issued, subscribed and paid-up share capital of the Transferee Company as on 31.03.2020 is as follows:

Share Capital	Amount in Rs.
Authorized Capital 15,00,00,000 (Fifteen Crore) Equity Shares of Rs.2/- (Rupees Two only) each.	30,00,00,000
Total	**30,00,00,000**
Issued, Subscribed and Paid Up Capital 13,30,27,920 (Thirteen Crore Thirty Lakh Twenty Seven Thousand Nine Hundred and Twenty) fully paid up Equity Shares of Rs.02/- (Rupees Two only) each.	26,60,55,840
Total	**26,60,55,840**

Subsequent to 31st March, 2020, there is no change in the authorised, issued, subscribed and paid up share capital of the Transferee Company.

The Transferee Company is the Holding Company of the Transferor Company. The equity shares of the Transferee Company are listed and traded on the BSE Limited ("BSE") bearing Scrip Code: 519600 and on the National Stock Exchange of India Limited ("NSE") bearing Symbol: CCL. The following is the Shareholding Pattern of the Transferee Company as on date:

Sl. No.	Category of shareholder	No. of Shareholders	Total No. of shares held	% of holding
1.	Promoter & Promoter Group	6	6,14,49,342	46.19
2.	Public	31,044	7,15,78,578	53.81
	Total	**31,050**	**13,30,27,920**	**100.00**

(C) OBJECTIVES OF THE SCHEME

The Transferee Company is holding the entire stake in the Transferor Company. The Transferor Company i.e. CCL Beverages Private Limited was incorporated in the year 2019 and was made a wholly owned subsidiary of the Transferee Company in order to implement agglomeration and packing project at Kuvvakolli Village through its Spray Dried Coffee Plant to cater to the increased demand in international markets. However, the Board of Directors of the Transferee Company thought fit and decided to implement the said project under the Transferee Company itself and hence the amalgamation of the Transferor Company with the Transferee Company is being undertaken. The amalgamation of the Transferor Company with the Transferee Company would inter-alia have the following benefits:

1. The amalgamation will enable appropriate consolidation of activities of Transferor Company and Transferee Company with pooling and more efficient utilization of their resources, greater economies of scale, reduction in overheads and other expenses and improvement in various operating parameters.

2. To achieve consolidation, greater integration and flexibility which will maximize overall shareholder value and improve the competitive position of the combined entity.

3. To achieve greater efficiency in cash management and unfettered access to cash flows generated by the combined entity which can be deployed more effectively to fund organic and inorganic growth opportunities.

4. Improved organizational capability and leadership, arising from the pooling of human capital who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.

5. Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business process, elimination of duplication and rationalization of administrative expenses.

6. The amalgamation will result in reduction of multiplicity of entities, thereby reducing compliance cost of multiple entities viz., statutory filings, regulatory compliances, labour law/ establishment related compliances.

(D) SCOPE OF THE SCHEME

This Scheme of Amalgamation is presented pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (to the extent applicable) for the Amalgamation of CCL Beverages Private Limited (Transferor Company) with CCL Products (India) Limited (Transferee Company). The Scheme (as defined hereinafter) also provides for various other matters consequential to, or otherwise integrally connected with the above, as more specifically stated hereinafter. The scope of the scheme is as under:

1. Amalgamation of the Transferor Company with the Transferee Company.

2. Dissolution of the Transferor Company without Winding up.

3. The transfer of the Transferor Company will be on a going concern basis.

   This Scheme of Amalgamation has been drawn up to comply with the conditions as specified under section 2(1B) of Income Tax Act, 1961, such that:

(i) All the properties of Transferor Company, immediately before the amalgamation, become the properties of Transferee Company by virtue of amalgamation.

(ii) All the liabilities of Transferor Company, immediately before the amalgamation, become the liabilities of Transferee Company by virtue of amalgamation.

(E) PARTS OF THE SCHEME

The scheme is divided into following parts:

Part I – deals with Definitions and Interpretations;

Part II – deals with the Amalgamation of CCL Beverages Private Limited (Transferor Company) with CCL Products (India) Limited (Transferee Company) and Dissolution of the\ Transferor Company.

Part III – deals with General Terms and Conditions

PART I
DEFINITIONS AND INTERPRETATIONS

1. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings as mentioned herein below:

1.1 **"2013 Act" or "the 2013 Act"** means the Companies Act, 2013, and rules made thereunder and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force.

1.2 **"Amalgamation"** means the merger or blending of the Transferor Company into the Transferee Company.

1.3 **"Applicable Law(s)"** means any statute, notifications, bye-laws, rules, regulations, guidelines, Circulars or common law, policy, code, directives, ordinance, schemes, notices, orders or instructions enacted or issued or sanctioned by any Appropriate Authority including any modification or re-enactment thereof for the time being in force.

1.4 **"Appointed Date**" means 01st day of April, 2020 or such other date as may be fixed or approved by the Appropriate Authority.The Appointed Date shall be the effective date and the Scheme shall be deemed to be effective from the Appointed Date.

1.5 **"Appropriate Authority"** means any government, statutory, regulatory, departmental or public body or authority of the Jurisdiction over Transferor Company and the Transferee Company, including Registrar of Companies and the National Company Law Tribunal.

1.6 **"Board of Directors" or "Board"** shall mean the Board of Directors of Transferee Company or Transferor Company, as the case may be or any committee thereof duly constituted or any other person duly authorized by the Board for the purpose of this Scheme.

1.7 **"GST regulations"** means applicable provisions of the Central Goods and Services Tax Act, 2017 and/or the Integrated Goods and Services Tax Act, 2017 and/or respective State Goods and Services Tax Act and/or the Union Territory Goods and Services Tax Act, 2017 along with the applicable rules made thereunder.

1.8 **"IT Act"** means the Income-tax Act, 1961.

1.9 **"NCLT/Tribunal"** means the Hon'ble National Company Law Tribunal, Amaravati Bench at Hyderabad.

1.10 **"Official Liquidator" or "OL"** means Official Liquidator, Hyderabad having jurisdiction over the States of Telangana and Andhra Pradesh.

1.11 **"Regional Director" or "RD"** means Regional Director, South East Region, at Hyderabad having jurisdiction over the States of Telangana and Andhra Pradesh.

1.12 **"Registrar of Companies" or "ROC"** means Registrar of Companies, at Vijayawada, having jurisdiction over the State of Andhra Pradesh.

1.13 **"Scheme" or "this Scheme" or "Scheme of Amalgamation"** means this Scheme of Amalgamation attached hereto in its present form as submitted to the NCLT, with such modification(s), if any, as may be approved or imposed or directed by the NCLT.

1.14 **"Stock Exchanges"** means BSE and NSE where the shares of the Transferee Company are listed & traded.

1.15 **"Transferee Company"** means CCL Products (India) Limited and shall have the same meaning as assigned to it in clause (B)2 above.

1.16 **"Transferor Company"** means CCL Beverages Private Limited and shall have the meaning assigned to it in clause (B)1 above.

1.17 **"Undertaking of Transferor Company"** shall mean and include the whole of assets, properties, liabilities and the undertaking(s) and entire business(s) of Transferor Company, as may be applicable and specifically include the following (without limitation):

(i) All the assets /capital work-in-progress/ properties, present or future, of the Transferor Company, whether movable or immovable, whether tangible or intangible including all rights, title, interest, covenant, including continuing rights, title and interest in connection with the land and the buildings, if any, whether, corporeal or incorporeal, leasehold or freehold, and includes all rights, titles, interest and covenant, undertakings, liability relating thereto, capital work in progress, plant & machinery, all current and non-current assets, other fixed assets, inventory and work in progress, all deposits, all receivables, cash and cash equivalents, all the loans and includes all rights, titles, interest and advances, advances for capital goods & services of Transferor Company as on the Appointed Date.

(ii) All the debts, borrowings and liabilities, present or future, whether secured or unsecured of the Transferor Company as on the Appointed Date.

(iii) All statutory licenses, including all licenses relating to development, production, marketing, manufacturing, selling coffee, approvals, permissions, no-objection certificates, permits, consents, patents, trademarks, tenancies, offices, depots, quotas, rights, entitlements, privileges, benefits of all contracts / agreements (including but not limited to contracts / agreements with vendors, customers, government etc.), all other rights (including but not limited to right to use and avail electricity connections, water connections, environmental clearances, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, lease rights, easements, powers and facilities), of the Transferor Company as on the Appointed Date.

(iv) All staff, workmen, and employees engaged in the Transferor Company as on the date of approval of the Scheme by the Tribunal.

(v) All legal proceedings of whatsoever nature by or against the Transferor Company pending as on the Appointed Date.

(vi) All records, files, papers, information, computer programs, manuals, data, catalogues, quotations, sales advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records, whether in physical form or electronic form of Transferor Company.

2. INTERPRETATIONS

2.1 Any references in the Scheme to the expressions **"Upon approval of the Scheme by the Tribunal" / "From the date of approval of the Scheme by the Tribunal"** / "Date of approval of the Scheme by the Tribunal" shall mean the date on which the NCLT approves/sanctions the Scheme in accordance with the provisions of Sub-Section 3 of Section 232 of the 2013 Act, read with Rule 17 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

2.2 The expressions which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the 2013 Act and / or other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

2.3 DATE OF TAKING EFFECT

The Scheme, set out herein in its present form, subject to any modification(s) approved or imposed or directed by the Hon'ble National Company Law Tribunal, Amaravati Bench at Hyderabad for the State of Andhra Pradesh, unless otherwise specified in the Scheme, shall be effective and operative from the Appointed Date, i.e., 01.04.2020, upon receipt of Certified copy of Order of the National Company Law Tribunal, Amaravathi Bench

PART II

AMALGAMATION OF CCL BEVERAGES PRIVATE LIMITED (TRANSFEROR COMPANY) WITH CCL PRODUCTS (INDIA) LIMITED (TRANSFEREE COMPANY)

3. TRANSFER AND VESTING OF UNDERTAKING OF TRANSFEROR COMPANY

3.1 Upon approval of this Scheme by the Tribunal and with effect from the Appointed Date, all properties, assets, liabilities and undertaking(s) of the Transferor Company shall stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company under the provisions of Section 230 to 232 of the 2013 Act and all other applicable provisions, if any, of the 2013 Act and also in accordance with section 2(1B) of the Income-tax Act, 1961, without any further deed or act, subject to existing charges or lis pendens, if any thereon, in favour of banks/ financial institutions.

3.2 Upon approval of this Scheme by the Tribunal and with effect from the Appointed Date, all immovable property (including land, buildings and any other immovable property), if any, of the Transferor Company, whether under constructions, freehold or leasehold, and any documents of title, rights, agreements to sell / agreements of sale and easements in relation thereto, shall stand vested in the Transferee Company, without any act or deed done by the Transferor Company or the Transferee Company, and without any approval or acknowledgement of any third party. With effect from the Appointed Date, the Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfill all obligations, in relation to or applicable to such immovable properties. The mutation/ substitution of the title to such immovable properties shall be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the NCLT and in accordance with the terms hereof. The Transferor Company shall take all steps as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title, interest of its immovable property is given to the Transferee Company.

3.3 Without prejudice to the generality of the foregoing, with effect from the Appointed Date, it is expressly provided that in respect of such of the assets of the Transferor Company that are movable in nature and / or are otherwise capable of transfer by manual or constructive delivery and / or endorsement and delivery or novation, the same shall be deemed to have been so transferred by Transferor Company and shall become the property of the Transferee Company in pursuance of the provisions of section 230 to 232 of the 2013 Act, without any further act, instrument, deed, matter or thing.

3.4 In respect of movables other than those dealt with in Clause 3.3 above including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, property development rights, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferor Company may, without being obliged, and if it so deems appropriate, at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositee, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).

3.5 Upon approval of this Scheme by the Tribunal and with effect from the Appointed Date all liabilities relating to and comprised in the undertaking of Transferor Company including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations, shall, stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company under the provisions of Sections 230 to 232 of the 2013 Act and other applicable provisions, if any, of the 2013 Act, without any further act, instrument, deed, matter or thing.

3.6 The transfer and vesting as aforesaid shall be subject to subsisting charges, if any, in respect of any assets of Transferor Company. PROVIDED always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed by the Transferor Company and Transferee Company shall not be obliged to create any further or additional security in relation to subsisting charges, if any, thereof after the date of approval of this Scheme by the NCLT or otherwise.

3.7 All staff, workmen and employees of the Transferor Company shall become the staff, workmen and employees of the Transferee Company, without any further act or deed to be done by the Transferor Company or the Transferee Company.

3.8 Upon approval of the Scheme by the Tribunal, the Transferee Company shall, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangement with any party to any contract or arrangement to which the Transferor Company is a party in order to give formal effect to the above provisions. The Transferee Company shall be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliances referred to above on part of the Transferor Company.

3.9 Upon approval of this Scheme by the Tribunal, the Transferee Company shall be entitled to secure the record of the change in the legal ownership upon the vesting of the assets of the Transferor Company in accordance with the provisions of Sections 230 to 232 of the 2013 Act. The Transferor Company and the Transferee Company shall be jointly and severally authorized to execute any writings and / or carry out any formalities or compliance in this regard.

3.10 All taxes, duties, cess payable by the Transferor Company including all or any refunds / credit / claims pertaining to the period prior to the Appointed Date shall be treated as the liability or refunds / credit / claims, as the case may be, of the Transferee Company.

3.11 All the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits (including tax benefits), subsidies, concessions, grants, rights, patents, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 of the 2013 Act and all other applicable provisions of the Act, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

3.12 All the Insurance policies registered in the name of the Transferor Company which are active as on the date of approval of the Scheme by the Tribunal and which can be transferred/assigned shall pursuant to the provisions of Section 232 of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to the benefit of the Transferee Company and accordingly, the insurance companies shall record the name of the Transferee Company in all the insurance policies registered in the name of the Transferor Company so as to ensure that all the rights and privileges under all such policies available to the Transferor Company and / or to any other person / director / employee of Transferor Company, whether in the capacity of the Policy Holder or Owner or Insured or the Beneficiary, as the case may be, be available to the benefit of the Transferee Company and / or to any other person/director/employee of Transferee Company, as the case may be, on the same terms and conditions as they were applicable to the Transferor Company and upon such transfer/assignment, all such policies shall be effective in favour of the Transferee Company as if instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto. However, for the insurance policies which do not permit such transfer/assignment, the Transferee Company may make fresh application(s) to the concerned authority/insurance company(ies) on such terms and conditions as may be prescribed. It is hereby clarified that all the costs and/or expenses and/or premiums in relation to the transfer/assignment/of the insurance policies in the name of Transferee Company shall be borne by the Transferee Company and the Transferor Company shall have no further obligations in this regard.

3.13 Upon approval of this Scheme by the Tribunal and with effect from the Appointed Date, all existing and future incentives, unavailed credits and expenditures, exemptions and deductions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including MAT credit under the IT Act), excise (including Modvat / Cenvat), customs, VAT, sales tax, service tax, GST including the IGST input tax credit, CGST input tax credit and SGST input tax credit for the registrations of the Transferor Company in all the states, to which the Transferor Company are entitled to shall be available to and vest in the Transferee Company.

3.14 The Transferee Company shall file relevant intimations, for the record of the statutory authorities signifying the transfer of the assets / properties including but not limited to permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorizations of the Transferor Company.

4. INTER- SE TRANSACTIONS:

Without prejudice to the provisions of Clause 3, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes.

5. LEGAL PROCEEDINGS

5.1 If any suit, appeal or other proceedings of whatever nature by or against the Transferor Company is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of this amalgamation or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made.

5.2 On and from the date of approval of this Scheme by the Tribunal, the Transferee Company shall, and may, if required, initiate, continue any legal proceedings in relation to the Transferor Company.

6. CONTRACTS, DEEDS, OTHER INSTRUMENTS

6.1 Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which the Transferor Company is a party or the benefit to which the Transferor Company may be eligible, subsisting or operative immediately on or before the date of approval of this Scheme by the Tribunal, shall be in full force and effect against or in favour of Transferee Company and may be enforced as fully and effectively as if instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto. Further, the Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company, to give effect to the provisions of this Scheme.

6.2 As a consequence of the amalgamation of the Transferor Company with the Transferee Company in accordance with or pursuant to this Scheme, the recording of change in name in the records of the statutory or regulatory authorities from the Transferor Company to the Transferee Company, whether pertaining to any licence, permit, approval or any other matter, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority.

6.3 For removal of doubts, it is expressly made clear that the dissolution of the Transferor Company without the process of winding up as contemplated hereinafter, shall not, except to the extent set out in the Scheme, affect the previous operation of any contract, agreement, deed or any other instrument or beneficial interest to which the Transferor Company is a party thereto and shall not affect any right, privilege, obligations or liability, acquired, or deemed to be acquired prior to Appointed Date and all such references in such agreements, contracts and instruments to the Transferor Company shall be construed as reference only to the Transferee Company with effect from the Appointed Date.

7. CONDUCT OF BUSINESS UNTIL DATE OF APPROVAL OF THIS SCHEME BY THE TRIBUNAL

With effect from the Appointed Date up to the date of approval of this Scheme by the Tribunal:

7.1 Transferor Company shall carry on, and be deemed to have carried on its business, operations or activities, and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets, properties, liabilities or Undertaking(s) on behalf of and / or in trust for the Transferee Company.

7.2 All profits or income accruing or arising to the Transferor Company, or losses arising or expenditure incurred by it, shall for all purposes be treated as, and be deemed to be treated as, the profits or income or losses or expenditure, as the case may be, of the Transferee Company.

7.3 All assets howsoever acquired by the Transferor Company for carrying on its business, operations or activities and the liabilities relating thereto shall be deemed to have been acquired and are also contracted for and on behalf of the Transferee Company.

7.4 The Transferee Company shall also be entitled, pending sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, department and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Transferee Company may require including the registration, approvals, exemptions, reliefs etc., as may be required / granted under any law for the time being in force for carrying on business of the Transferor Company.

7.5 Transferor Company shall carry on its business, operations or activities with reasonable diligence and business prudence and shall not venture into / expand any new businesses, alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business without the prior consent of the Transferee Company.

7.6 The transfer of assets, properties, liabilities and the continuance of proceedings by or against the Transferor Company shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds things done and executed by the Transferor Company, in regard thereto as done executed by the Transferee Company on behalf of itself.

8. STAFF, WORKMEN, AND EMPLOYEES

8.1 Upon approval of this Scheme by the Tribunal, all staff, workmen and employees on the payrolls of the Transferor Company, in service on the date of approval of this Scheme by the Tribunal shall be deemed to have become staff, workmen, and employees of Transferee Company on such date without any break or interruption in their service and on the terms and conditions of their employment not less favourable than those subsisting with reference to Transferor Company as on the said date.

8.2 The contributions with regard to benefit of employees of the Transferor Company being currently deposited with Regional provident Fund Organization, employee state insurance plan scheme, leave encashment, compensated absences scheme or any other special scheme(s) or fund (s) created or existing, if any, shall stand substituted, upon approval of the Scheme by the Tribunal, in favour of the Transferee Company for all purposes whatsoever, related to the administration or operation of such schemes and intent that all the rights, duties, powers and obligation of Transferor Company in relation to such schemes shall become those of the Transferee Company. The Transferee Company will file the relevant intimations to the statutory authorities concerned who shall take the same on record and endorse the name of the Transferee Company for the Transferor Company.

8.3 It is clarified that the services of all transferred staff, workmen and employees of the Transferor Company, to the Transferee Company will be treated as having been continuous for the purpose of the aforesaid employee benefits and / or liabilities. For the purpose of payment of any retrenchment compensation, gratuity and / or other terminal benefits, and / or any other liability pertaining to staff, workmen and employees, the past services of such staff, workmen and employees with the Transferor Company shall also be taken into account by the Transferee Company, who shall pay the same if and when payable.

8.4 Upon approval of this Scheme by the Tribunal, the directors of the Transferor Company shall not automatically be entitled to any directorship in the Transferee Company by virtue of the provisions of this Scheme.

9. DISSOLUTION WITHOUT WINDING UP

Upon approval of this Scheme by the Tribunal, the Transferor Company (viz. CCL Beverages Private Limited shall be dissolved without winding up and without any further act or deed on the part of the Transferor Company pursuant to the provisions of Section 232 of the 2013 Act.

10. VALIDITY OF EXISTING RESOLUTIONS

Upon approval of this Scheme by the Tribunal, the resolutions of the Transferor Company as are considered necessary by the Board of Directors of the Transferee Company which are validly subsisting be considered as resolutions of the Transferee Company. If any such resolutions have any monetary limits approved under the provisions of the 2013 Act or of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Directors of the Transferee Company, shall be added to the limits, if any, under the like resolutions passed by the Transferee Company.

11. CONSIDERATION

The entire issued, subscribed and paid-up share capital of the Transferor Company is held (beneficially owned) by the Transferee Company. Upon approval of this Scheme by the Tribunal, no shares of the Transferee Company shall be issued or allotted in lieu of its holding in the Transferor Company, and the Paid up share capital of the Transferor Company shall stand cancelled and extinguished. The investments in the shares of the Transferor Company, appearing in the books of account of Transferee Company shall without any further act or deed, stand cancelled.

12. SUB DIVISION OF FACE VALUE OF EQUITY SHARES OF THE TRANSFEROR COMPANY AND CONSOLIDATION OF AUTHORIZED CAPITAL OF THE TRANSFEROR COMPANY WITH THE AUTHORISED CAPITAL OF THE TRANSFEREE COMPANY

12.1 As an integral part of the Scheme, the face value of 1 (One) equity share of Transferor Company amounting to Rs.10/- (Rupees Ten only) shall be sub-divided into face value of Rs.2/- (Rupee Two only) comprising 5 (Five) equity shares of Transferor Company, accordingly the authorised share capital of the Transferor Company shall be restructured and restated as follows:

"The authorised share capital of the Transferor Company is Rs.10,00,000/- (Rupees Ten Lakh only) divided into 5,00,000 (Five Lakh) equity shares of Rs.2/- (Rupee Two only) each".

12.2 The members of the Transferor Company, on approval of the Scheme, shall be deemed to have given their approval u/s 61 of the 2013 Act and all other applicable provisions of the said act for sub-division of the face value of equity shares and for the amendment to the Authorized Capital of the Company and no separate resolutions will be required to be passed for sub-division of the face value of equity shares of the Company and for the amendment to the Authorized Capital of the Company under section 61 of the 2013 Act and no separate notice will be required to be given to the Registrar of Companies, for intimation of sub-division under section 64 of the 2013 Act.

12.3 As an integral part of the Scheme and upon its sanction, and after the sub-division of the face value of the equity shares of the Transferor Company, the Authorized Share Capital of the Transferee Company shall automatically stand increased by merging the Authorized Share Capital of Transferor Company with Transferee Company after filing necessary e-form INC 28 with the ROC / MCA without any further act or deed on the part of the Transferee Company. However, the fee paid by the Transferor Company on its Authorised Capital prior to its amalgamation with the transferee company shall be set off against the fees payable by the transferee company on its Authorised Capital enhanced by the amalgamation as provided under Section 233(11) of the Companies Act, 2013.

12.4 The Memorandum and Articles of association of the Transferee Company (relating to authorized share capital) shall without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purpose of effecting this amendment, and no further resolution(s) under Section 13, 14, 61, 64 or any other applicable provisions of the 2013 Act would be required to be separately passed, as the case may be and for this purpose the stamp duty and fees paid on the authorized capital of the Transferor Company shall be utilised and applied to the increased authorized share capital of the Transferee Company. Pursuant to the approval of this Scheme by the Tribunal and consequent upon the amalgamation of the Transferor Company with the Transferee Company, the authorized share capital of the Transferee Company will be Rs.30,10,00,000/- (Rupees Thirty Crore and Ten Lakh only) divided into 15,05,00,000 (Fifteen Crore and Five Lakh) equity shares of Rs.2/- (Rupees Two only) each.

12.5 It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be given their consent / approval also to the alteration of the Memorandum and Article of Association of the Transferee Company as may be required under the Act and Clause V of the Memorandum of Association of the Transferee Company shall stand substituted by virtue of the Scheme to be read as follows:

Memorandum of Association:

V. ***The Authorized Share Capital of the Company is Rs.30,10,00,000/- (Rupees Thirty Crore and Ten Lakh only) divided into 15,05,00,000 (Fifteen Crore and Five Lakh) equity shares of Rs.2/- (Rupees Two only) each.***

13. ACCOUNTING

Accounting of amalgamation in the books of Transferee Company:

13.1 Upon approval of this Scheme by the Tribunal, with effect from the Appointed Date, since the transaction involves entities which are ultimately controlled by the same parties before and after the transaction, for the purpose of accounting and dealing with the value of assets and liabilities of the Transferor Company, the Transferee Company shall account for the amalgamation in accordance with 'Pooling of Interest Method' laid down in Appendix C 'Business Combinations of entities under common control' of Ind AS - 103 'Business Combinations' notified under the provisions of the 2013 Act, read along with relevant rules framed thereunder and other applicable accounting standards.

13.2 The Transferee Company shall record the assets, liabilities and reserves relating to the Transferor Company vested in it pursuant to this Scheme, at their respective book values as appearing in the books of the Transferor Company on the close of business hours on 31st day of March, 2020.

13.3 The identity of the reserves of the Transferor Company, if any, shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner in which they appeared in the financial statements of the Transferor Company.

13.4 The investment made in the Share Capital of the Transferor Company held by the Transferee Company shall stand cancelled. The difference, if any, arising between the investments directly held by the Transferee Company and assets, liabilities and reserves of the Transferor Company shall be accounted based on the accounting principles prescribed under Ind AS - 103, i.e. shall be transferred to the Capital Reserve.

13.5 The amount of any inter-company balance/ amounts between the Transferor Company and Transferee Company, appearing in the books of account of the Transferee Company, shall stand cancelled. In case of any differences in the accounting policies between the Transferee Company and the Transferor Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements reflect the financial position on the basis of consistent accounting policies.

PART III

GENERAL TERMS AND CONDITIONS

14. CONSEQUENTIAL MATTERS RELATING TO TAX AND COMPLIANCE WITH LAW

14.1 This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under the tax laws, including section 2(1B), Section 47 and other relevant sections of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the tax laws shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such ame¬ndments as may become necessary shall vest with the Board of Directors of the Transferor Company and the Transferee Company, which power shall be exercised reasonably in the best interest of the company concerned.

14.2 Upon approval of this Scheme by the Tribunal, all taxes / cess / duties payable by or on behalf of the Transferor Company up to the Appointed Date and onwards including all or any refunds and claims, including refunds or claims pending with the revenue authorities for all purposes, be treated as the tax / cess / duty, liabilities or refunds and claims of the Transferee Company.

14.3 It is clarified that the entire taxes, including but not limited to prepaid taxes being tax deducted at source (TDS)/advance tax, MAT credits including the unutilized MAT credit upto the Appointed Date (1st April, 2020), if any, and also self-assessment taxes, if any, paid by the Transferor Company under the Income Tax Act, 1961 or any other statute in respect of income of the Transferee Company assessable for the period commencing on Appointed date (1st April, 2020), shall be deemed to be the taxes paid by the Transferee Company and credit for such taxes shall be allowed to the Transferee Company notwithstanding that certificates or challans or orders for such taxes are in the name of the Transferor Company and not in the name of the Transferee Company.

14.4 Upon approval of this Scheme by the Tribunal, the Transferee Company is expressly permitted to revise its income-tax returns, excise & CENVAT returns, service tax returns, other tax returns including GST and to restore as input credit of service tax/GST including IGST input tax credit, CGST input tax credit and SGST input tax credit for the registrations of the Transferor Company, in all the states adjusted earlier or claim refunds / credits.

14.5 The Transferee Company is also expressly permitted to claim refunds, credits, restoration of input CENVAT credit, GST including IGST input tax credit, CGST input tax credit and SGST input tax credit for the registrations of the Transferor Company, in all the states and tax deduction in respect of nullifying of any transaction between or amongst the Transferor Company and Transferee Company as the case may be.

14.6 In accordance with the CENVAT Credit Rules framed under Central Excise Act, 1944, as are prevalent on the Date of approval of this Scheme by the Tribunal, the unutilised credits relating to excise duties paid on inputs / capital goods / input services lying in the accounts of the undertaking of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilised credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilised credits against the excise duty / service tax payable by it.

14.7 Upon approval of this Scheme by the Tribunal, the Transferee Company is expressly permitted to revise its financial statements to give effect to the amalgamation of the Transferor Company pursuant to the provisions of the Scheme.

15. SCHEME CONDITIONAL ON APPROVAL / SANCTIONS

15.1 The Scheme is conditional upon and subject to:

(a) Approval by requisite majority of the members and creditors of Transferor Company and Transferee Company as may be directed by the NCLT either by way of convening a meeting or by way of a dispensation on production of consent affidavits or no-objection certificates;

(b) Approval of the scheme by relevant regulatory authorities;

(c) Sanction of the Scheme by the NCLT;

(d) Certified copies of the orders of the NCLT, sanctioning the Scheme being filed with the Registrar of Companies.

15.2 In the event of this Scheme failing to take effect finally, this Scheme shall become null and void and in that case no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or employees or any other person.

15.3 If any part of this Scheme is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme, and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the Board of Directors of the companies involved in the Scheme shall attempt to bring about a modification in this Scheme, as will best preserve for the parties the benefits, and obligations of this Scheme, including but not limited to such part.

16. APPLICATION TO THE NCLT

16.1 The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make and file applications/petitions jointly to the NCLT, under Sections 230 to 232 of the 2013 Act and other applicable provisions of the 2013 Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the classes of their respective members and / or creditors and for sanctioning this Scheme, with such modifications as may be approved by the NCLT.

16.1 Upon this Scheme being approved by the requisite majority of the respective members and creditors of the Transferor Company and the Transferee Company, (as may be directed by the NCLT in the manner specified under clause 16.1) the said Companies shall, with all reasonable dispatch, apply to the NCLT, for sanction of this Scheme under Sections 230 to 232 of the 2013 Act and other applicable provisions of the 2013 Act, and for such other order or orders, as the said NCLT may deem fit for carrying this Scheme into effect.

16.2 Upon approval of this Scheme by the Tribunal, the shareholders of the Transferor Company and the Transferee Company shall be deemed to have also accorded their approval under all relevant provisions of the 2013 Act for giving effect to the provisions contained in this Scheme.

17. COMPLIANCE WITH SEBI REGULATIONS:

17.1 Since the present Scheme solely provides for amalgamation of the wholly owned subsidiary with its parent company, no formal approval, is required from the Stock Exchanges or Securities and Exchange Board of India ('SEBI') for the Scheme, in terms of provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2017, and SEBI Circular No. CFD/DIL3/CIR/2017/21, dated 10th March, 2017, and Circular No. CFD/DIL3/CIR/2018/2, dated January 03, 2018, and other applicable provisions, if any.

17.2 In terms of the SEBI Regulations, the present Scheme of Amalgamation is only required to be filed with BSE and NSE (the Stock Exchanges where the Transferee Company is listed) for the purpose of disclosure and dissemination on its website.

17.3 The Transferee Company will comply with the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreement, SEBI Regulations, SEBI Circulars and other applicable provisions, if any, in connection with the Scheme and other connected matters.

18. MODIFICATIONS / AMENDMENTS TO THE SCHEME

18.1 The Transferor Company and Transferee Company represented by their respective Board of Directors, may make and / or consent to any modifications / amendments to the Scheme or to any conditions or limitations that the NCLT or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors).

18.2 The Transferor Company either individually or together, and the Transferee Company shall be at liberty to withdraw from this Scheme, in case of any condition or alteration imposed by the NCLT or any other authority or any bank or financial institution is unacceptable to them or otherwise if so mutually agreed.

18.3 The Transferor Company and Transferee Company by their respective Board of Directors shall be authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or order of any other authority or otherwise however arising out of or under or by virtue of the Scheme and / or any matter concerned or connected therewith.

19. EFFECT OF NON-RECEIPT OF APPROVALS/ SANCTIONS

In the event of any of the said sanctions/approvals not being obtained and / or the Scheme not being sanctioned by the NCLT, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

20. COST, CHARGES, AND EXPENSES

All costs, charges, fees, taxes including duties (including the stamp duty and/or transfer charges, if any, applicable in relation to this Scheme), levied and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing the terms and conditions of this Scheme and matters incidental thereto shall be borne and paid by the Transferee Company. The Transferee Company shall be eligible for deduction of expenditure incurred as per section 35DD of the Income-tax Act, 1961.

SCHEDULE OF PROPERTY

Building admeasuring 18250 square meters situated at Survey nos. 269,271,272, Sullurpeta to B.N.Kandriga Road, Varadaiahpalem Mandal, Kuvvakolli Village, Chittoor, Andhra Pradesh, 517645

CCL PRODUCTS INDIA LIMITED HYDERABAD

CCL BEVERAGES PRIVATE LIMITED KUVAKOLLI

INDEPENDENT AUDITOR'S REPORT

To the Members of CCL Products (India) Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of CCL Products (India) Limited ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of profit and loss (including Other Comprehensive Income), the cash flow Statement and the statement of changes in equity and for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, and its profit, total comprehensive income,its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act, and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Note 1.25 of the standalone financial statements, which describes the extent to which the COVID-19 Pandemic will impact the Company's results which depend on future developments that are highly uncertain. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

Key Audit Matter	How the Matter was addressed in Audit
1. Evaluation of uncertain tax position: The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes 2.32 to the Financial Statements	**<u>Principal Audit Procedures</u>** Obtained details of completed tax assessments and demands upto the year ended March 31, 2020 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at 1st April 2019 to evaluate whether any change was required to management's position on these uncertainties. We conclude that tax provisions and related disclosures are appropriately disclosed.

Other Information

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, for example, Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. The other information as stated above is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information as stated above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with Governance.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure-B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, The Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of the section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements – Refer to Note No. 2.32 to the Standalone Ind AS financial statements;

ii. The Company has made provision, as required under the applicable laws or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For RAMANATHAM & RAO
Chartered Accountants
Firm Registration. No. 002934S

Sd/-
(K SREENIVASAN)
Partner
ICAI Membership No. 206421
UDIN:20206421AAAADR3341

Place: Hyderabad
Date: 15th June, 2020

Annexure - A to the Independent Auditors' Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of CCL Products (India) Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

For RAMANATHAM & RAO
Chartered Accountants
Firm Registration. No. 002934S

Sd/-

(K SREENIVASAN)
Partner
ICAI Membership No. 206421
UDIN:20206421AAAADR3341

Place: Hyderabad
Date: 15th June, 2020

Annexure – B to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the **CCL Products (India) Limited** on the Standalone Financial Statements for the period ended 31st March 2020, we report that:

1.1 The Company has maintained proper records showing full particulars, including the Quantitative details and the situation of fixed assets.

1.2 As explained to us, the fixed assets, have been physically verified by the Management in a periodical manner, which in our opinion is reasonable, having regard to the size of the company and the nature of its business. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

1.3 According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable property are held in the name of company.

2.1 The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stock and book records were not material.

3.1 The Company has not granted any loans, secured or unsecured during the period. Thus paragraphs 3 (iii) of the order is not applicable to the company.

4.1 In our opinion and according to the information and explanations given to us, the Company has not given any loans, made investments or provided securities to companies and other parties listed under section185 and 186 of the Act.

5.1 The Company has not accepted any deposits from the public within the meaning of Sections 73 to76 of the Act and rules framed there under.

6.1 We have broadly reviewed the cost records maintained by the company as prescribed under section 148 (1) of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.

7.1 According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, Goods and Services Tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues as applicable to the appropriate authorities have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, service tax, Goods and Services Tax, duty of customs, duty of excise, value added tax, cess and other material statutory were in arrears as at 31st March 2020 for a period of more than six months from the date they became payable.

7.2 According to the information and explanations given to us, there are no material dues of income tax or sales tax or service tax or Goods and Services Tax or duty of customs or duty of excise or value added tax which have not been deposited by the company on account of dispute, except for the following:

S No	Name of the Statute	Nature of Dues	Amount in Lakhs	Period	Forum Where dispute is pending
1	The Income Tax Act, 1961	Income Tax	3472.63 (2883.28 deposited under protest)	Assessment years from 2006-07 to 2012-13	A P High Court
2	The Income Tax Act, 1961	Income Tax	160.58	Assessment years from 2011-12 to 2012-13	CIT(Appeals), Guntur
3	The Income Tax Act, 1961	Income Tax	357.31	Assessment years from 2016-17 to 2017-18	CIT(Appeals), Guntur
4	Service Tax Act	Service Tax	995.92	Financial year from 2013-14 2017-18	CESTAT
5	Sales Tax Act	Central Sales Tax	47.15	Financial year from 2015-16	Sales Tax Appeal, Tirupati
6	The Income Tax Act, 1961	Income Tax	411.88	Assessment years from 2013-14 to 2015-16	Orders issued by ITAT in favour of the Company

8.1 According to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company did not have any outstanding loans or borrowings from financial institutions or Government and there are no dues to debenture holders during the year.

9.1 In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and the term loans have been used by the Company during the year for the purpose for which they were raised.

10.1 To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11.1 According to information and explanation given to us and based on our examination of records of the Company, the Company has paid /provided for managerial remuneration with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.

12.1 In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

13.1 According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

14.1 According to the information and explanations given to us and based on our examination of records of the company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

15.1 According to the information and explanations given to us and based on our examination of records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the company.

16.1 According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For RAMANATHAM & RAO
Chartered Accountants
Firm Registration. No. 002934S
Sd/-
(K SREENIVASAN)
Partner
ICAI Membership No. 206421
UDIN:20206421AAAADR3341

Place: Hyderabad
Date: 15th June, 2020

STANDALONE BALANCE SHEET AS AT 31st MARCH, 2020 (₹ in Lakhs)

	Note No.	2020	2019
ASSETS			
Non-current assets			
Property plant and Equipment	2.1	56712.17	22042.75
Capital Work Inprogress		9709.62	42412.52
Intangible assets	2.2	0.82	0.82
Financial assets			
(i) Investments	2.3	15858.69	15857.69
(ii) Other financial assets	2.4	527.55	341.75
Other non current assets	2.5	4249.95	3850.30
		87058.79	**84505.83**
Current assets			
Inventories	2.6	18754.11	14519.30
Financial assets			
Trade receivables	2.7	21555.09	14890.76
Cash and cash equivalent	2.8	1844.56	3898.17
Other financial assets	2.4	2215.42	588.60
Other current assets	2.5	3365.33	2878.94
		47734.50	**36775.77**
TOTAL ASSETS		**134793.29**	**121281.59**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	2.9	2660.56	2,660.56
Other Equity	2.10	76580.84	62,243.91
		79241.40	**64904.47**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	2.11	21945.71	19,264.56
Other Financial Liability	2.15	874.68	311.53
Deferred tax liabilities (net)	2.12	4704.88	3986.52
		27525.28	**23562.61**
Current liabilities			
Financial Liabilities			
Borrowings	2.11	14270.14	16845.60
Trade payables			
a. Total out standing dues of Micro and Small Enterprises			
b. Total out standing dues of creditors other than Micro and Small Enterprises	2.14	1714.56	5430.85
Other financial liabilities	2.15	9518.78	8808.66
Provisions	2.16	-	-
Other current liabilities	2.13	2523.12	1729.41
		28026.61	**32814.52**
TOTAL EQUITY AND LIABILITIES		**134793.29**	**121281.59**

The accompanying Significant accouting policies and notes form an integral part of the Standalone financial statements.

As per our report of even date
For RAMANATHAM & RAO
Chartered Accountants

Sd/-
K.SREENIVASAN
Partner
M.No.206421

Place : Hyderabad
Date : 15th June, 2020

By order of the Board

Sd/-
Challa Rajendra Prasad
Executive Chairman
DIN : 00702292

Sd/-
V.Lakshmi Narayana
Chief Financial Officer
M. No. 028499

Sd/-
Sridevi Dasari
Company Secretary
M.No. A29897

Sd/-
K. Chandrahas
Director
DIN : 02994302

Sd/-
Challa Srishant
Managing Director
DIN : 00016035

STANDALONE PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

(₹ in Lakhs)

	Note No.	2020	2019
Income			
Revenue from operations	2.17	82264.70	80913.29
Other income	2.18	13394.34	3017.96
Total Revenue		**95659.04**	**83931.25**
Expenses			
Cost of materials consumed	2.19	41809.70	45946.74
Changes in inventories	2.20	(2926.89)	2.74
Employee benefits expense	2.21	5005.45	4137.55
Finance costs	2.22	1691.48	811.54
Depreciation and amortization expense	2.1&2.2	2542.74	1221.41
Other expenses	2.23	17703.31	13953.43
Total Expenses		**65825.78**	**66073.41**
Profit before tax		**29833.26**	**17857.83**
Tax expense			
(1) Current tax		5221.64	5249.66
(2) Deferred tax		718.36	65.27
Profit for the year		**23893.26**	**12542.90**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss		(21.20)	(84.84)
Tax on items that will not be reclassified to profit or loss		7.41	29.65
		(13.79)	(55.19)
Items that will be reclassified to profit or loss:			
Items that may be reclassified subsequently to profit or loss		(563.15)	(311.53)
Tax on items that will be reclassified subsequently to profit or loss		-	-
		(563.15)	(311.53)
Total other comprehensive income/(loss) for the year, net of tax		**(576.94)**	**(366.72)**
Total comprehensive income for the year		**23316.32**	**12176.17**
Earnings per share:			
Basic earnings per share of ₹ 2/-each		17.96	9.43
Diluted earnings per share of ₹ 2/- each		17.96	9.43

The accompanying Significant accouting policies and notes form an integral part of the Standalone financial statements.

As per our report of even date
For RAMANATHAM & RAO
Chartered Accountants

Sd/-
K.SREENIVASAN
Partner
M.No.206421

Place : Hyderabad
Date : 15th June, 2020

By order of the Board

Sd/-
Challa Rajendra Prasad
Executive Chairman
DIN : 00702292

Sd/-
V.Lakshmi Narayana
Chief Financial Officer
M. No. 028499

Sd/-
Sridevi Dasari
Company Secretary
M.No. A29897

Sd/-
K. Chandrahas
Director
DIN : 02994302

Sd/-
Challa Srishant
Managing Director
DIN : 00016035

Statement of changes in equity

Statement of changes in equity for the period ended 31.03.2020

Equity share capital	Opening balance as at 1 Apr 2019	Changes in equity share capital during the year	Closing balance as at 31 Mar 2020
13,30,27,920 Equity Shares of ₹ 2 each, fully paid up	26,60,55,840	-	26,60,55,840
	26,60,55,840	**-**	**26,60,55,840**

Equity share capital	Opening balance as at 1 Apr 2018	Changes in equity share capital during the year	Closing balance as at 31 Mar 2019
13,30,27,920 Equity Shares of ₹ 2 each, fully paid up	26,60,55,840	-	26,60,55,840
	26,60,55,840	**-**	**26,60,55,840**

(₹ in Lakhs)

	Retained Earnings	General Reserve	Capital Reserve	Acturial Gains or Losses	Derivative at Fair Value	Total Equity
Balance as at 1/4/2019	**33869.56**	**28820.70**	**-**	**(134.81)**	**(311.53)**	**62243.91**
Profit for the year	23893.26	-	-	-	-	23893.26
Additions during the year	-	-	-	-	-	-
Dividend paid	(8979.38)	-	-	-	-	(8979.38)
Amount transfer to general reserve	-	-	-	-	-	-
Net change in fair value of FVTPL investments and others	-	-	-	-	-	-
Measurement of derivatives at fair value	-	-	-	-	(563.15)	(563.15)
Actuarial gain/(loss) on post-employment benefit obligations, net of tax benefit	-	-	-	(13.79)	-	(13.79)
Balance as at 31/03/2020	**48783.43**	**28820.70**	**-**	**(148.60)**	**(874.68)**	**76580.84**

	Retained Earnings	General Reserve	Capital Reserve	Acturial Gains or Losses	Derivative at Fair Value	Total Equity
Balance as at 1/4/2018	**28064.12**	**28820.70**	**-**	**(79.62)**	**-**	**56805.20**
Profit for the year	12542.90	-	-	-	-	12542.90
Additions during the year	-	-	-	-	-	-
Dividend paid	(6,737.46)	-	-	-	-	(673746)
Amount transfer to general reserve	-	-	-	-	-	-
Net change in fair value of FVTPL investments and others	-	-	-	-	(311.53)	(311.53)
Actuarial gain/(loss) on post-employment benefit obligations, net of tax benefit	-	-	-	(55.19)	-	(55.19)
Balance as at 31/03/2019	**33869.56**	**28820.70**	**-**	**(134.81)**	**(311.53)**	**62243.91**

CONTINENTAL® COFFEE

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

(₹ in Lakhs)

	2020	2019
Cash Flows from Operating Activities		
Net profit before tax	29833.26	17857.83
Adjustments for :		
Depreciation and amortization expense	2542.74	1221.41
Provision for doubtful debts/advances/ impairment	37.29	18.18
Dividend Income	(13128.75)	(2939.56)
(Profit)/Loss on sale of assets	5.59	(0.06)
Other Comprehensive Income	(21.20)	(84.84)
Operating profit before working capital changes	**19268.93**	**16072.97**
Movements in Working Capital		
(Increase)/Decrease in Trade Receivables	(6701.62)	(2410.88)
(Increase)/Decrease in Other financial assets	(1812.61)	(593.22)
(Increase)/Decrease in Inventories	(4234.81)	(21.65)
(Increase)/Decrease in Other Current Assets	(9.45)	(371.95)
(Increase)/Decrease in Other Non Current Assets	(399.66)	(168.38)
Increase/(Decrease) in Trade Payables	(3716.28)	4635.12
Increase/(Decrease) in Other financial liabilities	551.92	421.94
Increase/(Decrease) in Other Current liabilities	793.71	(258.89)
Changes in Working Capital	(15528.81)	1232.09
Cash generated from operations	**3740.12**	**17305.06**
Direct Taxes Paid	(5294.33)	(5912.00)
Net Cash from operating activities	**(1554.21)**	**11393.06**
Cash flows from Investing Activities		
Purchase of Fixed Assets (Including CWIP)	(4534.83)	(23602.05)
Sale of Fixed assets	19.98	430.87
Investment in Subsidiaries	(1.00)	(69.18)
Dividend Income	13128.75	2,939.56
Creditor for Capital goods	(1211.32)	848.42
Advance for Fixed Assets	(396.83)	5847.27
Net Cash From/ (Used In) Investing Activities	**7004.76**	**(13605.11)**
Cash flows from Financing Activities		
Proceeds from/ (Repayment) Long term borrowings	6331.17	5,117.92
Proceeds from/(Repayment of) Short-term borrowings	(2575.46)	4,184.14
Dividend and corporate dividend tax paid	(8979.38)	(6330.72)
Net Cash From/ (Used In) Financing Activities	**(5223.67)**	**2971.34**
Net Increase/(Decrease) in cash and cash equivalents	**226.88**	**759.29**
Cash and Cash equivalents at the beginning of the Year	1513.79	754.50
Cash and Cash equivalents at the ending of the Year	**1740.67**	**1513.79**

Notes :- 1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard on "Cash Flow Statements".(Ind AS-7)
2. The accompanying notes are an integral part of the financial statements.

As per our report of even date
For RAMANATHAM & RAO
Chartered Accountants

Sd/-
K.SREENIVASAN
Partner
M.No.206421

Place : Hyderabad
Date : 15th June, 2020

By order of the Board

Sd/-
Challa Rajendra Prasad
Executive Chairman
DIN : 00702292

Sd/-
V.Lakshmi Narayana
Chief Financial Officer
M. No. 028499

Sd/-
Sridevi Dasari
Company Secretary
M.No. A29897

Sd/-
K. Chandrahas
Director
DIN : 02994302

Sd/-
Challa Srishant
Managing Director
DIN : 00016035

1. NOTES TO STANDALONE FINANCIAL STATEMENTS

DESCRIPTION OF THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES

1.1 General Information

CCL Products (India) Limited (the Company) is engaged in the production, trading and distribution of Coffee. The Company has business operations mainly in India, Vietnam and Switzerland countries. The Company is a public limited Company incorporated and domiciled in India and has its registered office at Duggirala, Guntur, Andhra Pradesh. The Company has its primary listings on the Bombay Stock Exchange and National Stock Exchange in India. The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.2 Basis of preparation and presentation of Financial Statements

The financial statements of CCL Products (India) Limited ("CCL" or "the Company") have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules 2015, as amended and as per other relevant provisions of the Act. The presentation of financial statements is based upon Ind AS Schedule III of Companies Act, 2013.

Except for the changes below, the Company has consistently applied accounting policies to all applicable periods.

Ind AS 116, Leases:

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied to its Lease contracts existing on April 1, 2019, using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

Amendment to Ind AS 12 'Income Taxes':

The Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes' with effect from April 1, 2019. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distribution to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Since Dividend Distribution Tax is not applicable with effective from April 1, 2020, this amendment will have no impact on the financial statements.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments:

The Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective from April 1, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

Amendment to Ind AS 19 'Employee Benefits':

The Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment is effective from April 1, 2019, the Company has evaluated the effect of this amendment on the financial statements and concluded that this amendment is currently not applicable.

1.3 Basis of Measurement

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the balance sheet:

a. Derivative financial instruments are measured at fair value.

b. Certain financial assets are measured either at fair value or at amortized cost depending on the classification;

c. Employee defined benefit assets/(liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation, and

d. Long-term borrowings are measured at amortized cost using the effective interest rate method.

All assets and liabilities are classified into current and non-current based on the operating cycle of less than twelve months or based on the criteria of realization/settlement within twelve months period from the balance sheet date.

1.4 Use of estimates and judgment

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, the areas involving critical estimates or Judgment are:

a. Depreciation and amortization

Depreciation and amortization is based on management estimates of the future useful lives of certain class of property, plant and equipment and intangible assets.

b. Employee Benefits

The present value of the employee benefits obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) includes the discount rate, wage escalation and employee attrition. The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

c. Provision and contingencies

Provisions and contingencies are based on the Management's best estimate of the liabilities based on the facts known at the balance sheet date.

d. Fair valuation

Fair value is the market based measurement of observable market transaction or available market information. All financial instruments are measured at fair value as at the balance sheet date, as provided in Ind AS 109 and 113. Being a critical estimate, judgement is exercised to determine the carrying values. The fair value of financial instruments that are unlisted and not traded in an active market is determined at fair values assessed based on recent transactions entered into with third parties, based on valuation done by external appraisers etc.

1.5 Functional and presentation currency

These financial statements are presented in Indian rupees, which is also the functional currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest lakhs.

1.6 Current and noncurrent classification

All the assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1, presentation of financial statements.

Assets: An asset is classified as current when it satisfies any of the following criteria:

a. It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;

b. It is held primarily for the purpose of being traded;

c. It is expected to be realized within twelve months after the reporting date; or

d. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities: A liability is classified as current when it satisfies any of the following criteria:

a. It is expected to be settled in the Company's normal operating cycle;

b. It is held primarily for the purpose of being traded;

c. It is due to be settled within twelve months after the reporting date; or

d. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of noncurrent assets/ liabilities respectively. All other assets/ liabilities are classified as noncurrent. Deferred tax assets and liabilities are always disclosed as non-current.

1.7 Foreign Currency Transaction

Transactions in foreign currencies are translated to the respective functional currencies of entities within the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in the statement of profit and loss in the period in which they arise.

1.8 Property Plant & Equipment

Recognition and measurement

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset i.e., freight, duties and taxes applicable and other expenses related to acquisition and installation. The cost of self-constructed assets include the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset.

Directly attributable costs include:

a. Cost of Employee Benefits arising directly from Construction or acquisition of PPE.

b. Cost of Site Preparation.

c. Initial Delivery & Handling costs.

d. Professional Fees and

e. Costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling any item produced while bringing the asset to that location and condition (such as samples produced when testing equipment).

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within the statement of profit and loss.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part will be derecognized. The costs of repairs and maintenance are recognized in the statement of profit and loss as incurred.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up.

Depreciation

Depreciation is recognized in the statement of profit and loss on a straight line basis over the estimated useful lives of property, plant and equipment based on the Companies Act, 2013 (“Schedule II”), which prescribes the useful lives for various classes of tangible assets. For assets acquired or disposed off during the year, depreciation is provided on pro rata basis. Land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

The estimated useful lives are as follows:

Type of Asset	Estimated useful life in years
Buildings	
i) Main Plant Building	30
ii) Other Building	60
Plant & Machinery	25
Lab Equipment	7.5
Material Handling	7.5
Fire fighting	7.5
Vehicles	8
Computers	3
Office Equipment	5
Furniture & Fixtures	10

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under other noncurrent assets. The cost of property, plant and equipment not ready to use before such date are disclosed under capital work-in-progress. Assets not ready for use are not depreciated.

The Company assesses at each balance sheet date, whether there is objective evidence that an asset or a group of assets is impaired. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Recoverable amount is higher of the value in use or fair value less cost to sell.

1.9 Intangible assets

Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. The Intangible assets that are acquired by the Company and that have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

Amortization

Amortization is recognized in the statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets or on any other basis that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity. Intangible assets that are not available for use are amortized from the date they are available for use. The estimated useful lives are as follows:

Type of Asset	Estimated useful life
Intangible Assets	
Computer Software	3

The amortization period and the amortization method for intangible assets with a finite useful life are reviewed at each reporting date.

1.10 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a. Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

Debt instrument at FVTPL

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss. The Company has not designated any debt instrument as at FVTPL.

Investment in Preference Shares and Unquoted trade Investments

Investment in Preference Shares and Unquoted trade Investments are measured at amortized cost using Effective Rate of Return (EIR).

Investment in equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also reconises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of trade receivables

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18. Expected credit loss model takes into consideration the present value of all the cash shortfalls over the expected life of a financial instrument. In simple terms, it is weighted average of credit losses with the respective risks of default occurring as weights. The credit loss is the difference between all contractual cash flows that are due to an entity as per the contract and all the contractual cash flows that the entity expects to receive, discounted to the effective interest rate. The Standard presumes that entities would suffer credit loss even if the entity expects to be paid in full but later than when contractually due. In other words, it simply focuses on DELAYS in collection of receivables.

For the purpose of identifying the days of delay, the Company took into consideration the weighted average number of delays taking into consideration the date of billing, the credit period and the collection days.

b. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value i.e., loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derivative financial instruments and hedging activities:

A derivative is a financial instrument which changes value in response to changes in an underlying asset and is settled at future date. Derivatives are recognised at fair value at the end of reporting period and are subsequently re-measured at their fair value at each reporting period. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as either:

a. hedges of the fair value of recognised assets or liabilities (fair value hedge); or

b. hedges of a particular risk associated with a firm commitment or a highly probable forecasted transaction (cash flow hedge);

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are effective in offsetting changes in cash flows of hedged items.

Movements in the hedging reserve are accounted in other comprehensive income and are shown within the statement of changes in equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(b) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The ineffective portion of changes in the fair value of the derivative is recognised in the statement of profit and loss. Gains or losses accumulated in equity are reclassified to the statement of profit and loss in the periods when the hedged item affects the statement of profit and loss.

When a hedging instrument expires or swapped or unwound, or when a hedge no longer meets the criteria for hedge accounting, any accumulated gain or loss existing in statement of changes in equity is recognised in the Statement of Profit and Loss.

When a forecasted transaction is no longer expected to occur, the cumulative gains/losses that were reported in equity are immediately transferred to the statement of profit and loss.

Fair value measurement

Fair value of financial assets and liabilities is normally determined by references to the transaction price or market price. If the fair value is not reliably determinable, the Company determines the fair value using valuation techniques that are appropriate in the circumstances and for which sufficient data are available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

1.11 Inventories

Inventories consist of raw materials, stores and spares, work-in-progress and finished goods and are measured at the lower of cost and net realizable value. The cost of all categories of inventories is based on the weighted average method. Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity. Stores and spares, that do not qualify to be recognized as property, plant and equipment, consists of packing materials, engineering spares (such as machinery spare parts) and consumables which are used in operating machines or consumed as indirect materials in the manufacturing process. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

1.12 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, an impairment test is performed each year at March 31.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized in the statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

1.13 Cash & Cash Equivalents

Cash and bank balances comprise of cash balance in hand, in current accounts with banks, demand deposit, short-term deposits, Margin Money deposits and unclaimed dividend accounts. For this purpose, “short-term” means investments having maturity of three months or less from the date of investment. Bank overdrafts that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. The Margin money deposits, balance in dividend accounts which are not due and unclaimed dividend balances shall be disclosed as restricted cash balances.

1.14 Employee Benefits

a. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b. Defined Contribution Plan

The Company’s contributions to defined contribution plans are charged to the statement of profit and loss as and when the services are received from the employees.

c. Defined Benefit Plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates based on prevailing market yields of Indian Government Bonds and that have terms to maturity approximating to the terms of the related defined benefit obligation. The current service cost of the defined benefit plan, recognized in the statement of profit and loss in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

d. Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

e. Other long-term employee benefits

The Company’s net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

1.15 Provisions, contingent liabilities and contingent assets

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

1.16 Revenue Recognition

Sale of goods and trade license

The Company earns revenue from Sale of goods and sale of Trade licenses.

Sale of goods:

Revenue is recognized when the Company substantially satisfies its performance obligation while transferring a promised good or service to its customers. The company considers the terms of the contract and its customary business practices to determine the transaction price. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives / discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

Sale of trade licences:

The Company receives export incentives in the form of MEIS scrips which do not fall under the scope of Ind AS 115 and are accounted for in accordance with the provisions of Ind AS 20 considering such incentives as Government Assistance. Accordingly, government grant relating to Income is recognised on accrual basis in Profit and Loss statement and when the terms and conditions related to export performance obligations are met.

Other Income

<u>Interest Income</u>

Interest Income mainly comprises of interest on Margin money deposit with banks relating to bank guarantee. Interest income should be recorded using the effective interest rate (EIR). However, the amount of margin money deposits relating to bank guarantee are purely current in nature, hence effective interest rate has not been applied. Interest is recognized using the time-proportion method, based on rates implicit in the transactions.

<u>Dividend</u>

Dividend income is recognized when the Company's right to receive dividend is established.

1.17 Government Grants

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. They exclude those forms of government assistance which cannot reasonably have a value placed upon them and transactions with government which cannot be distinguished from the normal trading transactions of the entity.

Grants related to assets are government grants whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets. Subsidiary conditions may also be attached restricting the type or location of the assets or the periods during which they are to be acquired or held.

Grants related to income are government grants other than those related to assets.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognised in profit or loss of the period in which it becomes receivable.

Export incentives in the form of MEIS scrips and power subsidy receivable by the company do not fall under the scope of Ind AS 115 and are accounted for in accordance with the provisions of Ind AS 20 considering such incentives as Government Assistance. Accordingly, government grant relating to Income is recognised on accrual basis in Profit and Loss statement and when the terms and conditions related to export performance obligations are met.

1.18 Borrowing Costs

Borrowing costs consist of interest, ancillary and other costs that the Company incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

1.19 Tax Expenses

Tax expense consists of current and deferred tax.

Income Tax

Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred Tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Dividend distribution tax

Tax arising out of receipt of dividend from the foreign subsidiary is netted off against dividend distribution tax payable against the payment of dividends to shareholders under the Indian Income tax regulations. Dividend paid to the shareholders under Indian income tax regulations is not considered as tax expense for the Company and all such taxes are recognized in the statement of changes in equity as part of the associated dividend payment.

Tax on Dividends declared by the Company are recognised as an appropriation of Profit. Dividend Distribution Tax is not applicable from April 1, 2020.

1.20 Earnings Per Share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

1.21 Trade receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment, if any.

1.22 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

1.23 Determination of fair values

The Company's accounting policies and disclosures require the determination of fair value, for certain financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

(i) Property, plant and equipment

Property, plant and equipment, if acquired in a business combination or through an exchange of non-monetary assets, is measured at fair value on the acquisition date. For this purpose, fair value is based on appraised market values and replacement cost.

(ii) Intangible assets

The fair value of brands, technology related intangibles, and patents and trademarks acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of these brands, technology related intangibles, patents or trademarks being owned (the "relief of royalty method"). The fair value of customer related, product related and other intangibles acquired in a business combination has been determined using the multi-period excess earnings method after deduction of a fair return on other assets that are part of creating the related cash flows.

(iii) Inventories

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

(iv) Investments in equity and debt securities and units of mutual funds

The fair value of marketable equity and debt securities is determined by reference to their quoted market price at the reporting date. For debt securities where quoted market prices are not available, fair value is determined using pricing techniques such as discounted cash flow analysis.

In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds.

(v) Derivatives

The fair value of foreign exchange forward contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds). The fair value of foreign currency option and swap contracts and interest rate swap contracts is determined based on the appropriate valuation techniques, considering the terms of the contract.

(vi) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present valueof future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements. In respect of the Company's borrowings that have floating rates of interest, their fair value approximates carrying value.

1.24 Recent Accounting Pronouncements.

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

1.25 Impact of COVID-19 Key accounting judgements, estimates and assumptions.

The threats posed by the coronavirus outbreak are multifold. In many countries, businesses have been forced to cease or limit their operations for long or indefinite periods of time. Even in India the outbreak has been declared epidemic and on March 24, 2020, the Government of India ordered a nationwide lockdown, limiting movement of the population of India as a preventive measure against the COVID-19 pandemic. As a result, most businesses throughout the world are dealing with lost revenue and disrupted supply chains. The disruption to global supply chains due to factory shutdowns has already exposed the vulnerabilities of many organizations.

However, as the Company operates in an industry that is considered essential in India and other countries, its operations were continuing during lockdown by ensuring appropriate safety measures.

The Company considered the uncertainty relating to the COVID-19 pandemic in assessing the recoverability of receivables, goodwill, intangible assets, investments and other assets. For this purpose, the Company considered internal and external sources of information up to the date of approval of these financial statements. The Company has also used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis. Based on its current estimates, the Company expects to fully recover the carrying amount of receivables, goodwill, intangible assets, investments and other assets.

As the outbreak continues to evolve, the Company will continue to closely monitor any material changes to future economic conditions.

The preparation of the Financial Statements required the Management to exercise judgements and to make estimates and assumptions. The Management has considered the possible effects, if any, that may result from the pandemic relating to COVID-19 on the carrying amounts of its assets. In developing the assumptions and estimates relating to the uncertainties as at the Balance Sheet date in relation to the recoverable amounts of these assets, the Management has considered the global economic conditions prevailing as at the date of approval of these financial statements and has used internal and external sources of information to the extent determined by it. The actual outcome of these assumptions and estimates may vary in future due to the impact of the pandemic.

i. Depreciation and amortisation

Depreciation and amortisation are based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges.

ii. Employee Benefits

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using various assumptions. The assumptions used in determining the net cost/(income) includes the discount rate, wage escalation and employee attrition. Any changes in these assumptions will impact the carrying amount of obligations. The discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.

iii. Inventories

The method of valuation of Inventories has been stated in Note No. 1.11 of Significant Accounting Policies. The Company has considered the possible impact relating to COVID-19 while determining the net realisable value of inventory of green coffee beans, and coffee powder. Based on the available internal and external information as determined by the Management, the Company does not expect the carrying values of such inventories to be significantly impacted.

iv. Trade Receivables

The credit worthiness of Trade Receivables and the credit terms set are determined on a case to case basis and the Management has factored in the uncertainties arising out of COVID-19, as applicable. Based on other internal and external sources of information as determined by the Management, the Company expects to fully recover the carrying amount of Trade Receivables.

The fair values of Trade Receivables are not considered to be significantly different from their carrying values, given their generally short period to maturity, with impairment reviews considered on an individual basis rather than when these become overdue.

2.1: Property, plant and equipment

(₹ in Lakhs)

	Gross carrying value				Accumulated depreciation / impairment					Net carrying value	
	As at 1st April 2019	Additions	Disposals	As at 31st March 2020	As at 1st April 2019	For the year	Impairment for the year	Disposals	As at 31st March 2020	As at 31st March 2020	As at 31st March 2019
Land	2554.51	-	-	2554.51	-	-	-	-	-	2554.51	2554.51
Buildings	2745.17	6884.78	-	9629.95	301.30	301.86	-	-	603.16	9026.79	2443.87
Plant and equipment	19005.50	29836.98	-	48842.48	2687.25	2040.32	-	-	4727.57	44114.91	16318.26
Lab Equipment	9.39	287.75	-	297.14	0.90	12.15	-	-	13.06	284.09	8.49
Material Handling Equipmant	73.26	4.30	-	77.56	15.83	9.64	-	-	25.47	52.09	57.43
Fire fighting Equipmant	0.82	-	-	0.82	0.06	-	-	-	0.06	0.76	0.76
Vehicles	640.16	75.68	33.29	682.55	180.79	91.50	-	7.71	264.59	417.97	459.37
Computers	127.56	20.38	-	147.94	59.30	31.95	-	-	91.25	56.69	68.26
Office Equipment	178.63	118.37	-	297.00	72.00	51.63	-	-	123.63	173.37	106.63
Furniture & Fixtures	31.97	9.48	-	41.45	6.78	3.68	-	-	10.46	30.99	25.19
Total	**25366.98**	**37237.72**	**33.29**	**62571.42**	**3324.23**	**2542.74**	**-**	**7.71**	**5859.25**	**56712.17**	**22042.75**

	Gross carrying value				Accumulated depreciation / impairment					Net carrying value	
	As at 1st April 2018	Additions	Disposals	As at 31st March 2019	As at 1st April 2018	For the year	Impairment for the year	Disposals	As at 31st March 2019	As at 31st March 2019	As at 31st March 2018
Land	2522.71	31.80	-	2554.51	-	-	-	-	-	2554.51	2522.71
Buildings	2745.17	-	-	2745.17	200.86	100.44	-	-	301.30	2443.87	2544.31
Plant and equipment	17277.55	2196.76	468.81	19005.50	1775.28	970.60	-	58.64	2687.25	16318.26	15502.27
Lab Equipment	9.39	-	-	9.39	0.14	0.76	-	-	0.90	8.49	9.25
Material Handling Equipment	42.13	31.13	-	73.26	9.40	6.43	-	-	15.83	57.43	32.73
Fire fighting Equipmant	0.82	-	-	0.82	0.06	-	-	-	0.06	0.76	0.76
Vehicles	477.72	194.47	32.03	640.16	113.87	78.56	-	11.63	180.79	459.37	363.85
Computers	97.98	29.58	-	127.56	33.15	26.15	-	-	59.30	68.26	64.83
Office Equipment	133.55	47.01	1.93	178.63	40.45	33.24	-	1.69	72.00	106.63	93.10
Furniture & Fixtures	30.26	1.71	-	31.97	3.85	2.93	-	-	6.78	25.19	26.41
Total	**23337.28**	**2532.47**	**502.77**	**25366.98**	**2177.06**	**1219.13**	**-**	**71.96**	**3324.23**	**22042.75**	**21160.22**

a. All fixed assets including Factory land and buildings located at Duggirala, Guntur District and SEZ unit located at Kuvvakoli Village,Chittoor District, have been given as a security for availing Credit facilities from banks.

2.2: Other Intangible assets

(₹ in Lakhs)

	Gross carrying value				Accumulated depreciation / impairment					Net carrying value	
	As at 1st April 2019	Additions	Disposals	As at 31st March 2020	As at 1st April 2019	For the year	Impairment for the year	Disposals	As at 31st March 2020	As at 31st March 2020	As at 31st March 2019
Computer Software	13.53	-	-	13.53	12.71	-	-	-	12.71	0.82	0.82
Total	**13.53**	**-**	**-**	**13.53**	**12.71**	**-**	**-**	**-**	**12.71**	**0.82**	**0.82**

	Gross carrying value				Accumulated depreciation / impairment					Net carrying value	
	As at 1st April 2018	Additions	Disposals	As at 31st March 2019	As at 1st April 2018	For the year	Impairment for the year	Disposals	As at 31st March 2019	As at 31st March 2019	As at 31st March 2018
Computer Software	13.53	-	-	13.53	10.42	2.29	-	-	12.71	0.82	3.11
Total	**13.53**	**-**	**-**	**13.53**	**10.42**	**2.29**	**-**	**-**	**12.71**	**0.82**	**3.11**

2.3 Investments

(₹ in Lakhs)

	2020		2019	
	Current	Non Current	Current	Non Current
Investments carried at cost (Unquoted investments)				
In subsidiary companies				
Jayanti Pte Ltd (2,80,84,784 Equity Shares Face Value of $ 1/- each)	-	11125.57	-	11125.57
Ngon Coffee Company Limited (530000000000 Equity Shares Face Value of VND 1/- each) (344564633286 Equity Shares Face Value of VND 1/- each previous year)	-	3877.18	-	3877.18
Continental Coffee SA (earlier known as Grandsaugreen SA) (11100000 Equity Shares Face Value of CHF 1/- each)	-	6.92	-	6.92
Continental Coffee Private Limited (70,00,000 Equity Shares Face Value of ₹ 10/- each)	-	700.00	-	700.00
CCL Beverages Private Limited (10,000 Equity Shares Face Value of ₹ 10/- each)	-	1.00	-	-
Aggregate amount of unquoted Investments	**-**	**15710.67**	**-**	**15709.67**
Investments at amortized cost(Unquoted Non Trade Investments:)				
Coffee Futures Exchange India Ltd (Equity Subscription for Membership as Ordinary member - 1 share of ₹ 10,000)	-	0.10	-	0.10
Preference shares in Associated Coffee Merchants (Intl) Ltd (1,87,400 Preference Shares Face value of GBP 1/-each)	-	147.91	-	147.91
Total investments carried at Amortized cost	**-**	**148.01**	**-**	**148.01**
Total Invetsments	**-**	**15858.69**	**-**	**15857.69**

2.4 Other Financial Assets

	2020		2019	
	Current	Non Current	Current	Non Current
Rental Deposits	-	27.89	-	27.89
Electricity and Other Security Deposits	-	499.66	-	313.86
Other Receivables	2207.13	-	580.32	-
Tender Deposit	8.28	-	8.27	-
	2215.42	**527.55**	**588.60**	**341.75**

2.5 Other Non Current Assets and Current Assets

(₹ in Lakhs)

	2020		2019	
	Current	Non Current	Current	Non Current
Advance Tax (Net of Provision for tax)	80.10	1366.67	294.66	967.01
Deposits with Statutory authorities	-	2883.28	-	2883.28
Advances to Employees	43.25	-	35.58	-
Prepaid Expenses	235.63	-	67.10	-
Input tax and other taxes receivables	1064.95	-	1762.13	-
Advance to Creditors	889.18	-	236.28	-
Advances for Capital goods/services	834.65	-	437.82	-
Other receivables	217.56	-	45.38	-
	3365.33	**4249.95**	**2878.94**	**3850.30**

2.6 Inventories

	2020 Current	2019 Current
Raw materials	10104.96	9236.78
Work-in-progress	230.13	151.30
Finished goods	5884.28	3036.22
Stores, spares and consumables	1302.15	893.04
Packing materials	1232.59	1201.96
	18754.11	**14519.30**

The mode of valuation of Inventories has been stated in Note 1.11 of Significant Accounting Policies
Inventories hypothecated as security for availing working capital facilities from banks

2.7 Trade receivables

	2020 Current	2019 Current
Trade Receivables		
Unsecured, considered good	21632.51	14930.89
Less: Allowances for credit losses	77.43	40.13
Less: Bad debts Written off	-	-
	21555.09	**14890.76**

Trade Receivables hypothecated as security for availing working capital facilities

2.8 Cash and Cash Equivalents

(₹ in Lakhs)

	2020	2019
a) Cash and Cash equivalents		
i) Cash on hand	2.94	1.00
ii) Balances with banks		
-Current Accounts	1507.94	1294.44
b) Other Bank Balances (with restricted use)		
(i) Margin Money Deposit Accounts (against Bank Guarantees)	182.16	182.16
(ii) Unclaimed Dividend Account	103.89	56.39
(iii) Dividend Account	-	2327.99
Interest accrued but not due on deposits	47.63	36.19
	1844.56	**3898.17**

Cash and Cash Equivalents include the following for Cash flow purpose

	2020	2019
Cash and Cash Equivalents/ Bank Balances	1844.56	3898.17
Less: Unclaimed dividend	103.89	56.39
Less: Dividend account	-	2327.99
Cash and Cash Equivalents/ Bank Balances	**1740.67**	**1513.79**

2.9 Share Capital

(₹ in Lakhs)

	2020	2019
Authorized Share Capital		
150,000,000 Equity Shares of ₹ 2 each	3000.00	3000.00
(Previous year :150,000,000 Equity Shares of ₹ 2 each)		
Issued Subscribed and Paid up Share Capital		
133,027,920 Equity Shares of ₹ 2 each, fully paid up	2660.56	2660.56
(Previous year :133,027,920 Equity Shares of ₹ 2 each, fully paid up)	**2660.56**	**2660.56**

Details of shareholders holding more than 5% shares :	No. of shares	% Holding	No. of shares	% Holding
1. Challa Rajendra Prasad	13237481	9.95%	13065400	9.82%
2. Challa Shantha Prasad	18431659	13.86%	18270000	13.73%
3. Challa Srishant	13944914	10.48%	13722000	10.32%
4. Challa Soumya	13350898	10.04%	13175300	9.90%
5. Smallcap World Fund Inc	-	-	10642173	8.00%

2.9.1 Reconciliation of Number of Shares :

	2020	2019
Number of Shares at the beginning of the year	133027920	133027920
Add : Shares issued during the year	-	-
Number of Shares at the end of the year	**133027920**	**133027920**

2.9.2 Rights attached to equity shares

The Company has only one class of equity shares having a face value of ₹ 2 /- each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.10 Other Equity

(₹ in Lakhs)

	2020	2019
Retained Earnings		
Opening Balance	33869.56	28064.12
Add: Current year Transfer	23893.26	12542.90
Less: Dividend Paid (Including Dividend distribution Tax)	(8979.38)	(6737.46)
Total	**48783.43**	**33869.56**
General Reserve		
Opening Balance	28820.70	28820.70
Add: Current year Transfer	-	-
Less: Written Back in Current year	-	-
Total	**28820.70**	**28820.70**
Acturial Gains or Losses (OCI)		
Opening Balance	(134.81)	(79.62)
Add: Current year Transfer	(13.79)	(55.19)
Less: Written Back in Current year	-	-
Total	**(148.60)**	**(134.81)**
Measurement of Derivative instrument at fair value (OCI)		
Opening Balance	(311.53)	-
Add: Current year Transfer	(563.15)	(311.53)
Total	**(874.68)**	**(311.53)**
Total Other Equity	**76580.84**	**62243.91**

2.11 Borrowings

	2020		2019	
	Current	**Non Current**	**Current**	**Non Current**
Secured Borrowings:				
Term loans from Banks				
HDFC Bank Ltd.	-	10166.67	-	4133.33
Citi bank N.A.(External commercial borrowings)	-	11779.05	-	15131.22
Working Capital Facilities	14270.14	-	16845.60	-
	14270.14	**21945.71**	**16845.60**	**19264.55**

The term loan of ₹ 50.00 Crs and ₹ 10.00 Crs from HDFC Bank carrying floating interest rate of Monthly MCLR+15 bps repayable in twelve and ten equal quarterly installments respectively at the end of each quarter commencing from 29th June, 2019 and 29th Dec. 2019 respectively.

Total term loan of ₹ 90.00 Crs from HDFC Bank carrying floating interest rate of Monthly MCLR+5 bps repayable in sixteen quarterly installments at the end of each quarter commencing from 29th June, 2020.

Term loans from HDFC Bank is secured by first pari passu charge on movable assets of the company and second pari passu charge on current assets of the Company.

External commercial borrowings from Citi bank is secured by first ranking exclusive charge over all the fixed assets EOU located at Duggirala, Guntur district and SEZ Unit located at kuvvakoli village, Chittoor district of Andhra Pradesh.The coupon for External Commercial Borrowings is linked to LIBOR plus applicable spread.

Term loans repayable in next tweleve months period was segregated as current maturities of long term debt as Other financial liabilities under Current laibilities.

Working Capital Facilities(Packing credit) from State Bank of India, Citi Bank and ICICI Bank Limited under consortium are secured by way of first pari-passu charge on current assets and second pari-passu charge on fixed assets of the company . The Working Capital is repayable on demand.

(₹ in Lakhs)

2.12 Deffered Tax Liabilities

	2020	**2019**
Opening Balance	**3986.52**	**3921.25**
Add : On account of IND AS Adjustment	-	69.26
Add : On account of depreciation	3955.83	-
Add : On account of Others	(3237.47)	(3.99)
Closing Balance	**4704.88**	**3986.52**

2.13 Other Non Current Liabilities & Current liabilities

	2020		**2019**	
	Current	**Non Current**	**Current**	**Non Current**
Salaries and employee benefits	363.02	-	263.10	-
Withholding and other taxes payable	94.15	-	40.92	-
Advance from customers	223.46	-	59.28	-
Others	1842.50	-	1366.11	-
	2523.12	**-**	**1729.41**	**-**

2.14 Trade Payables

	2020 Current	**2019 Current**
(a) Due to Micro & Small Enterprises	-	-
(b) Dues to others		
For Raw material	251.88	4322.33
For Packing material	820.64	677.66
For Stores and Consumables	144.93	133.07
For Services	497.11	297.79
	1714.56	**5430.85**

2.15 Other financial liabilities

(₹ in Lakhs)

	2020		2019	
	Current	Non Current	Current	Non Current
Creditors For Capital goods	665.30	-	1876.62	-
Unpaid dividends	103.89	-	56.39	-
Dividend Payable	-	-	2327.99	-
Interest accrued but not due on borrowings	220.89	-	143.08	-
Current Maturities of Long Term Borrowings	7678.29	-	4028.27	-
Derivative Financial Liability	-	874.68	-	311.53
Other Payables	850.42	-	376.31	-
	9518.78	**874.68**	**8808.66**	**311.53**

2.16 Provisions

	2020		2019	
	Current	Non Current	Current	Non Current
Leave Encashment	-	-	-	-
Provision for tax	-	-	-	-
Gratuity	-	-	-	-
	-	-	-	-
	-	-	-	-

2.17 Revenue from operations

	2020	2019
Revenue from :		
Sale of Products - Coffee	78870.62	75771.45
Trade Licences	3394.08	5141.84
Revenue from operations	**82264.70**	**80913.29**

2.18 Other income

	2020	2019
Interest on Deposits	47.09	78.35
Dividend Income on long-term investments	16.92	9.13
Dividend Income from Ngon Coffee Company Ltd	13111.84	2930.43
Profit on sale of assets	-	0.06
Scrap sales	0.93	-
Miscellaneous Income	217.56	-
	13394.34	**3017.96**

2.19 Cost of materials consumed

	2020	2019
Raw Material		
Purchases	42677.88	46062.78
Add: Opening Stock	9236.78	9120.74
	51914.66	55183.52
Less: Closing Stock	10104.96	9236.78
	41809.70	**45946.74**

(₹ in Lakhs)

2.20 Changes in inventories

	2020	2019
Work-in-progress		
Opening	151.30	139.53
Closing	230.13	151.30
	(78.83)	(11.76)
Finished goods		
Opening	3036.22	3050.73
Closing	5884.28	3036.22
	(2848.06)	14.50
	(2926.89)	**2.74**

2.21 Employee benefits expense

	2020	2019
Salaries, Wages and Bonus	2571.01	2201.37
Directors' Remuneration	1582.00	1486.11
Contribution to provident and other funds	397.28	320.03
Staff welfare	455.16	130.02
	5005.45	**4137.55**

2.22 Finance costs

	2020	2019
Interest Expense	1491.24	579.92
Other borrowing costs	200.24	231.62
	1691.48	**811.54**

2.23 Other expenses

	2020	2019
Packing material consumed	5546.67	4506.19
Stores and Consumable consumed	557.95	480.51
Power and fuel	5427.97	3461.58
Repairs and Maintenance to Buildings	24.05	17.23
Repairs and Maintenance to Machinery	1065.44	607.21
Repairs and Maintenance to Other assets	85.09	42.27
Transportation, Ocean Freight, Clearing and Forwarding	1907.42	1453.59
Insurance	127.45	80.78
Rent	69.44	62.18
Rates and Taxes	119.25	118.24
Directors' Sitting Fee	17.45	19.35
Non-whole time Directors' Commission	81.00	63.00
Selling Expenses	1429.89	1317.83
Commission on Sales	348.46	287.72
Travelling and Conveyance	116.00	138.86
Communication Expenses	89.36	61.21
Printing and Stationery	12.00	8.47

(₹ in Lakhs)

Office Maintenance	558.43	212.02
Donations	94.76	53.61
Corporate Social Responsibility (CSR) Expenditure	328.22	298.60
Professional Fees & Expenses	273.59	146.19
Subscription and Membership fee	5.01	3.59
Auditor's Remuneration	15.19	15.50
Foreign Exchange Loss (Net)	(639.89)	479.23
Miscellaneous expenses	0.23	0.30
Allowance for credit losses	37.29	18.18
Loss on sale of Asset	5.59	-
	17703.31	**13953.43**

2.24 Auditors Remuneration

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
a) Audit fees	11.00	9.50
b) Other charges		
Taxation matters	2.50	2.50
Certification fee	1.20	2.60
c) Reimbursement of out of pocket expenses	0.49	0.90
TOTAL	**15.19**	**15.50**

2.25 Earnings per Share

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Earnings		
Profit attributable to equity holders	23,893.26	12,542.90
Shares		
Number of shares at the beginning of the year	13,30,27,920	13,30,27,920
Add: Equity shares issued	-	-
Less: Buy back of equity shares	-	-
Total number of equity shares outstanding at the end of the year	13,30,27,920	13,30,27,920
Weighted average number of equity shares outstanding during the year – Basic	**13,30,27,920**	**13,30,27,920**
Add: Weighted average number of equity shares arising out of outstanding stock options (net of the stock options forfeited) that have dilutive effect on the EPS	-	-
Weighted average number of equity shares outstanding during the year – Diluted	**13,30,27,920**	**13,30,27,920**
Earnings per share of par value ₹ 2/- -Basic (₹)	17.96	9.43
Earnings per share of par value ₹ 2/- – Diluted (₹)	17.96	9.43

2.26 Related Parties

List of Subsidiaries:

M/s. Jayanti Pte Ltd., Singapore
M/s. Continental Coffee Pvt Ltd., India
M/s. Ngon Coffee Company Ltd., Vietnam
M/s. Continental Coffee SA, Switzerland
M/s. CCL Beverages Private Limited., India

In accordance with the provisions of Ind AS 24 “Related Party Disclosures” and the Companies Act, 2013, Company’s Directors, members of the Company’s Management Council and Company Secretary are considered as Key Managerial Personnel. List of Key Managerial Personnel of the Company are given below:

- Mr. Challa Rajendra Prasad, Whole time Director
- Mr. Challa Srishant, Managing Director
- Mr. B. Mohan Krishna, Executive Director
- Mr. K.V.L.N.Sarma, Chief Operations Officer
- Mr. V. Lakshmi Narayana, Chief Financial Officer
- Ms. Sridevi Dasari, Company Secretary

The following is a summary of significant related party transactions: **(₹ in Lakhs)**

Particulars	**For the year ended 31st March 2020**	**For the year ended 31st March 2019**
a) Key managerial personnel		
Remuneration & Commission		
Mr.Challa Rajendra Prasad	420.00	743.06
Mr.Challa Srishant	665.00	445.83
Mr. B.Mohan Krishna	497.00	297.22
Mr.K.V.L.N.Sarma	89.57	84.23
Mr.V.Lakshmi Narayana	83.88	55.29
Ms.Sridevi Dasari	16.94	16.73
Rent		
Mr. Challa Srishant	22.30	22.30
b) Non-whole time Directors		
Sitting Fee		
Mr.Vipin K.Singal	2.15	2.15
Mr.K.Chandrahas	2.45	2.40
Mr.J.Rambabu	-	2.40
Mr.K.K.Sarma	2.30	2.25
Mr.G.V.Krishna Rau	2.00	2.40
Ms.Kulsoom Noor Saifullah	1.45	2.00
Ms.Challa Shantha Prasad	1.20	1.45
Mr.K Durga Prasad	2.45	2.30
Dr.L.Krishnanand	2.15	2.00
Mr.K.V.Chowdary	1.30	-

(₹ in Lakhs)

Commission		
Mr.Vipin K.Singal	9.00	7.00
Mr.K.Chandrahas	9.00	7.00
Mr.J.Rambabu	-	7.00
Mr.K.K.Sarma	9.00	7.00
Mr.G.V.Krishna Rau	9.00	7.00
Ms.Kulsoom Noor Saifullah	9.00	7.00
Ms.Challa Shantha Prasad	9.00	7.00
Mr.K Durga Prasad	9.00	7.00
Dr.L.Krishnanand	9.00	7.00
Mr.K.V.Chowdary	9.00	-
Rent		
Ms.Challa Shantha Prasad	21.46	21.46
c) Relatives of Key Managerial Personnel		
Rent		
Ms.Challa Soumya	7.04	7.04
TOTAL	**1921.64**	**1775.51**

Transactions with Subsidiaries:

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Continental Coffee SA, Switzerland		
Sale of Instant Coffee	10869.65	4119.15
Trade Receivable	5992.86	2988.59
Continental Coffee Private Limited, India		
Sale of Instant Coffee	5360.87	3523.66
Trade Receivable	2438.66	1521.70
Short Term Loan	2200.00	-
Interest on Short Term Loan	7.92	-
TOTAL	**26869.96**	**12153.10**

2.27 Earnings/expenditure in foreign currency:

Expenditure in Foreign currency:

(₹ in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Travel Expenses	1.69	17.22
Professional Fees	26.79	22.84
Purchase of Raw Materials	31753.92	37276.60
Purchase of Stores & Spares	549.32	100.74
Other expenses	10.02	14.29
Total	**32,341.74**	**37431.69**

Earnings in Foreign currency:

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
FOB Value of Exports	72018.03	68973.60
Dividend	13128.75	2939.55
Total	**85146.78**	**71913.15**

2.28 Segment Reporting:

The Company concluded that there is only one operating segment i.e, Coffee products. Hence, the same becomes the reportable segment for the Company. Accordingly, the Company has only one operating and reportable segment, the disclosure requirements specified in paragraphs 22 to 30 are not applicable. Accordingly, the Company shall present entity-wide disclosures enumerated in paragraphs 32, 33 and 34 of Ind AS 108.

2.29 Employee benefits:

Gratuity benefits

In accordance with applicable laws, the Company has a defined benefit plan which provides for gratuity payments (the "Gratuity Plan") and covers certain categories of employees in India. The Gratuity Plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amount of the payment is based on the respective employee's last drawn salary and the years of employment with the Company. Liabilities in respect of the Gratuity Plan are determined by an actuarial valuation, based upon which the Company makes contributions to the Life Insurance Corporation of India (LIC).

The components of gratuity cost recognized in the statement of profit and loss for the years ended 31st March 2020 and 2019 consist of the following:

Particulars	For the Years ended 31st March	
	2020	**2019**
Current service cost	41.98	32.71
Interest on net defined benefit liability/(asset)	36.50	27.00
Gratuity cost recognized in statement of profit and loss	**78.48**	**59.71**

Details of the employee benefits obligations and plan assets are provided below: **(₹ in Lakhs)**

Particulars	**As of 31st March**	
	2020	**2019**
Present value of funded obligations	571.71	472.55
Fair value of plan assets	628.16	576.12
Net defined benefit liability / (asset) recognized	**(56.44)**	**(103.57)**

Details of changes in the present value of defined benefit obligations are as follows:

Particulars	**As of 31st March**	
	2020	**2019**
Defined benefit obligations at the beginning of the year	**480.49**	**343.90**
Current service cost	41.98	32.71
Interest on defined obligations	36.50	27.00
Re-measurements due to:		
Actuarial loss/(gain) due to change in financial assumptions	19.51	81.77
Actuarial loss/(gain) due to demographic assumptions		
Actuarial loss/(gain) due to experience changes		
Benefits paid	(6.76)	(12.82)
Defined benefit obligations at the end of the year	**571.71**	**472.56**

Details of changes in the fair value of plan assets are as follows:

Particulars	**As of 31st March**	
	2020	**2019**
Fair value of plan assets at the beginning of the year	**576.12**	**399.89**
Employer contributions	16.06	156.05
Actuarial loss/(gain) on plan assets	(1.69)	(3.06)
Re-measurements due to:		
Return on plan assets excluding interest on plan assets	44.42	36.07
Benefits paid	(6.76)	(12.82)
Plan assets at the end of the year	**628.16**	**576.13**

Summary of Acturial Assumptions

The actuarial assumptions used in accounting for the Gratuity Plan are as follows:
The assumptions used to determine benefit obligations:

Particulars	**As of 31st March**	
	2020	**2019**
Discount rate	8.00%	8.00%
Rate of compensation increase	4.00%	4.00%

Leave Encashment

The Company accumulates of compensated absences by certain categories of its employees for one year. These employees receive cash in lieu thereof as per the Company's policy. The Company records expenditure on payment basis.`

Contribution to Provident Fund

The employees of the Company receive benefits from a provident fund, a defined contribution plan. Both the employee and employer each make monthly contributions to a government administered fund equal to 12% of the covered employee's qualifying salary. The Company has no further obligations under the plan beyond its monthly contributions. The Company contributed ₹ 248.41 Lakhs and ₹ 151.55 Lakhs to the provident fund plan during the years ended 31st March 2020 and 2019, respectively.

Contribution to Superannuation schemes

Certain categories of employees of the Company participate in superannuation, a defined contribution plan administered by the Life Insurance Corporation of India. The Company makes annual contributions based on a specified percentage of each covered employee's salary. The Company has no further obligations under the plan beyond its annual contributions. The Company contributed ₹ 154.87 Lakhs and ₹ 264.85 Lakhs to the superannuation Schemes during the years ended 31st March 2020 and 2019, respectively.

2.30 Income Taxes:

Income tax expense/ (benefit) recognized in the statement of profit and loss:

Income tax expense/ (benefit) recognized in the statement of profit and loss consists of the following:

(₹ in Lakhs)

Particulars	For the Year Ended 31st March	
	2020	2019
Current taxes expense		
Domestic	5221.64	5249.66
Deferred taxes expense/(benefit)		
Domestic	718.36	65.27
Total income tax expense/(benefit) recognized in the statement of profit and loss	**5940.00**	**5314.94**

a) **Income tax expense/ (benefit) recognized directly in equity**

Income tax expense/ (benefit) recognized directly in equity consist of the following:

Particulars	For the Year Ended 31st March	
	2020	2019
Tax effect on actuarial gains/losses on defined benefit obligations	7.41	29.65
Total income tax expense/(benefit) recognized in the equity	**7.41**	**29.65**

b) **Reconciliation of Effective tax rate**

Particulars	For the Year Ended 31st March	
	2020	2019
Profit before income taxes	**29833.26**	**17857.83**
Enacted tax rate in India	34.94%	34.94%
Computed expected tax benefit/(expense)	**10423.74**	**6240.24**
Effect of:		
Expenses not deductible for Tax purposes	1054.94	1773.83
Expenses deductible for Tax purposes	(12007.67)	(1984.80)

(₹ in Lakhs)

Taxable at Special Rate	2023.00	2939.55
Due to loss in SEZ Unit	529.22	-
Income tax benefit/(expense)	**2023.23**	**5626.76**
Effective tax rate	**6.78%**	**31.51%**

The Company's average effective tax rate for the years ended March 31, 2020 and 2019 were 6.78% and 31.51%, respectively.

The company for the year ended 31.03.2020 is liable to pay Minimum Alternative Tax @ 17.47% on its book profit. The amount of Minimum Alternative Tax payable (MAT) is ₹ 5,221.64 Lakhs and the tax credit available for carry forward and set off on account of the MAT is ₹ 3,198.41 Lakhs. Accordingly the effective tax liability for the year ended 31.03.2020 was ₹ 2,023.23 Lakhs.

c) Deferred tax assets & Liabilities:

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that created these differences is given below:

Particulars	**For the Year Ended 31st March**	
	2020	**2019**
Deferred tax assets/(liabilities):		
Property, plant and equipment	**(7942.35)**	**(3990.51)**
Others	3,237.47	3.99
Net deferred tax assets/(liabilities)	**(4704.88)**	**(3986.52)**

2.31 Financial Risk Management:

The Company's activities expose it to a variety of financial risks, including credit risk, liquidity risk and Market risk. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors, risk management committee and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

a. Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company has the following categories of financial assets that are subject to credit risk evaluation:

Trade Receivables- The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Financial assets that are neither past due nor impaired - None of the Company's cash equivalents, including deposits with banks, were past due or impaired as at 31st March 2020. Of the total trade and other receivables, impairment loss is provided for ₹ 77.43 as at 31st March 2020 and ₹ 40.13 at 31st March 2019.

The Company's credit period for customers generally ranges from 60-90 days. The aging of trade receivables that are past due but not impaired is given below: **(₹ in Lakhs)**

Particulars	**As of 31st March**	
Period (in days)	**2020**	**2019**
1 – 90	12502.27	12591.76
90 – 180	7155.31	2226.04
More than 180	1974.93	113.10
Total	**21632.51**	**14930.90**

Other than trade receivables, the Company has no significant class of financial assets that are past due or impaired as at 31st March, 2020.

On account of adoption of Ind AS 109, the Company uses Expected Credit Loss (ECL) model for assessing the impairment loss. For this purpose, it is weighted average of credit losses with the respective risks of default occurring as weights. The credit loss is the difference between all contractual cash flows that are due to an entity as per the contract and all the contractual cash flows that the entity expects to receive, discounted to the effective interest rate.

Reconciliation of allowance for credit losses

The details of changes in allowance for credit losses during the year ended 31st March 2020 and 31st March 2019 are as follows:

Particulars	**For the Year Ended 31st March**	
	2020	**2019**
Balance at the beginning of the year	**40.13**	**21.95**
Impairment of Trade receivables	37.29	18.18
Balance at the end of the year	**77.43**	**40.13**

b. Liquidity Risks:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

As of 31st March 2020 and 2019, the Company has utilized working capital credit limits from banks for ₹ 14270.14 Lakhs and ₹ 16845.60 Lakhs respectively.

As of 31st March 2020, the Company had working capital (current assets less current liabilities) of ₹ 19707.89 Lakhs including cash and cash equivalents of ₹ 1844.56 Lakhs. As of 31st March 2019, the Company had working capital (current assets less current liabilities) of ₹ 3961.26 Lakhs including cash and cash equivalents of ₹ 3898.17 Lakhs

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31st March 2020:

(₹ in Lakhs)

Particulars	2021	2022	2023	Thereafter	Total
Trade payables	1714.56	-	-	-	**1714.56**
Long term borrowings	8578.29	7411.61	5955.81	-	**21945.71**
Bank overdraft, short-term loans and borrowings*	14270.14	-	-	-	**14270.14**
Other liabilities*	12916.58	-	-	-	**12916.58**

*Note: The Bank Overdraft and other liabilities are payable on demand.

c. Market Risks

Market risk is the risk that changes in market prices such as commodity prices risk, foreign exchange rates and interest rates which will affect the Company's financial position. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Coffee Industry is dependent on nature, making it susceptible to climate vagaries. The major weather factors that influence coffee yield are rainfall, temperature, light intensity and relative humidity.

Commodity Price Risk

The Company exposure to Market risk for commodity prices can result in changes to realisation for its Cost of Production for its products. The company mitigates risk by entering into Coffee Future Contracts and with the natural hedge arising on export of Products vis a vis import of Coffee Beans.

Coffee Futures

The Company uses Coffee future contract to reduce its price risk associated with forecasted purchases of Coffee beans. Throughout the year, the company enters into coffee futures based on market price and anticipated production requirements.

Foreign currency risk

The Company is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Company is Indian Rupee. The company mitigates the currency risk with natural hedge arising on export of Products vis a vis import of Coffee Beans.

Interest rate risk

Interest rate risk refers to risk that the fair value of future cash flows of a financial instrument may fluctuate because of changes in market interest rates.

2.32 Capital Management

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through equity, borrowings and operating cash flows required.

The company's Debt Equity ratio is as follows:

Particulars	2020	2019
Total Debt	55551.89	56377.13
Total Equity	79241.40	64904.47
Debt Equity Ratio	**0.70:1**	**0.87:1**

2.33 Contingent Liabilities and Commitments:

The following are the details of contingent liabilities and commitments: **(₹ in Lakhs)**

Particulars	2020	2019
Contingent Liabilities		
a) Claims against the company/disputed liabilities not acknowledged as debts		
Income Tax*	4402.40	2883.28
Service Tax	995.92	552.98
Sales Tax	47.16	-
b) Guarantees		
Bank Guarantee	1423.27	2786.28
	6868.75	**6222.54**
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	836.31	1487.72
	836.31	**1487.72**

* Tax deposited under protest ₹ 2883.28 Lakhs

As per our report of even date
For RAMANATHAM & RAO
Chartered Accountants

Sd/-
K.SREENIVASAN
Partner
M.No.206421

Place : Hyderabad
Date : 15th June, 2020

By order of the Board

Sd/-
Challa Rajendra Prasad
Executive Chairman
DIN : 00702292

Sd/-
V.Lakshmi Narayana
Chief Financial Officer
M. No. 028499

Sd/-
Sridevi Dasari
Company Secretary
M.No. A29897

Sd/-
K. Chandrahas
Director
DIN : 02994302

Sd/-
Challa Srishant
Managing Director
DIN : 00016035

Independent Auditor's Report

To the Members of CCL Products (India) Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of CCL Products (India) Limited (hereinafter referred to as "the Parent") and its subsidiaries Jayanti Pte Ltd, Singapore; Continental Coffee SA, Switzerland (formerly known as Grandsaugreen SA); Ngon Coffee Company Limited, Vietnam; Continental Coffee Private Limited, India and CCL Beverages Private Limited, India (the Parent and its subsidiaries together referred to as "the Group") which comprise of the Consolidated Balance Sheet as at 31st March, 2020, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity the for the year then ended, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("IND AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act, and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 1.26 of the consolidated financial statements, which describes the extent to which the COVID-19 Pandemic will impact the Company's results which depend on future developments that are highly uncertain. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

Key Audit Matter	How the Matter was addressed in Audit
1. Evaluation of uncertain tax position: The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes 2.31 to the Financial Statements	**<u>Principal Audit Procedures</u>** Obtained details of completed tax assessments and demands up to the year ended March 31, 2020 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at 1st April 2019 to evaluate whether any change was required to management's position on these uncertainties. We conclude that tax provisions and related disclosures are appropriately disclosed.

Other Information

The Parent's Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, for example, Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon. The other information as stated above is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by other auditors, to the extent relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.

When we read the other information as stated above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with Governance.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor’s Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the parent of which we are the independent auditors, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the finical information of 5 subsidiaries whose financial statements reflect total assets of ₹ 44,579.07 Lakhs as at 31st March, 2020, total revenues of ₹ 48,056.29 Lakhs and total net profit after tax amounting to ₹ 5,795.88 Lakhs, total comprehensive income of ₹ 5,788.51 Lakhs for the year ended on that date as considered in the consolidated financial statements. These financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respective of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.
Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the consolidated financial statements have been kept by the Company so far as it appears from our examination of those books.

   c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including Other Comprehensive Income, the consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors of the parent as on 31st March, 2020 taken on record by the Board of Directors of the parent, none of the directors of the parent is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A” which is based on the auditor’s report of the Parent. Our report expresses an unmodified opinion on the adequacy and operation effectiveness of internal financial controls over financial reporting of the Parent.

   g) With respective to the other matters to be included in the Auditor’s Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Parent to its directors during the year is in accordance with the provisions of the section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial positions of the Group – Refer Note 2.31 to the consolidated financial statements;

ii. Provision has been made in the Consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts included derivative contracts;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For RAMANATHAM & RAO
Chartered Accountants
Firm Registration. No. 002934S
Sd/-
(K SREENIVASAN)
Partner
ICAI Membership No. 206421
UDIN:20206421AAAADS9541

Place: Hyderabad
Date: 15th June, 2020

CONTINENTAL COFFEE

Annexure - A to the Independent Auditors' Report
(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of CCL Products (India) Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For RAMANATHAM & RAO
Chartered Accountants
Firm Registration. No. 002934S
Sd/-
(K SREENIVASAN)
Partner
ICAI Membership No. 206421
UDIN:20206421AAAADS9541

Place: Hyderabad
Date: 15th June, 2020

CONTINENTAL COFFEE

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2020

(₹ in Lakhs)

	Note No.	2020	2019
ASSETS			
Non-current assets			
Property plant and Equipment	2.1	72362.00	38298.48
Capital Work Inprogress		10017.91	42412.52
Intangible assets	2.2	1.50	1.50
Financial assets			
(i) Investments	2.3	148.01	148.01
(ii) Other financial assets	2.4	556.97	354.98
Other non current assets	2.5	4249.95	3850.30
		87336.34	**85065.78**
Current assets			
Inventories	2.6	26,041.95	20,194.83
Financial assets			
Trade receivables	2.7	26,811.36	23,518.39
Cash and cash equivalent	2.8	3,869.25	9,651.20
Other financial assets	2.4	8.28	651.83
Other current assets	2.5	6,870.59	3,080.00
		63601.44	**57096.25**
TOTAL ASSETS		**150937.78**	**142162.03**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	2.9	2660.56	2660.56
Other Equity	2.10	90178.97	81230.96
		92839.53	**83,891.52**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	2.11	24945.71	19264.56
Other Financial Liability	2.15	874.68	311.53
Deferred tax liabilities (net)	2.12	4624.94	3961.34
Provisions	2.16	32.12	115.83
		30,477.45	**23,553.25**
Current liabilities			
Financial Liabilities			
Borrowings	2.11	14270.14	18345.60
Trade payables			
a. Total Out standing dues of Micro and Small Enterprises			
b. Total Out standing dues of creditors other tha Micro and Small Enterprises	2.14	2463.54	5705.97
Other financial liabilities	2.15	9827.96	8864.35
Provisions	2.16	-	0.69
Other current liabilities	2.13	1059.17	1800.66
		27620.80	**34717.26**
TOTAL EQUITY AND LIABILITIES		**150937.78**	**142162.03**

The accompanying Significant accouting policies and notes form an integral part of the Standalone financial statements.

As per our report of even date
For RAMANATHAM & RAO
Chartered Accountants

Sd/-
K.SREENIVASAN
Partner
M.No.206421

Place : Hyderabad
Date : 15th June, 2020

By order of the Board

Sd/-
Challa Rajendra Prasad
Executive Chairman
DIN : 00702292

Sd/-	Sd/-	Sd/-	Sd/-
V.Lakshmi Narayana	**Sridevi Dasari**	**K. Chandrahas**	**Challa Srishant**
Chief Financial Officer	Company Secretary	Director	Managing Director
M. No. 028499	M.No. A29897	DIN : 02994302	DIN : 00016035

CONTINENTAL COFFEE

CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

(₹ in Lakhs)

	Note No.	2020	2019
Income			
Revenue from operations	2.17	113915.27	108141.67
Other income	2.18	449.77	333.80
Total Revenue		**114365.05**	**108475.47**
Expenses			
Cost of materials consumed	2.19	59191.49	60170.03
Changes in inventories	2.20	(3250.11)	(440.69)
Employee benefits expense	2.21	7034.11	5894.69
Finance costs	2.22	1796.33	845.80
Depreciation and amortization expense	2.1&2.2	4711.22	3172.04
Other expenses	2.3	22350.50	17969.24
Total Expenses		**91,833.54**	**87,611.12**
Profit before tax		**22531.51**	**20864.35**
Tax expense			
(1) Current tax		5274.31	5329.28
(2) Deferred tax		663.60	45.86
Profit for the year		**16593.60**	**15489.21**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss		(28.57)	(84.84)
Tax on items that will not be reclassified to profit or loss		7.41	29.65
		(21.16)	(55.19)
Items that will be reclassified to profit or loss:			
Items that may be reclassified subsequently to profit or loss		1354.95	1201.40
Tax on items that will be reclassified subsequently to profit or loss			
		1354.95	1201.40
Total other comprehensive income/(loss) for the year, net of tax		**1333.79**	**1146.21**
Total comprehensive income for the year		**17927.39**	**16635.42**
Earnings per share:			
Basic earnings per share of ₹. 2/-each		12.47	11.64
Diluted earnings per share of ₹. 2/- each		12.47	11.64

The accompanying Significant accouting policies and notes form an integral part of the Standalone financial statements.

As per our report of even date
For RAMANATHAM & RAO
Chartered Accountants

Sd/-
K.SREENIVASAN
Partner
M.No.206421

Place : Hyderabad
Date : 15th June, 2020

By order of the Board

Sd/-
Challa Rajendra Prasad
Executive Chairman
DIN : 00702292

Sd/-
V.Lakshmi Narayana
Chief Financial Officer
M. No. 028499

Sd/-
Sridevi Dasari
Company Secretary
M.No. A29897

Sd/-
K. Chandrahas
Director
DIN : 02994302

Sd/-
Challa Srishant
Managing Director
DIN : 00016035

Statement of changes in equity

Statement of changes in equity for the period ended 31.03.2020

Equity share capital	Opening balance as at 1 Apr 2019	Changes in equity share capital during the year	Closing balance as at 31 Mar 2020
13,30,27,920 Equity Shares of ₹ 2 each, fully paid up	26,60,55,840	-	26,60,55,840
	26,60,55,840	**-**	**26,60,55,840**

Equity share capital	Opening balance as at 1 Apr 2018	Changes in equity share capital during the year	Closing balance as at 31 Mar 2019
13,30,27,920 Equity Shares of ₹ 2 each, fully paid up	26,60,55,840	-	26,60,55,840
	26,60,55,840	**-**	**26,60,55,840**

(₹ in Lakhs)

	Retained Earnings	General Reserve	Capital Reserve	Acturial Gains or Losses	Derivative at Fair Value	Total Equity
Balance as at 1/4/2019	**49624.16**	**28820.70**	**3232.44**	**(134.81)**	**(311.53)**	**81230.96**
Profit for the year	16593.60	-	-	-	-	16593.60
Additions during the year	-	-	1918.10	-	-	1918.10
Dividend paid	(8979.38)	-	-	-	-	(8979.38)
Amount transfer to general reserve	-	-	-	-	-	-
Net change in fair value of FVTPL investments and others	-	-	-	-	-	-
Measurement of derivatives at fair value	-	-	-	-	(563.15)	(563.15)
Actuarial gain/(loss) on post-employment benefit obligations, net of tax benefit	-	-	-	(21.16)	-	(21.16)
Balance as at 31/03/2020	**57238.38**	**28820.70**	**5150.54**	**(155.97)**	**(874.68)**	**90178.97**

	Retained Earnings	General Reserve	Capital Reserve	Acturial Gains or Losses	Derivative at Fair Value	Total Equity
Balance as at 1/4/2018	**40872.41**	**28820.70**	**1719.51**	**(79.62)**	**-**	**71333.00**
Profit for the year	15489.21	-	-	-	-	15489.21
Additions during the year	-	-	1512.93	-	-	1512.93
Dividend paid	(6737.46)	-	-	-	-	(6737.46)
Amount transfer to general reserve	-	-	-	-	-	-
Net change in fair value of FVTPL investments and others	-	-	-	-	(311.53)	(311.53)
Actuarial gain/(loss) on post-employment benefit obligations, net of tax benefit	-	-	-	(55.19)	-	(55.19)
Balance as at 31/03/2019	**49624.16**	**28820.70**	**3232.44**	**(134.81)**	**(311.53)**	**81,230.96**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

(₹ in Lakhs)

	2020	2019
Cash Flows from Operating Activities		
Net profit before tax	22531.51	20864.35
Adjustments for :		
Depreciation and amortization expense	4711.22	3172.04
Provision for doubtful debts/advances/ impairment	(26.14)	-
Dividend Income	(16.92)	(9.13)
Foreign currency Translation	1918.10	1512.93
Other Comprehensive Income	(28.57)	(84.84)
Operating profit before working capital changes	**29089.20**	**25455.36**
Movements in Working Capital		
(Increase)/Decrease in Trade Receivables	(3266.84)	(5315.18)
(Increase)/Decrease in Other financial assets	441.55	(669.68)
(Increase)/Decrease in Inventories	(5847.12)	(1879.19)
(Increase)/Decrease in Other Current Assets	(2437.90)	(390.41)
(Increase)/Decrease in Other Non Current Assets	(399.65)	(162.26)
Increase/(Decrease) in Trade Payables	(3242.43)	4672.84
Increase/(Decrease) in Other financial liabilities	801.71	474.88
Increase/(Decrease) in Other Current liabilities	(741.49)	(339.61)
Increase/(Decrease) in Provisions	15.60	16.52
Changes in Working Capital	**(14676.59)**	**(3592.08)**
Cash generated from operations	**14412.61**	**21863.28**
Direct Taxes Paid	(5347.01)	(5706.38)
Net Cash from operating activities	**9065.61**	**16156.90**
Cash flows from Investing Activities		
Purchase of Fixed Assets (Including CWIP)	(6380.11)	(24133.31)
Dividend Income	16.92	9.13
Creditor for Capital goods	(1,207.62)	848.42
Advance for Fixed Assets	(1272.57)	5801.39
Net Cash From/ (Used In) Investing Activities	**(8,843.38)**	**(17,474.37)**
Cash flows from Financing Activities		
Proceeds from/ (Repayment) Long term borrowings	9,331.17	4858.68
Proceeds from/(Repayment of) Short-term borrowings	(4075.46)	5684.14
Dividend and corporate dividend tax paid	(8979.38)	(6330.72)
Net Cash From/ (Used In) Financing Activities	**(3723.67)**	**4212.10**
Net Increase/(Decrease) in cash and cash equivalents	**(3501.45)**	**2894.63**
Cash and Cash equivalents at the beginning of the PYear	7266.82	4372.18
Cash and Cash equivalents at the ending of the Year	3765.37	7266.82

Notes :- 1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard on "Cash Flow Statements".(Ind AS-7)

2. The accompanying notes are an integral part of the financial statements.

As per our report of even date
For RAMANATHAM & RAO
Chartered Accountants

By order of the Board

Sd/-
Challa Rajendra Prasad
Executive Chairman
DIN : 00702292

Sd/-
K.SREENIVASAN
Partner
M.No.206421

Place : Hyderabad
Date : 15th June, 2020

Sd/-
V.Lakshmi Narayana
Chief Financial Officer
M. No. 028499

Sd/-
Sridevi Dasari
Company Secretary
M.No. A29897

Sd/-
K. Chandrahas
Director
DIN : 02994302

Sd/-
Challa Srishant
Managing Director
DIN : 00016035

1. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DESCRIPTION OF THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES

1.1 General Information

CCL Products (India) Limited ("the Holding Company") and its subsidiaries (together "the Group") are engaged in the production, trading and distribution of Coffee. The Company has business operations mainly in India, Vietnam and Switzerland countries. The Company is a public limited Company incorporated and domiciled in India and has its registered office at Duggirala, Guntur, Andhra Pradesh. The Company has its primary listings on the Bombay Stock Exchange and National Stock Exchange in India. The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.2 Basis of Preparation of Consolidated Financial Statements

The Consolidated Financial Statements have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Except for the changes below, the Company has consistently applied accounting policies to all applicable periods.

Ind AS 116, Leases:

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied to its Lease contracts existing on April 1, 2019, using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact

Amendment to Ind AS 12 'Income Taxes':

The Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes' with effect from April 1, 2019. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Since Dividend Distribution Tax is not applicable with effective from April 1, 2020, this amendment will have no impact on the financial statements.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments:

The Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 2, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective from April 1, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

Amendment to Ind AS 19 'Employee Benefits':

The Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment is effective from April 1, 2019 the Company has evaluated the effect of this amendment on the financial statements and concluded that this amendment is currently not applicable.

1.3 Basis of Measurement

These Consolidated financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the balance sheet:

a. Certain financial assets are measured either at fair value or at amortized cost depending on the classification;

b. Employee defined benefit assets/(liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less Actuarial gains and the present value of the defined benefit obligation; and

c. Long-term borrowings, except obligations under finance leases, are measured at amortized cost using the effective interest rate method.

d. All assets and liabilities are classified into current and non-current based on the operating cycle of less than twelve months or based on the criteria of realization / settlement within twelve months period from the balance sheet date.

The following are the details of subsidiaries considered for the purpose of Consolidation:

Name of Enterprise	**Country of Incorporation**	**Nature of Business**	**Shareholding/ Controlling interest**
Jayanti Pte Limited	Singapore	Investment Vehicle	100%
Ngon Coffeee Company Limited	Vietnam	Manufacturing of Instant Coffee	100%
Continental Coffeee Private Limited	India	Trading of Instant Coffee	100%
Coninental Coffee SA	Switzerland	Manufacturing of Instant Coffee	100%
CCL Beverages Private Limited	India	Agglomeration and Packing Facility	100%

1.4 Use of judgment, estimates and assumptions.

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, the areas involving critical estimates or Judgments are:

a. Depreciation and amortization

Depreciation and amortization is based on management estimates of the future useful lives of certain class of property, plant and equipment and intangible assets.

b. Employee Benefits

The present value of the employee benefits obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) includes the discount rate, wage escalation and employee attrition. The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

c. Provision and contingencies

Provisions and contingencies are based on the Management's best estimate of the liabilities based on the facts known at the balance sheet date.

d. Fair valuation

Fair value is the market based measurement of observable market transaction or available market information. All financial instruments are measured at fair value as at the balance sheet date, as provided in Ind AS 109 and 113. Being a critical estimate, judgment is exercised to determine the carrying values. The fair value of financial instruments that are unlisted and not traded in an active market is determined at fair values assessed based on recent transactions entered into with third parties, based on valuation done by external appraisers etc., as applicable based on the fair value hierarchy i.e, Level I inputs, Level II inputs and Level III inputs specified in IND AS 113.

1.5 Scope of Consolidation

The consolidated financial statements have been prepared on the following basis:

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Fully consolidated means recognition of all assets and liabilities and items in the income statement in full. Thereafter the portion of net profit and equity is allocated between the owners of the Holding Company and non-controlling interest. Changes in ownership that do not result in a change of control are accounted for as equity transactions and therefore do not have any impact on goodwill. The difference between consideration and the non-controlling share of net assets acquired is recognised within equity.

The financial statements of group companies are consolidated on line by line basis and Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated if there is a profit on ultimate sale of goods. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

1.6 Functional and Presentation Currency

These Consolidated Financial Statements are presented in Indian rupees, which is also the functional currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest Lakhs.

In respect of all non-Indian subsidiaries that operate as marketing arms of our parent company in their respective countries/regions, the functional currency has been determined to be the functional currency of our parent company (i.e., the Indian rupee). The operations of these subsidiaries are largely restricted to the import of finished goods from our parent company in India, sale of these products in the foreign country and making of import payments to our parent company. The cash flows realized from sale of goods are available for making import payments to our parent company and cash is paid to our parent company on a regular basis. The costs incurred by these subsidiaries are primarily the cost of goods imported from our parent company. The financing of these subsidiaries is done directly or indirectly by our parent company.

In respect of subsidiaries whose operations are self-contained and integrated within their respective countries/regions, the functional currency has been determined to be the local currency of those countries/regions.

1.7 Current and Non-Current Classification

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Assets: An asset is classified as current when it satisfies any of the following criteria:

a. It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

b. It is held primarily for the purpose of being traded;

c. It is expected to be realised within twelve months after the reporting date; or

d. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities: A liability is classified as current when it satisfies any of the following criteria:

a. It is expected to be settled in the Company's normal operating cycle;

b. It is held primarily for the purpose of being traded;

c. It is due to be settled within twelve months after the reporting date; or

d. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

   Current assets / liabilities include the current portion of non-current assets / liabilities respectively. All other assets/ liabilities are classified as non-current.

1.8 Foreign Currencies

Foreign Currency Transactions

Transactions in foreign currencies are translated to the respective functional currencies of entities within the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in the consolidated statement of profit and loss in the period in which they arise.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction, if any.

Group Entities

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a. Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

b. Income and expenses for each Statement of Profit and Loss are translated at date of transaction exchange rates and

c. All resulting exchange differences are recognized in Foreign Currency Translation Reserve

d. On disposal of a foreign operation, the associated exchange differences are reclassified to the Statement of Profit and Loss, as part of the gain or loss on disposal.

1.9 Property Plant & Equipment

Recognition and measurement

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset i.e., freight, duties and taxes applicable and other expenses related to acquisition and installation. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalised as part of the cost of that asset.

Directly attributable costs include:

a. Cost of Employee Benefits arising directly from Construction or acquisition of PPE.

b. Cost of Site Preparation.

c. Initial Delivery & Handling costs.

d. Professional Fees and

e. Costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling any items produced while bringing the asset to that location and condition (such as samples produced when testing equipment)

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within in the consolidated statement of profit and loss.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognized in the consolidated statement of profit and loss as incurred.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up.

Depreciation

Depreciation is recognized in the consolidated statement of profit and loss on a straight line basis over the estimated useful lives of property, plant and equipment based on Schedule II to the Companies Act, 2013 ("Schedule"), which prescribes the useful lives for various classes of tangible assets. For assets acquired or disposed off during the year, depreciation is provided on pro-rata basis. Land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

The estimated useful lives are as follows:

Type of Asset	Estimated useful life
Buildings	
i) Main Plant Building	30
ii) Other Building	60
Plant & Machinery	25
Lab Equipment	7.5
Material Handling	7.5
Fire fighting	7.5
Vehicles	8
Computers	3
Office Equipment	5
Furniture & Fixtures	10

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under other non-current assets. The cost of property, plant and equipment not ready to use before such date are disclosed under capital work-in-progress. Assets not ready for use are not depreciated.

1.10 Intangible assets

Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. The Intangible assets that are acquired by the Company and that have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

Amortization

Amortization is recognized in the consolidated statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets or on any other basis that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity. Intangible assets that are not available for use are amortized from the date they are available for use.

The estimated useful lives are as follows:

Type of Asset	Estimated useful life
Intangible Assets	
Computer Software	3

The amortization period and the amortization method for intangible assets with a finite useful life are reviewed at each reporting date.

1.11 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

Debt instrument at FVTPL

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss. The Company has not designated any debt instrument as at FVTPL.

Investment in Preference Shares and Unquoted trade Investments

Investment in Preference Shares and Unquoted trade Investments are measured at amortised cost using Effective Rate of Return (EIR).

Investment in equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments i.e., investments in equity shares included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's Consolidated Balance Sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

   When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of trade receivables

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18. Expected credit loss model takes into consideration the present value of all the cash shortfalls over the expected life of a financial instrument. In simple terms, it is weighted average of credit losses with the respective risks of default occurring as weights. The credit loss is the difference between all contractual cash flows that are due to an entity as per the contract and all the contractual cash flows that the entity expects to receive, discounted to the effective interest rate. The Standard presumes that entities would suffer credit loss even if the entity expects to be paid in full but later than when contractually due. In other words, it simply focuses on DELAYS in collection of receivables.

For the purpose of identifying the days of delay, the Company took into consideration the weighted average number of delays taking into consideration the date of billing, the credit period and the collection days.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the consolidated statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit and loss.

Derivative financial instruments and hedging activities:

A derivative is a financial instrument which changes value in response to changes in an underlying asset and is settled at future date. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as either

a. hedges of the fair value of recognised assets or liabilities (fair value hedge); or

b. hedges of a particular risk associated with a firm commitment or a highly probable forecasted transaction (cash flow hedge);

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are effective in offsetting changes in cash flows of hedged items.

Movements in the hedging reserve are accounted in other comprehensive income and are shown within the statement of changes in equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(b) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The ineffective portion of changes in the fair value of the derivative is recognised in the statement of profit and loss. Gains or losses accumulated in equity are reclassified to the statement of profit and loss in the periods when the hedged item affects the statement of profit and loss.

When a hedging instrument expires or swapped or unwound, or when a hedge no longer meets the criteria for hedge accounting, any accumulated gain or loss existing in statement of changes in equity is recognised in the Statement of Profit and Loss.

When a forecasted transaction is no longer expected to occur, the cumulative gains/losses that were reported in equity are immediately transferred to the statement of profit and loss.

Fair value measurement

Fair value of financial assets and liabilities is normally determined by references to the transaction price or market price. If the fair value is not reliably determinable, the Company determines the fair value using valuation techniques that are appropriate in the circumstances and for which sufficient data are available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

1.12 Inventories

Inventories consist of raw materials, stores and spares, work-in-progress and finished goods and are measured at the lower of cost and net realisable value. The cost of all categories of inventories is based on the weighted average method. Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity. Stores and spares, that do not qualify to be recognised as property, plant and equipment, consists of packing materials, engineering spares (such as machinery spare parts) and consumables which are used in operating machines or consumed as indirect materials in the manufacturing process .Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

1.13 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, an impairment test is performed each year at March 31.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized in the consolidated statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

1.14 Cash & Cash Equivalents

Cash and bank balances comprise of cash balance in hand, in current accounts with banks, demand deposit, short-term deposits, Margin Money deposits and Unclaimed dividend accounts. For this purpose, "short-term" means investments having maturity of three months or less from the date of investment Bank overdrafts that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. The Margin money deposits and unclaimed dividend balances shall be disclosed as restricted cash balances.

1.15 Employee Benefits

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined Contribution Plan

The Company's contributions to defined contribution plans are charged to the consolidated statement of profit and loss as and when the services are received from the employees.

Defined Benefit Plan

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates based on prevailing market yields of Indian Government Bonds and that have terms to maturity approximating to the terms of the related defined benefit obligation. The current service cost of the defined benefit plan, recognised in the statement of profit and loss in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognised immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Other long-term employee benefits

The Company's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

1.16 Provisions, contingent liabilities and contingent assets

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

1.17 Revenue Recognition

Sale of goods and trade license

The Company earns revenue from Sale of goods and sale of Trade licenses.

Sale of goods:

Revenue is recognized when the company substantially satisfies its performance obligation while transferring a promised good or service to its customers. The company considers the terms of the contract and its customary business practices to determine the transaction price. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

Sale of Trade License:

The company receives export incentives in the form of MEIS scripts which do not fall under the scope of Ind AS 115 and are accounted for in accordance with the provisions of Ind AS 20 considering such incentives as Government Assistance. Accordingly government grant relating to Income is recognised on accrual basis in Profit and Loss statement and when the terms and conditions related to export performance obligations are met.

Other Income:

<u>Interest Income</u>

Interest Income mainly comprises of interest on Margin money deposit with banks relating to bank guarantee. Interest income should be recorded using the effective interest rate (EIR). However, the amount of margin money deposits relating to bank guarantee are purely current in nature, hence effective interest rate has not been applied. Interest is recognised using the time-proportion method, based on rates implicit in the transactions.

<u>Dividend</u>

Dividend income is recognized when the Company's right to receive dividend is established.

1.18 Government Grants:

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. They exclude those forms of government assistance which cannot reasonably have a value placed upon them and transactions with government which cannot be distinguished from the normal trading transactions of the entity.

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. They exclude those forms of government assistance which cannot reasonably have a value placedupon them and transactions with government which cannot be distinguished from the normal trading transactions of the entity.Grants related to assets are government grants whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets. Subsidiary conditions may also be attached restricting the type or location of the assets or the periods during which they are to be acquired or held. Grants related to income are government grants other than those related to assets.A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial supportto the entity with no future related costs shall be recognised in profit or lossof the period in which it becomes receivable.Export incentives in the form of MEIS scrips and power subsidy receivable by thecompany do not fall under the scope of Ind AS 115 and are accounted for in accordance with the provisions of Ind AS 20 considering such incentives as Government Assistance. Accordingly, government grant relating to Income is recognised on accrual basis in Profit and Loss statement and when the terms and conditions related to export performance obligations are met.

1.19 Borrowing Costs

Borrowing costs consist of interest, ancillary and other costs that the Company incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

1.20 Tax Expenses

Tax expense consists of current and deferred tax.

Income Tax

Income tax expense is recognized in the consolidated statement of profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred Tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Dividend distribution tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Company and all such taxes are recognised in the statement of changes in equity as part of the associated dividend payment.

1.21 Earnings Per Share

The Company presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

1.22 Trade receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment.

1.23 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

1.24 Determination of fair values

The Company’s accounting policies and disclosures require the determination of fair value, for certain financial and non-financial assets and liabilities. Fair values have been determined for measurement and/ or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

(i) Property, plant and equipment

Property, plant and equipment, if acquired in a business combination or through an exchange of non-monetary assets, is measured at fair value on the acquisition date. For this purpose, fair value is based on appraised market values and replacement cost.

(ii) Intangible assets

The fair value of brands, technology related intangibles, and patents and trademarks acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of these brands, technology related intangibles, patents or trademarks being owned (the “relief of royalty method”). The fair value of customer related, product related and other intangibles acquired in a business combination has been determined using the multi-period excess earnings method after deduction of a fair return on other assets that are part of creating the related cash flows.

(iii) Inventories

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

(iv) Investments in equity and debt securities and units of mutual funds

The fair value of marketable equity and debt securities is determined by reference to their quoted market price at the reporting date. For debt securities where quoted market prices are not available, fair value is determined using pricing techniques such as discounted cash flow analysis.

In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds.

(v) Derivatives

The fair value of foreign exchange forward contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds). The fair value of foreign currency option and swap contracts and interest rate swap contracts is determined based on the appropriate valuation techniques, considering the terms of the contract.

(vi) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements. In respect of the Company’s borrowings that have floating rates of interest, their -fair value approximates carrying value.

1.25 Recent Accounting Pronouncements.

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

1.26 Impact of COVID-19 Key accounting judgements, estimates and assumptions.

The threats posed by the coronavirus outbreak are multifold. In many countries, businesses have been forced to cease or limit their operations for long or indefinite periods of time. Even in India the outbreak has been declared epidemic and on March 24, 2020, the Government of India ordered a nationwide lockdown, limiting movement of the population of India as a preventive measure against the COVID-19 pandemic. As a result, most businesses throughout the world are dealing with lost revenue and disrupted supply chains. The disruption to global supply chains due to factory shutdowns has already exposed the vulnerabilities of many organizations.

However, as the Company operates in an industry that is considered essential in India and other countries, its operations were continuing during lockdown by ensuring appropriate safety measures.

The Company considered the uncertainty relating to the COVID-19 pandemic in assessing the recoverability of receivables, goodwill, intangible assets, investments and other assets. For this purpose, the Company considered internal and external sources of information up to the date of approval of these financial statements. The Company has also used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis. Based on its current estimates, the Company expects to fully recover the carrying amount of receivables, goodwill, intangible assets, investments and other assets.

As the outbreak continues to evolve, the Company will continue to closely monitor any material changes to future economic conditions.

The preparation of the Financial Statements required the Management to exercise judgements and to make estimates and assumptions. The Management has considered the possible effects, if any, that may result from the pandemic relating to COVID-19 on the carrying amounts of its assets. In developing the assumptions and estimates relating to the uncertainties as at the Balance Sheet date in relation to the recoverable amounts of these assets, the Management has considered the global economic conditions prevailing as at the date of approval of these financial statements and has used internal and external sources of information to the extent determined by it. The actual outcome of these assumptions and estimates may vary in future due to the impact of the pandemic

i. Depreciation and amortisation

Depreciation and amortisation are based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges.

ii. Employee Benefits

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using various assumptions. The assumptions used in determining the net cost/(income) includes the discount rate, wage escalation and employee attrition. Any changes in these assumptions will impact the carrying amount of obligations. The discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.

iii. Inventories

The method of valuation of Inventories has been stated in Note No. 1.12 of Significant Accounting Policies. The Company has considered the possible impact relating to COVID-19 while determining the net realisable value of inventory of green coffee beans, and coffee powder. Based on the available internal and external information as determined by the Management, the Company does not expect the carrying values of such inventories to be significantly impacted.

2.1: Property, plant and equipment

(₹ in Lakhs)

	Gross carrying value					Accumulated depreciation / impairment						Net carrying value	
	As at 1st April, 2019	Additions	Disposals	Foreign Exchange Fluctuation	As at 31st March, 2020	As at 1st April, 2019	For the year	Impairment for the year	Disposals	Foreign Exchange Fluctuation	As at 31st March, 2020	As at 31st March 2020	As at 31st March, 2019
Land	3522.80	-	-	122.76	3645.56	-	-	-	-	-	-	3645.56	3522.80
Buildings	9731.66	6892.91	-	747.03	17371.60	1321.40	570.34	-	-	240.99	2132.73	15238.87	8410.26
Plant and equipment	33830.94	30198.13	45.00	1565.48	65549.55	8242.54	3912.40	-	-	983.52	13138.46	52411.09	25588.40
Lab Equipment	26.68	287.75	-	-	314.43	5.88	12.15	-	-	-	18.03	296.40	20.80
Material Handling Equipment	55.97	4.30	-	-	60.27	10.85	9.64	-	-	-	20.49	39.78	45.12
Fire fighting Equipment	0.83	-	-	-	0.83	0.06	-	-	-	-	0.06	0.77	0.77
Vehicles	685.74	75.68	33.29	4.96	733.09	200.46	103.23	-	7.71	4.35	300.33	432.76	485.28
Computers	145.28	22.48	-	-	167.76	64.28	38.92	-	-	-	103.20	64.56	81.00
Office Equipment	220.64	127.32	-	3.97	351.93	104.71	59.19	-	-	4.01	167.91	184.02	115.93
Furniture & Fixtures	44.74	25.45	-	8.12	78.31	16.62	5.35	-	-	8.16	30.13	48.18	28.12
Total	**48265.28**	**37634.02**	**78.29**	**2452.32**	**88273.33**	**9966.80**	**4711.22**	**-**	**7.71**	**1241.03**	**15911.34**	**72362.00**	**38298.48**

	Gross carrying value					Accumulated depreciation / impairment						Net carrying value	
	As at 1st April, 2018	Additions	Disposals	Foreign Exchange Fluctuation	As at 31st March, 2019	As at 1st April, 2018	For the year	Impairment for the year	Disposals	Foreign Exchange Fluctuation	As at 31st March, 2019	As at 31st March 2019	As at 31st March, 2018
Land	3468.68	31.80	-	22.32	3522.80	-	-	-	-	-	-	3522.80	3468.68
Buildings	9393.84	-	-	337.82	9731.66	842.48	387.67	-	-	91.25	1321.40	8410.26	8551.36
Plant and equipment	29659.47	3759.25	469.00	881.22	33830.94	5213.59	2613.09	-	58.64	474.50	8242.54	25588.40	24445.88
Lab Equipment	26.68	-	-	-	26.68	5.12	0.76	-	-	-	5.88	20.80	21.56
Material Handling Equipment	24.84	31.13	-	-	55.97	4.42	6.43	-	-	-	10.85	45.12	20.42
Fire fighting Equipment	0.83	-	-	-	0.83	0.06	-	-	-	-	0.06	0.77	0.77
Vehicles	520.25	194.47	32.03	3.05	685.74	121.62	87.80	-	11.63	2.67	200.46	485.28	398.63
Computers	104.38	40.90	-	-	145.28	34.30	29.98	-	-	-	64.28	81.00	70.08
Office Equipment	165.43	54.04	1.93	3.10	220.64	62.79	40.62	-	1.69	2.99	104.71	115.93	102.64
Furniture & Fixtures	40.50	2.76	-	1.48	44.74	11.74	3.40	-	-	1.48	16.62	28.12	28.76
Total	**43404.90**	**4114.35**	**502.96**	**1248.99**	**48265.28**	**6296.12**	**3169.75**	**-**	**71.96**	**572.89**	**9966.80**	**38298.48**	**37108.78**

a. All fixed assets including Factory land and buildings located at Duggirala, Guntur district and SEZ unit located at kuvvakoli village,chittoor district, have been given as a security for availing Credit facilities from banks.

2.2: Other Intangible assets (₹ in Lakhs)

	Gross carrying value				Accumulated depreciation / impairment					Net carrying value	
	As at 1st April, 2019	Additions	Disposals	As at 31st March, 2020	As at 1st April, 2019	For the year	Impairment for the year	Disposals	As at 31st March, 2020	As at 31st March 2020	As at 31st March, 2019
Computer Software	14.21	-	-	14.21	12.71	-	-	-	12.71	1.50	3.79
Total	**14.21**	**-**	**-**	**14.21**	**12.71**	**-**	**-**	**-**	**12.71**	**1.50**	**3.79**

	Gross carrying value				Accumulated depreciation / impairment					Net carrying value	
	As at 1st April ,2018	Additions	Disposals	As at 31st March, 2019	As at 1st April, 2018	For the year	Impairment for the year	Disposals	As at 31st March, 2019	As at 31st March, 2019	As at 31st March, 2018
Computer Software	14.21	-	-	14.21	10.42	2.29	-	-	12.71	1.50	3.79
Total	**14.21**	**-**	**-**	**14.21**	**10.42**	**2.29**	**-**	**-**	**12.71**	**1.50**	**3.79**

2.3 Investments

(₹ in Lakhs)

	2020		2019	
	Current	Non Current	Current	Non Current
Investments at amortized cost(Unquoted Non Trade Investments:				
Coffee Futures Exchange India Ltd	-	0.10	-	0.10
(Equity Subscription for Membership as Ordinary member - 1 share of Rs.10,000)				
Preference shares in Associated Coffee Merchants (Intl) Ltd	-	147.91	-	147.91
(1,87,400 Preference Shares Face value of GBP 1/-each)				
Total investments carried at Amortized cost	**-**	**148.01**	**-**	**148.01**
Total Invetsments	**-**	**148.01**	**-**	**148.01**

2.4 Other Financial Assets

(₹ in Lakhs)

	2020		2019	
	Current	Non Current	Current	Non Current
Rental Deposits	-	27.89	-	27.89
Electricity and Other Security Deposits	-	529.08	-	327.09
Other Receivables	-	-	643.55	-
Tender Deposit	8.28	-	8.27	-
	8.28	**556.97**	**651.82**	**354.98**

2.5 Other Non Current Assets and Current Assets

	2020		2019	
	Current	Non Current	Current	Non Current
Advance Tax (Net of Provision for tax)	80.10	1366.67	294.66	967.01
Deposits with Statutory authorities	-	2883.28	-	2883.28
Advances to Employees	53.51	-	35.88	-
Prepaid Expenses	246.89	-	77.78	-
Input tax and other taxes receivables	1223.71	-	1848.43	-
Advance to Creditors	889.18	-	236.28	-
Advances for Capital goods/services	1772.42	-	499.85	-
Other receivables	2604.77	-	87.13	-
	6870.59	**4249.95**	**3080.00**	**3850.30**

2.6 Inventories **(₹ in Lakhs)**

	2020 Current	2019 Current
Raw materials	13149.78	11153.05
Work-in-progress	370.45	167.89
Finished goods	9161.09	6112.43
Stores, spares and consumables	2076.37	1527.66
Packing materials	1284.26	1233.79
	26041.95	**20194.83**

The mode of valuation of Inventories has been stated in Note 1.12 of Significant Accounting Policies
Inventories hypothecated as security for availing working capital facilities

2.7 Trade receivables

	2020 Current	2019 Current
Trade Receivables		
Unsecured, considered good	26969.36	23702.52
Less: Allowances for credit losses	158.00	184.13
Less: Bad debts written off	-	-
	26811.36	**23518.39**

Trade Receivables hypothecated as security for availing working capital facilities

2.8 Cash and Cash Equivalents

	2020	2019
a) Cash and Cash equivalents		
i) Cash on hand	6.25	10.32
ii) Balances with banks		
- Current Accounts	3529.33	7038.15
b) Other Bank Balances (with resricted use)		
(i) Margin Money Deposit Accounts (against Bank Guarantees)	182.16	182.16
(ii) Unclaimed Dividend Account	103.89	56.39
(iii) Dividend Account	-	2327.99
Interest accrued but not due on deposits	47.63	36.19
	3869.25	**9651.20**

Cash and Cash Equivalents include the following for Cash flow purpose (₹ in Lakhs)

	2020	2019
Cash and Cash Equivalents/ Bank Balances	3869.25	9651.20
Less: Unclaim dividend	103.89	56.39
Less: dividend	-	2327.99
Cash and Cash Equivalents/ Bank Balances	**3765.37**	**7266.82**

2.9 Share Capital

	2020	2019
Authorized Share Capital 150,000,000 Equity Shares of ₹ 2 each (Previous year :150,000,000 Equity Shares of ₹ 2 each)	3000.00	3000.00
Issued Subscribed and Paid up Share Capital 133,027,920 Equity Shares of ₹ 2 each, fully paid up (Previous year :133,027,920 Equity Shares of ₹ 2 each, fully paid up)	2660.56	2660.56
	2660.56	**2660.56**

Details of shareholders holding shares : more than 5%	**No. of shares**	**% Holding**	**No. of shares**	**% Holding**
1. Challa Rajendra Prasad	13237481	9.95%	13065400	9.82%
2. Challa Shantha Prasad	18431659	13.86%	18270000	13.73%
3. Challa Srishant	13944914	10.48%	13722000	10.32%
4. Challa Soumya	13350898	10.04%	13175300	9.90%
5. Smallcap World Fund Inc	-	-	10642173	8.00%

2.9.1 Reconciliation of Number of Shares :

	2020	2019
Number of Shares at the beginning of the year	133027920	133027920
Add : Shares issued during the year		
Number of Shares at the end of the year	**133027920**	**133027920**

2.9.2 Rights attached to equity shares

“The Company has only one class of equity shares having a face value of ₹ 2 /- each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.10 " Other Equity"

(₹ in Lakhs)

	2020	2019
Opening Balance	49624.16	40872.41
Add: Current year Transfer	16593.60	15489.21
Less: Dividend Paid(Including Dividend distribution Tax)	(8979.38)	(6737.46)
Total	**57238.38**	**49624.16**
General Reserve		
Opening Balance	28820.70	28820.70
Add: Current year Transfer	-	-
Less: Written Back in Current year	-	-
Total	**28820.70**	**28820.70**
Foreign Currency Translation Reserve		
Opening Balance	3232.44	1719.51
Add: Current year Transfer	1918.10	1512.93
Less: Written Back in Current year	-	-
Total	**5150.54**	**3232.44**
Acturial Gains or Losses (OCI)		
Opening Balance	(134.81)	(79.62)
Add: Current year Transfer	(21.16)	(55.19)
Less: Written Back in Current year	-	-
Total	**(155.97)**	**(134.81)**
Measurement of derivative instrument at Fair value (OCI)		
Opening Balance	(311.53)	-
Add: Current year Transfer	(563.15)	(311.53)
Less: Written Back in Current year	-	-
Total	**(874.68)**	**(311.53)**
Total Other Equity	**90178.97**	**81230.96**

2.11 Borrowings

(₹ in Lakhs)

	2020		2019	
	Current	Non Current	Current	Non Current
Secured Borrowings:				
Term loans from Banks				
HDFC Bank Ltd.	-	10166.67	-	4133.33
Citi Bank NA.	-	3000.00	-	-
Citi Bank NA., (External commercial borrowings)	-	11779.05	-	15131.22
Working Capital Facilities	14270.14	-	18345.60	-
	14270.14	**24945.71**	**18345.60**	**19264.56**

The term loan of ₹ 50.00 Crs and ₹ 10.00 Crs from HDFC Bank carrying floating interest rate of Monthly MCLR+15 bps repayable in twelve and ten equal quarterly installments respectively at the end of each quarter commencing from 29th June, 2019 and 29th Dec. 2019 respectively.

Total term loan of ₹ 90.00 Crs from HDFC Bank carrying floating interest rate of Monthly MCLR+5 bps repayable in sixteen quarterly installments at the end of each quarter commencing from 29th June, 2020.

Term loans from HDFC Bank is secured by first pari passu charge on movable assets of the company and second pari passu charge on current assets of the Company.

External commercial borrowings from Citi bank is secured by first ranking exclusive charge over all the fixed assets EOU located at Duggirala, Guntur district and SEZ Unit located at kuvvakoli village, Chittoor district of Andhra Pradesh.The coupon for External Commercial Borrowings is linked to LIBOR plus applicable spread.

Term loans repayable in next tweleve months period was segregated as current maturities of long term debt as Other financial liabilities under Current laibilities.

Working Capital Facilities(Packing credit) from State Bank of India, Citi Bank and ICICI Bank Limited under consortium are secured by way of first pari-passu charge on current assets and second pari-passu charge on fixed assets of the company . The Working Capital is repayable on demand.

2.12 Deffered Tax Liabilities

	2020	2019
Opening Balance	**3961.34**	**3915.48**
Add : On account of IND AS Adjustment	-	(3.99)
Add : On account of depreciation	3955.10	68.53
Add : On account of Others	(3291.50)	(18.68)
Closing Balance	**4624.94**	**3961.34**

2.13 Other Non Current Liabilities & Current liabilities

(₹ in Lakhs)

	2020		2019	
	Current	Non Current	Current	Non Current
Salaries and employee benefits	423.30	-	287.75	-
Withholding and other taxes payable	159.01	-	87.51	-
Advance from customers	223.46	-	59.28	-
Others	253.40	-	1366.11	-
	1059.17	**-**	**1800.66**	**-**

2.14 Trade Payables

	2020 Current	2019 Current
(a) Due to Micro & Small Enterprises	**-**	**-**
(b) Dues to others		
For Raw material	956.67	4429.22
For Packing material	820.64	677.66
For Stores and Consumables	147.14	133.13
For Services	539.09	465.95
	2463.54	**5705.97**

2.15 Other financial liabilities

	2020		2019	
	Current	Non Current	Current	Non Current
Creditors For Capital goods	669.00	-	1876.62	-
Unpaid dividends	103.89	-	56.39	-
Dividend payables	-	-	2327.99	-
Interest accrued but not due on borrowings	220.89	-	143.08	-
Current maturities of long term debt	7678.29	-	4028.27	-
Derivative Financial liability	-	874.68	-	311.53
Other Payables	1155.90	-	432.00	-
	9827.96	**874.68**	**8864.35**	**311.53**

2.16 Provisions

(₹ in Lakhs)

	2020		2019	
	Current	Non Current	Current	Non Current
Leave Encashment	-	7.16	0.64	-
Provision for tax	-	-	0.06	-
Gratuity	-	24.96	-	15.83
	-	**32.12**	**0.69**	**15.83**

2.17 Revenue from operations

	2020	2019
Revenue from		
Sale of Products - Coffee	110521.19	102999.83
Sale of Trade Licences	3394.08	5141.84
Revenue from operations	**113915.27**	**108141.67**

2.18 Other income

	2020	2019
Interest on Deposits	167.57	314.47
Dividend Income on long-term investments	16.92	9.13
Profit on sale of assets	-	0.06
Scrap sales	0.93	-
Miscellaneous Income	264.35	10.14
	449.77	**333.80**

2.19 Cost of materials consumed

	2020	2019
Raw Material		
Purchases	61188.21	61620.05
Add: Opening Stock	11153.05	9703.03
	72341.26	71323.08
Less: Closing Stock	13149.78	11153.05
	59191.49	**60170.03**

2.20 Changes in inventories

(₹ in Lakhs)

	2020	2019
Work-in-progress		
Opening	167.89	154.90
Closing	370.45	167.89
	(202.56)	(12.99)
Finished goods		
Opening	6113.55	5685.86
Closing	9161.09	6113.55
	(3047.54)	(427.69)
	(3250.11)	**(440.69)**

2.21 Employee benefits expense

	2020	2019
Salaries, Wages and Bonus	4336.12	3692.62
Directors' Remuneration	1582.00	1486.11
Contribution to provident and other funds	463.21	372.78
Staff welfare	652.78	343.17
	7034.11	**5894.69**

2.22 Finance costs

	2020	2019
Interest Expense	1561.28	593.18
Other borrowing costs	235.05	252.62
	1796.33	**845.80**

2.23 Other expenses

	2020	2019
Packing material consumed	5980.14	4881.68
Stores and Consumable consumed	947.56	797.85
Power and fuel	6469.39	4499.99
Repairs and Maintenance to Buildings	38.19	73.16
Repairs and Maintenance to Machinery	1099.75	636.86
Repairs and Maintenance to Other assets	130.27	53.33
Transportation, Ocean Freight, Clearing and Forwarding	3019.26	2210.86
Insurance	203.72	139.50

(₹ in Lakhs)

Rent	106.40	77.98
Rates and Taxes	140.01	142.36
Directors' Sitting Fee	17.45	19.35
Non-whole time Directors' Commission	81.00	63.00
Selling Expenses	2392.98	2006.87
Commission on Sales	411.08	331.32
Travelling and Conveyance	378.24	346.19
Communication Expenses	110.60	78.07
Printing and Stationery	25.01	13.45
Office Maintenance	578.71	271.52
Donations	96.06	112.57
Corporate Social Responsibility (CSR) Expenditure	328.22	298.60
Professional Fees & Expenses	352.20	199.63
Subscription and Membership fee	9.46	3.59
Auditor's Remuneration	39.68	33.81
Foreign Exchange Loss (Net)	(745.90)	392.25
Miscellaneous expenses	161.57	80.39
Allowance for credit losses	(26.13)	159.51
Loss on sale of Investments	5.59	-
Bad debts written off	-	45.56
	22350.50	**17969.24**

2.24 Auditors Remuneration

Particulars	**For the year ended 31st March, 2020**	**For the year ended 31st March, 2019**
a) Audit fees	35.49	27.81
b) Other charges		
Taxation matters	2.50	2.50
Certification fee	1.20	2.60
c) Reimbursement of out of pocket expenses	0.49	0.90
TOTAL	**39.68**	**33.81**

2.25 Earnings per Share **(₹ in Lakhs)**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Earnings		
Profit attributable to equity holders	23,893.26	12,542.90
Shares		
Number of shares at the beginning of the year	13,30,27,920	13,30,27,920
Add: Equity shares issued	-	-
Less: Buy back of equity shares	-	-
Total number of equity shares outstanding at the end of the year	13,30,27,920	13,30,27,920
Weighted average number of equity shares outstanding during the year – Basic	**13,30,27,920**	**13,30,27,920**
Add: Weighted average number of equity shares arising out of outstanding stock options (net of the stock options forfeited) that have dilutive effect on the EPS	-	-
Weighted average number of equity shares outstanding during the year – Diluted	**13,30,27,920**	**13,30,27,920**
Earnings per share of par value ₹ 2/- -Basic (₹)	17.96	9.43
Earnings per share of par value ₹ 2/- – Diluted (₹)	17.96	9.43

2.26 Related Parties

In accordance with the provisions of Ind AS 24 "Related Party Disclosures" and the Companies Act, 2013, Company's Directors, members of the Company's Management Council and Company Secretary are considered as Key Managerial Personnel. List of Key Managerial Personnel of the Company is as below:

- Mr. Challa Rajendra Prasad, Whole time Director
- Mr. Challa Srishant, Managing Director
- Mr. B.Mohan Krishna, Executive Director
- Mr. K.V.L.N.Sarma, Chief Operations Officer
- Mr. V. Lakshmi Narayana, Chief Financial officer
- Ms. Sridevi Dasari, Company Secretary

The following is a summary of significant related party transactions of Parent Company

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
a) **Key managerial personnel**		
Remuneration & Commission		
Mr. Challa Rajendra Prasad	420.00	743.06
Mr. Challa Srishant	665.00	445.83
Mr. B.Mohan Krishna	497.00	297.22
Mr. K.V.L.N.Sarma	89.57	84.23
Mr. V. Lakshmi Narayana	83.88	55.29
Ms.Sridevi Dasari	16.94	16.73
Rent		
Mr. Challa Srishant	22.30	22.30

(₹ in Lakhs)

b) Non-whole time Directors		
Sitting Fee		
Mr.Vipin K.Singal	2.15	2.15
Mr.K.Chandrahas	2.45	2.40
Mr.J.Rambabu	-	2.40
Mr.K.K.Sarma	2.30	2.25
Mr.G.V.Krishna Rau	2.00	2.40
Ms.Kulsoom Noor Saifullah	1.45	2.00
Ms.Challa Shantha Prasad	1.20	1.45
Mr.K Durga Prasad	2.45	2.30
Dr.L.Krishnanand	2.15	2.00
Mr.K.V.Chowdary	1.30	-
Commission		
Mr.Vipin K.Singal	9.00	7.00
Mr.K.Chandrahas	9.00	7.00
Mr.J.Rambabu	-	7.00
Mr.K.K.Sarma	9.00	7.00
Mr.G.V.Krishna Rau	9.00	7.00
Ms.Kulsoom Noor Saifullah	9.00	7.00
Ms.Challa Shantha Prasad	9.00	7.00
Mr.K Durga Prasad	9.00	7.00
Dr.L.Krishnanand	9.00	7.00
Mr.K.V.Chowdary	9.00	-
Rent		
Ms.Challa Shantha Prasad	21.46	21.46
c) Relatives of Key Managerial Personnel		
Rent		
Ms.Challa Soumya	7.04	7.04
TOTAL	**1,921.64**	**1775.51**

2.27 Segment Reporting:

The Company concluded that there is only one operating segment i.e, Coffee products. Hence, the same becomes the reportable segment for the Company. Accordingly, the Company has only one operating and reportable segment, the disclosure requirements specified in paragraphs 22 to 30 are not applicable. Accordingly, the Company shall present entity-wide disclosures enumerated in paragraphs 32, 33 and 34 of Ind AS 108.

2.28 Employee benefits:

Gratuity benefits

In accordance with applicable laws, the Company has a defined benefit plan which provides for gratuity payments (the "Gratuity Plan") and covers certain categories of employees in India. The Gratuity Plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amount of the payment is based on the respective employee's last drawn salary and the years of employment with the Company. Liabilities in respect of the Gratuity Plan are determined by an actuarial valuation, based upon which the Holding Company makes contributions to the Life Insurance Corporation of India (LIC).

The components of gratuity cost recognized in the statement of profit and loss for the years ended 31st March 2020 and 2019 consist of the following:

(₹ in Lakhs)

Particulars	For the Year Ended 31st March	
	2020	**2019**
Current service cost	53.02	41.85
Interest cost on net defined benefit liability/(asset)	37.52	31.17
Gratuity cost recognized in statement of profit and loss	**90.54**	**73.02**

Details of the employee benefits obligations and plan assets are provided below:

Particulars	As of 31 March	
	2020	**2019**
Present value of funded obligations	596.84	472.55
Fair value of plan assets	628.16	576.12
Net defined benefit liability/(asset)	**(81.57)**	**(103.57)**

Details of changes in the present value of defined benefit obligations are as follows:

Particulars	As of 31 March	
	2020	**2019**
Defined benefit obligations at the beginning of the year	493.79	343.90
Current service cost	53.02	41.85
Interest cost on defined obligations	37.52	31.17
Re-measurements due to:		
Actuarial loss/(gain) due to change in financial assumptions	19.27	81.77
Actuarial loss/(gain) due to demographic assumptions		
Actuarial loss/(gain) due to experience changes		
Benefits paid	(6.76)	(12.82)
Defined benefit obligations at the end of the year	**596.83**	**485.87**

Details of changes in the fair value of plan assets are as follows: **(₹ in Lakhs)**

Particulars	**As of 31 March**	
	2020	**2019**
Fair value of plan assets at the beginning of the year	576.12	399.89
Employer contributions	16.06	156.05
Actuarial loss/(gain) on plan assets	(1.69)	(3.06)
Re-measurements due to:		
Return on plan assets excluding interest on plan assets	44.42	36.07
Benefits paid	(6.76)	(12.82)
Plan assets at the end of the year	**628.16**	**576.13**

Summary of Acturial Assumptions:

The actuarial assumptions used in accounting for the Gratuity Plan are as follows:
The assumptions used to determine benefit obligations:

Particulars	**As of 31 March**	
	2020	**2019**
Discount rate	8.00%	8.00%
Rate of compensation increase	4.00%	4.00%

Leave Encashment

The Holding Company accumulates of compensated absences by certain categories of its employees for one year. These employees receive cash in lieu thereof as per the Company's policy. The Company records expenditure on payment basis..

The Subsidiary company, M/s. Continental coffee Private limited:

The components of Leave Encashment recognized by The Subsidiary company, M/s. Continental coffee Private limited, in the Financial Statements for the years ended 31st March 2020 and 2019 as per Actuarial Valuation consist of the following:

Particulars	**As of 31 March**	
	2020	**2019**
Past service cost	8.80	3.22
Present Value of Obligations at the end of the Period	**12.02**	**3.22**

Summary of Acturial Assumptions:

The actuarial assumptions used in accounting for the Leave Encashment are as follows:
The assumptions used to determine benefit obligations:

Particulars	**As of 31 March**	
	2020	**2019**
Discount rate	8.00%	8.00%
Rate of compensation increase	4.00%	4.00%

Contribution to Provident Fund

The employees of the Company receive benefits from a provident fund, a defined contribution plan. Both the employee and employer each make monthly contributions to a government administered fund equal to 12% of the covered employee's qualifying salary. The Company has no further obligations under the plan beyond its monthly contributions. The Company contributed ₹. 307.58 Lakhs and ₹.196.96 Lakhs to the provident fund plan during the years ended 31st March 2020 and 2019, respectively

Contribution to Superannuation schemes

Certain categories of employees of the Company participate in superannuation, a defined contribution plan administered by the Life Insurance Corporation of India. The Company makes annual contributions based on a specified percentage of each covered employee's salary. The Company has no further obligations under the plan beyond its annual contributions. The Company contributed ₹. 166.93 Lakhs and ₹. 278.15 Lakhs to the superannuation Schemes during the years ended 31st March 2020 and 2019, respectively.

2.29 Income Taxes:

Income tax expense/ (benefit) recognized in the statement of profit and loss:

Income tax expense/ (benefit) recognized in the statement of profit and loss consists of the following:

(₹ in Lakhs)

Particulars	For the Year Ended 31st March	
	2020	**2019**
Current taxes expense		
Domestic	5221.64	5249.66
Foreign	52.67	79.62
Deferred taxes expense/(benefit)		
Domestic	663.60	45.86
Total income tax expense/(benefit) recognized in the statement of profit and loss	**5937.90**	**5375.14**

Income tax expense/ (benefit) recognized directly in equity:

Income tax expense/ (benefit) recognized directly in equity consist of the following:

Particulars	For the Year Ended 31st March	
	2020	**2019**
Tax effect on actuarial gains/losses on defined benefit obligations	7.41	29.65
Total income tax expense/(benefit) recognized in the equity	**7.41**	**29.65**

Reconciliation of Effective tax rate:

(₹in Lakhs)

Particulars	**For the Year Ended 31st March**	
	2020	**2019**
Profit before income taxes	**22531.51**	**20864.35**
Enacted tax rate in India	34.94%	34.94%
Computed expected tax benefit/(expense)	**7872.51**	**7290.84**
Effect of:		
Expenses not deductible for Tax purposes	1054.94	1773.83
Expenses deductible for Tax purposes	(7432.31)	(1984.80)
Taxable at Special Rates	2287.68	2939.55
Others		-
Foreign Taxes	52.67	79.62
Tax effect due to non-taxable for Indian Tax Purpose	(1635.52)	(3615.98)
Tax effect due to loss in Indian Subsidiary	(124.08)	609.46
Income tax benefit/(expense)	**2075.90**	**5329.28**

Deferred tax assets & Liabilities:

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that created these differences is given below:

Particulars	**As of 31 March**	
	2020	**2019**
Deferred tax assets/(liabilities):		
Property, plant and equipment	(7916.44)	(3984.01)
Others	3219.50	22.67
Net deferred tax assets/(liabilities)	**4624.94**	**(3961.34)**

2.30 Financial Risk Management:

The Company's activities expose it to a variety of financial risks, including credit risk, liquidity risk and Market risk. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors, risk management committee and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade and other receivables and investments.

Trade Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The total trade and other receivables impairment loss provided ₹ 158.00 lakhs as at 31st March 2020 and Rs. ₹ 184.13 lakhs as at 31st March 2019.

(₹ in Lakhs)

Particulars	**As of 31 March**	
Period (in days)	**2020**	**2019**
1 – 90	20267.32	17692.92
90 – 180	4679.60	2673.10
More than 180	2022.44	3336.51
Total	**26969.36**	**23702.53**

The Company's credit period for customers generally ranges from 60-90 days. The aging of trade receivables that are past due but not impaired is given below:

On account of adoption of Ind AS 109, the Company uses Expected Credit Loss (ECL) model for assessing the impairment loss. For this purpose, it is weighted average of credit losses with the respective risks of default occurring as weights. The credit loss is the difference between all contractual cash flows that are due to an entity as per the contract and all the contractual cash flows that the entity expects to receive, discounted to the effective interest rate.

Financial assets that are neither past due nor impaired - None of the Company's cash equivalents, including deposits with banks, were past due or impaired as at 31st March 2020

Reconciliation of allowance for credit losses

The details of changes in allowance for credit losses during the year ended 31 March 2020 and 31 March 2019 are as follows:

Particulars	**As of 31 March**	
	2020	**2019**
Balance at the beginning of the year	**184.13**	**24.62**
Impairment of Trade receivables	(26.13)	159.51
Balance at the end of the year	**158.00**	**184.13**

Liquidity Risks:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

As of 31 March 2020 and 2019, the Company has utilized working capital credit limits from banks for ₹ 14,270.14 Lakhs and ₹ 18,345.60 Lakhs respectively.

As of 31st March 2020, the Company had working capital (current assets less current liabilities) of ₹ 35,980.64 Lakhs including cash and cash equivalents of Rs.3,869.25 Lakhs. As of 31st March 2019, the Company had working capital of ₹ 22,378.99 Lakhs, including cash and cash equivalents of ₹ 9651.20 Lakhs

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31st March 2020:

(₹ in Lakhs)

Particulars	2021	2022	2023	2024	2025	Total
Trade payables	2,463.54	-	-	-	--	2,463.54
Long term borrowings	8578.29	8161.61	6705.81	750.00	750.00	24945.71
Bank overdraft, short-term loans and borrowings*	14270.14	-	-	-	-	14270.14
Other liabilities*	11793.93	-	-	-	-	11793.93

* The bank overdraft and other liabilities are payable on demand

Market Risks:

Market risk is the risk that changes in market prices such as commodity prices risk, foreign exchange rates and interest rates which will affect the Company's financial position. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Coffee Industry is dependent on nature, making it susceptible to climate vagaries. The major weather factors that influence coffee yield are rainfall, temperature, light intensity and relative humidity.

Commodity Price Risk

The Company exposure to Market risk for commodity prices can result in changes to realisation for its Cost of Production for its products. The company mitigates risk by entering into Coffee Future Contracts and with the natural hedge arising on export of Products vis a vis import of Coffee Beans.

Coffee Futures

The Company uses Coffee future contract to reduce its price risk associated with forecasted purchases of Coffee beans. Throughout the year, the company enters into coffee futures based on market price and anticipated production requirements.

Currency Risk

The Company is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Company is Indian Rupee. The company mitigates the currency risk with natural hedge arising on export of Products vis a vis import of Coffee Beans.

Interest rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

2.31 Capital Management

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through equity, borrowings and operating cash flows required.

(₹ in Lakhs)

Particulars	2020	2019
Total Debt	58098.26	58270.51
Total Equity	92839.53	83891.52
Debt Equity Ratio	**0.62:1**	**0.69:1**

2.32 Contingent Liabilities and Commitments

The following are the details of contingent liabilities and commitments:

Particulars	2020	2019
Contingent Liabilities		
a) Claims against the company/disputed liabilities not acknowledged as debts		
Income Tax*	4402.40	2883.28
Service tax	995.92	552.98
Sales Tax	47.16	-
b) Guarantees		
Bank Guarantees	1423.27	2786.28
	6868.75	**6222.54**
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	4713.19	1487.72
	4713.19	**1487.72**

* Tax deposited under protest ₹ 2883.28 Lakhs

PROVISIONAL STANDALONE BALANCE SHEET AS AT 31ST DECEMBER, 2020. (₹ in Lakhs)

	Note No.	Un Audited As on 31.12.20	Audited As on 31.03.20
ASSETS			
Non-current assets			
Property plant and Equipment		56241.80	56712.17
Capital Work Inprogress		14653.17	9709.62
Intangible assets		0.82	0.82
Financial assets			
Investments	2.1	15858.69	15858.69
Other financial assets	2.2	490.55	527.55
Other non current assets	2.3	4522.28	4249.95
		91767.31	**87058.79**
Current assets			
Inventories	2.4	21491.63	18754.11
Financial assets			
Trade receivables	2.5	13029.09	21555.09
Cash and cash equivalent	2.6	2320.04	1844.56
Other financial assets	2.2	2307.94	2215.42
Other current assets	2.3	6137.68	3365.33
		45286.38	**47734.50**
TOTAL ASSETS		**137053.69**	**134793.29**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	2.7	2660.56	2660.56
Other Equity	2.8	80020.32	76580.84
		82680.88	**79241.40**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	2.9	15431.70	21945.71
Other Financial Liability	2.10	601.28	874.68
Deferred tax liabilities (net)	2.12	5271.95	4704.88
Provisions		-	-
		21304.93	**27525.28**
Current liabilities			
Financial Liabilities			
Borrowings	2.9	15877.34	14270.14
Trade payables			
(a) Total outstanding dues of Micro and Small Enterprises			
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	2.14	3163.71	1714.56
Other financial liabilities	2.10	10081.01	9518.78
Current Tax Liability	2.11	205.97	-
Other current liabilities	2.13	3739.86	2523.12
		33067.88	28026.61
TOTAL EQUITY AND LIABILITIES		**137053.69**	**134793.29**

By order of the Board

Sd/-
Challa Srishant
Managing Director
DIN : 00016035

Sd/-
Challa Rajendra Prasad
Executive Chairman
DIN : 00702292

Place : Hyderabad
Date : 28.01.2021

CONTINENTAL COFFEE

PROVISIONAL STANDALONE PROFIT & LOSS STATEMENT FOR THE NINE MONTHS ENDED 31ST DECEMBER, 2020

(₹ in Lakhs)

	Note No.	Un Audited As on 31.12.20	Audited As on 31.03.20
Income			
Revenue from operations	2.15	56933.73	82264.70
Other income	2.16	134.63	13394.34
Total Revenue		**57068.36**	**95659.04**
Expenses			
Cost of materials consumed	2.17	30615.03	41809.70
Changes in inventories	2.18	(2899.18)	(2926.89)
Employee benefits expense	2.19	3503.50	5005.45
Finance costs	2.20	1146.12	1691.48
Depreciation and amortization expense		2014.66	2542.74
Other expenses	2.21	13867.45	17703.31
Total Expenses		**48247.58**	**65825.78**
Profit before tax		**8820.78**	**29833.26**
Tax expense			
(1) Current tax		2419.66	5221.64
(2) Deferred tax		574.49	718.36
Profit for the year		**5826.63**	**23893.26**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss		-	(21.20)
Tax on items that will not be reclassified to profit or loss		-	7.41
		-	(13.79)
Items that will be reclassified to profit or loss:			
Items that may be reclassified subsequently to profit or loss		273.40	(563.15)
Tax on items that will be reclassified subsequently to profit or loss		-	-
		273.40	(563.15)
Total other comprehensive income/(loss) for the year, net of tax		**273.40**	**(576.94)**
Total comprehensive income for the year		**6100.03**	**23316.32**
Earnings per share:			
Basic earnings per share of Rs.2/-each		4.38	17.96
Diluted earnings per share of Rs.2/- each		4.38	17.96

By order of the Board

Sd/-
Challa Srishant
Managing Director
DIN : 00016035

Sd/-
Challa Rajendra Prasad
Executive Chairman
DIN : 00702292

Place : Hyderabad
Date : 28.01.2021

CONTINENTAL COFFEE

PROVISIONAL STANDALONE CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED 31ST DECEMBER, 2020

	Un Audited As on 31.12.2020	Audited As on 31.03.2020
Cash Flows from Operating Activities		
Net profit before tax	**8,820.78**	**29833.26**
Adjustments for :		
Depreciation and amortization expense	2014.66	2542.74
Provision for doubtful debts/advances/ impairment	1.48	37.29
Dividend Income	-	(13128.75)
(Profit)/Loss on sale of assets	-	5.59
Other Comprehensive Income	-	(21.20)
Operating profit before working capital changes	**10836.93**	**19268.93**
Movements in Working Capital		
(Increase)/Decrease in Trade Receivables	8526.00	(6701.62)
(Increase)/Decrease in Other financial assets	(55.53)	(1812.61)
(Increase)/Decrease in Inventories	(2737.52)	(4234.81)
(Increase)/Decrease in Other Current Assets	(2772.36)	(9.45)
(Increase)/Decrease in Other Non Current Assets	605.87	(399.66)
Increase/(Decrease) in Trade Payables	1449.14	(3716.66)
Increase/(Decrease) in Other financial liabilities	450.57	551.92
Increase/(Decrease) in Other Current liabilities	462.51	793.71
Changes in Working Capital	**5928.69**	**(15528.81)**
Cash generated from operations	**16765.62**	**3740.12**
Direct Taxes Paid	(2213.69)	(5294.33)
Net Cash from operating activities	**14551.93**	**(1554.21)**
Cash flows from Investing Activities		
Purchase of Fixed Assets (Including CWIP)	(6496.75)	(4534.83)
Sale of Fixed assets	-	19.98
Investment in Subsidiaries	-	(1.00)
Dividend Income	-	13128.75
Creditor for Capital goods	111.65	(1211.32)
Advance for Fixed Assets	(878.20)	(396.83)
Net Cash From/ (Used In) Investing Activities	**(7263.29)**	**7004.76**
Cash flows from Financing Activities		
Proceeds from/ (Repayment of) Long term borrowings	(5759.78)	6331.17
Proceeds from/(Repayment of) Short-term borrowings	1607.19	(2575.46)
Dividend and corporate dividend tax paid	(2660.56)	(8979.38)
Net Cash From/ (Used In) Financing Activities	**(6813.15)**	**(5223.67)**
Net Increase/(Decrease) in cash and cash equivalents	**475.47**	**226.88**
Cash and Cash equivalents at the beginning of the year	1740.67	1513.79
Cash and Cash equivalents at the ending of the year	**2216.15**	**1740.67**

Cash and Cash Equivalents include the following for Cash flow purpose

	Un Audited As on 31.12.2020	Audited As on 31.03.2020
Cash and Cash Equivalents/ Bank Balances	**2,320.04**	**1,844.56**
Less: Unclaim dividend	103.89	103.89
Cash and Cash Equivalents/ Bank Balances	**2,216.15**	**1,740.67**

By order of the Board

Sd/-
Challa Srishant
Managing Director
DIN : 00016035

Sd/-
Challa Rajendra Prasad
Executive Chairman
DIN : 00702292

Place : Hyderabad
Date : 28.01.2021

2.1 Investments

(₹ in Lakhs)

	31.12.2020		31.03.2020	
	Current	Non Current	Current	Non Current
Investments carried at cost (Unquoted investments)				
In subsidiary companies				
Jayanti Pte Ltd	-	11125.57	-	11125.57
(2,80,84,784 Equity Shares Face Value of $ 1/- each)				
Ngon Coffee Company Limited	-	3877.18	-	3877.18
(530000000000 Equity Shares Face Value of VND 1/- each)				
(344564633286 Equity Shares Face Value of VND 1/- each previous year)				
Continental Coffee SA (earlier known as Grandsaugreen SA)	-	6.92	-	6.92
(11100000 Equity Shares Face Value of CHF 1/- each)				
Continental Coffee Private Limited	-	700.00	-	700.00
(70,00,000 Equity Shares Face Value of ₹ 10/- each)				
CCL Beverages Private Limited	-	1.00	-	1.00
(10,000 Equity Shares Face Value of ₹ 10/- each)				
Aggregate amount of unquoted Investments	**-**	**15710.67**	**-**	**15710.67**
Investments at amortized cost(Unquoted Non Trade Investments:)				
Coffee Futures Exchange India Ltd	-	0.10	-	0.10
(Equity Subscription for Membership as Ordinary member - 1 share of ₹ 10,000)				
Preference shares in Associated Coffee Merchants (Intl) Ltd	-	147.91	-	147.91
(1,87,400 Preference Shares Face value of GBP 1/-each)				
Total investments carried at Amortized cost	**-**	**148.01**	**-**	**148.01**
Total Invetsments	**-**	**15858.69**	**-**	**15858.69**

2.2 Other Financial Assets

	31.12.2020		31.03.2020	
	Current	Non Current	Current	Non Current
Rental Deposits	-	28.79	-	27.89
Electricity and Other Security Deposits	-	461.76	-	499.66
Other Receivables	2299.66	-	2207.13	-
Tender Deposit	8.28	-	8.28	-
	2307.94	**490.55**	**2215.42**	**527.55**

2.3 Other Non Current Assets and Current Assets

(₹ in Lakhs)

	31.12.2020		31.03.2020	
	Current	Non Current	Current	Non Current
Advance Tax (Net of Provision for tax)	-	1638.99	80.10	1366.67
Deposits with Statutory authorities	-	2883.28	-	2883.28
Advances to Employees	47.97	-	43.25	-
Prepaid Expenses	144.00	-	235.63	-
Input tax and other taxes receivables	1862.67	-	1064.95	-
Advance to Creditors	2152.63	-	889.18	-
Advances for Capital goods/services	1712.85	-	834.65	-
Other receivables	217.56	-	217.56	-
	6137.68	**4522.28**	**3365.33**	**4249.95**

2.4 Inventories

	31.12.2020 Current	31.03.2020 Current
Raw materials	9118.55	10104.96
Work-in-progress	306.75	230.13
Finished goods	8706.84	5884.28
Stores, spares and consumables	1425.15	1302.15
Packing materials	1934.34	1232.59
	21491.63	**18754.11**

2.5 Trade receivables

	31.12.2020 Current	31.03.2020 Current
Trade Receivables		
Unsecured,considered good	13108.37	21632.51
Less: Allowances for credit losses	79.28	77.43
	13029.09	**21555.09**

2.6 Cash and Cash Equivalents

(₹ in Lakhs)

	31.12.2020	**31.03.2020**
a) Cash and Cash equivalents		
i) Cash on hand	3.15	2.94
ii) Balances with banks		
- Current Accounts	1974.98	1507.94
b) Other Bank Balances (with restricted use)		
(i) Margin Money Deposit Accounts (against Bank Guarantees)	182.16	182.16
(ii) Unclaimed Dividend Account	103.89	103.89
(iii) Dividend Account	-	-
Interest accrued but not due on deposits	55.87	47.63
	2320.04	**1844.56**

Cash and Cash Equivalents include the following for Cash flow purpose

	31.12.2020	**31.03.2020**
Cash and Cash Equivalents/ Bank Balances	2320.04	1844.56
Less: Unclaim dividend	103.89	103.89
Less: Dividend account	-	-
Cash and Cash Equivalents/ Bank Balances	2216.15	1740.67

2.7 Share Capital

(₹ in Lakhs)

	31.12.2020	31.03.2020
Authorized Share Capital		
150,000,000 Equity Shares of ₹ 2 each	3000.00	3000.00
(Previous year :150,000,000 Equity Shares of ₹ 2 each)		
Issued Subscribed and Paid up Share Capital		
133,027,920 Equity Shares of ₹ 2 each, fully paid up	2660.56	2660.56
(Previous year :133,027,920 Equity Shares of ₹ 2 each, fully paid up)	**2660.56**	**2660.56**

2.8 Other Equity

	31.12.2020	31.03.2020
Retained Earnings		
Opening Balance	48783.43	33869.56
Add: Current year Transfer	5826.63	23893.26
Less: Dividend Paid (Including Dividend distribution Tax)	(2660.56)	(8979.38)
Total	**51949.50**	**48783.43**
General Reserve		
Opening Balance	28820.70	28820.70
Add: Current year Transfer	-	-
Less: Written Back in Current year	-	-
Total	**28820.70**	**28820.70**
Acturial Gains or Losses (OCI)		
Opening Balance	(148.60)	(134.81)
Add: Current year Transfer	-	(13.79)
Less: Written Back in Current year	-	-
Total	**(148.60)**	**(148.60)**
Measurement of Derivative instrument at fair value (OCI)		
Opening Balance	(874.68)	(311.53)
Add: Current year Transfer	273.40	(563.15)
Total	**(601.28)**	**(874.68)**
Total Other Equity	**80020.32**	**76580.84**

2.9 Borrowings

(₹ in Lakhs)

	31.12.2020		31.03.2020	
	Current	Non Current	Current	Non Current
Secured Borrowings:				
Term loans from Banks				
HDFC Bank	-	6300.00	-	10166.67
Citi bank External commercial borrowings	-	9131.70	-	11779.05
Working Capital Facilities (packing credit)	15877.34	-	14270.14	-
	15877.34	**15431.70**	**14270.14**	**21945.71**

2.12 Deffered Tax Liabilities

	31.12.2020	31.03.2020
Opening Balance	4704.88	3986.52
Add : On account of IND AS Adjustment	-	-
Add : On account of depreciation	(93.28)	3955.83
Add : On account of Others	660.35	(3237.47)
Closing Balance	**5271.95**	**4704.88**

2.13 Other Non Current Liabilities & Current liabilities

	31.12.2020		31.03.2020	
	Current	Non Current	Current	Non Current
Salaries and employee benefits	93.14	-	363.02	-
Withholding and other taxes payable	74.99	-	94.15	-
Advance from customers	131.03	-	223.46	-
Others	3440.70	-	1842.50	-
	3739.86	**-**	**2523.12**	**-**

2.14 Trade Payables

	31.12.2020 Current	31.03.2020 Current
(Due to Micro & Small Enterprises		
Dues to others		
For Raw material	1675.79	251.88
For Packing material	915.43	820.64
For Stores and Consumables	175.40	144.93
For Services	397.09	497.11
	3163.71	**1714.56**

2.10 Other financial liabilities

	31.12.2020		31.03.2020	
	Current	Non Current	Current	Non Current
Creditors For Capital goods	776.96	-	665.30	-
Unpaid dividends	103.89	-	103.89	-
Dividend Payable	-	-	-	-
Interest accrued but not due on borrowings	174.22	-	220.89	-
Current Maturities of Long Term Borrowings	8432.52	-	7678.29	-
Derivative Financial Liability	-	601.28	-	874.68
Other Payables	593.43	-	850.42	-
	10081.01	**601.28**	**9518.78**	**874.68**

2.11 Provisions

	31.12.2021		31.03.2020	
	Current	Non Current	Current	Non Current
Leave Encashment	-	-	-	-
Provision for tax	-	-	-	-
Gratuity	205.97	-	-	-
	205.97	**-**	**-**	**-**

(₹ in Lakhs)

2.15 Revenue from operations

	31.12.2020	31.03.2020
Revenue from :		
Sale of Products - Coffee	55286.75	78870.62
Trade Licences	1646.97	3394.08
Revenue from operations	**56933.73**	**82264.70**

2.16 Other income

	13.12.2020	31.03.2020
Interest on Deposits	115.97	47.09
Dividend Income on long-term investments	-	16.92
Dividend Income from Ngon Coffee Company Ltd	-	13111.84
Scrap sales	10.61	0.93
Miscellaneous Income	8.05	217.56
	134.63	**13394.34**

2.17 Cost of materials consumed

	31.12.2020	31.03.2020
Raw Material		
Purchases	29628.62	42677.88
Add: Opening Stock	10104.96	9236.78
	39733.58	**51914.66**
Less: Closing Stock	9118.55	10104.96
	30615.03	**41809.70**

2.18 Changes in inventories

	31.12.2020	31.03.2020
Work-in-progress		
Opening	230.13	151.30
Closing	306.75	230.13
	(76.62)	**(78.83)**
Finished goods		
Opening	5884.28	3036.22
Closing	8706.84	5884.28
	(2822.56)	**(2848.06)**
	(2899.18)	**(2926.89)**

2.19 Employee benefits expense

	31.12.2020	31.03.2020
Salaries, Wages and Bonus	2047.55	2571.01
Directors' Remuneration	810.00	1582.00
Contribution to provident and other funds	301.68	397.28
Staff welfare	344.27	455.16
	3503.50	**5005.45**

2.20 Finance costs

(₹ in Lakhs)

	31.12.2020	31.03.2020
Interest Expense	984.91	1491.24
Other borrowing costs	161.21	200.24
	1146.12	**1691.48**

2.21 Other expenses

	31.12.2020	31.03.2020
Packing material consumed	5579.54	5546.67
Stores and Consumable consumed	532.73	557.95
Power and fuel	3179.96	5427.97
Repairs and Maintenance to Buildings	33.12	24.05
Repairs and Maintenance to Machinery	1136.25	1065.44
Repairs and Maintenance to Other assets	50.51	85.09
Transportation, Ocean Freight, Clearing and Forwarding	1483.57	1907.42
Insurance	177.98	127.45
Rent	60.02	69.44
Rates and Taxes	103.28	119.25
Directors' Sitting Fee	10.15	17.45
Non-whole time Directors' Commission	-	81.00
Selling Expenses	699.77	1429.89
Commission on Sales	412.29	348.46
Travelling and Conveyance	12.09	116.00
Communication Expenses	38.47	89.36
Printing and Stationery	6.03	12.00
Office Maintenance	389.55	558.43
Donations	51.58	94.76
Corporate Social Responsibility (CSR) Expenditure	342.98	328.22
Professional Fees & Expenses	158.18	273.59
Subscription and Membership fee	2.67	5.01
Auditor's Remuneration	13.65	15.19
Foreign Exchange Loss (Net)	(608.92)	(639.89)
Miscellaneous expenses	0.12	0.23
Allowance for credit losses	1.86	37.29
Loss on sale of Asset	-	5.59
	13867.45	**17703.31**

CONTINENTAL® COFFEE

PROVISIONAL CONSOLIDATED BALANCE SHEET AS AT 31ST DECEMBER, 2020 (₹ in Lakhs)

	Note No.	Un Audited As on 31.12.20	Audited As on 31.03.20
ASSETS			
Non-current assets			
Property plant and Equipment		70473.63	72362.00
Capital Work Inprogress		21177.85	10017.91
Intangible assets		1.50	1.50
Financial assets			
(i) Investments	2.1	148.01	148.01
(ii) Other financial assets	2.2	524.23	556.97
Other non current assets	2.3	4522.28	4249.95
		96847.50	**87336.34**
Current assets			
Inventories	2.4	28053.48	26041.95
Financial assets			
Trade receivables	2.5	27948.15	26811.36
Cash and cash equivalent	2.6	7244.12	3869.25
Other financial assets	2.2	8.28	8.28
Other current assets	2.3	7179.55	6870.59
		70433.59	**63601.44**
		167281.10	**150937.78**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	2.7	2660.56	2660.56
Other Equity	2.8	101080.58	90178.97
		103741.14	**92839.53**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	2.9	19931.70	24945.71
Other Financial Liability	2.13	601.28	874.68
Deferred tax liabilities (net)	2.10	5191.86	4624.94
Provisions	2.14	32.12	32.12
		25756.96	**30477.45**
Current liabilities			
Financial Liabilities			
Borrowings	2.9	22724.37	14270.14
Trade payables			
a. Total out standing dues of Micro and Small Enterprises			
b. Total out standing dues of creditors other than Micro and Small Enterprises	2.12	3735.72	2463.54
Other financial liabilities	2.13	10431.20	9827.96
Provisions	2.14	205.97	-
Other current liabilities	2.11	685.75	1059.17
		37783.00	**27620.80**
		167281.10	**150937.78**

By order of the Board

Sd/-
Challa Srishant
Managing Director
DIN : 00016035

Sd/-
Challa Rajendra Prasad
Executive Chairman
DIN : 00702292

Place : Hyderabad
Date : 28.01.2021

PROVISIONAL CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE NINE MONTHS ENDED 31ST DECEMBER, 2020

(₹ in Lakhs)

	Note No.	Un Audited As on 31.12.20	Audited As on 31.03.20
Income			
Revenue from operations	2.15	90757.38	113915.27
Other income	2.16	375.04	449.77
Total Revenue		**91132.42**	**114365.05**
Expenses			
Cost of materials consumed	2.17	48399.78	59191.49
Changes in inventories	2.18	(3066.16)	(3250.11)
Employee benefits expense	2.19	5452.98	7034.11
Finance costs	2.20	1227.81	1796.33
Depreciation and amortization expense		3769.24	4711.22
Other expenses	2.21	19048.93	22350.50
Total Expenses		**74832.58**	**91833.54**
Profit before tax		**16299.84**	**22531.51**
Tax expense			
(1) Current tax		2419.66	5274.31
(2) Deferred tax		574.34	663.60
Profit for the year		**13305.85**	**16593.60**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss		-	(28.57)
Tax on items that will not be reclassified to profit or loss		-	7.41
	-	(21.16)	
Items that will be reclassified to profit or loss:			
Items that may be reclassified subsequently to profit or loss		256.32	1354.95
Tax on items that will be reclassified subsequently to profit or loss		-	-
		256.32	1354.95
Total other comprehensive income/(loss) for the year, net of tax		**256.32**	**1333.79**
Total comprehensive income for the year		**13562.17**	**17927.39**
Earnings per share:			
Basic earnings per share of Rs.2/-each		10.00	12.47
Diluted earnings per share of Rs.2/- each		10.00	12.47

By order of the Board

Sd/-
Challa Srishant
Managing Director
DIN : 00016035

Sd/-
Challa Rajendra Prasad
Executive Chairman
DIN : 00702292

Place : Hyderabad
Date : 28.01.2021

CONTINENTAL COFFEE

PROVISIONAL CONSOLIDATED CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED 31ST DECEMBER,2020

(₹ in Lakhs)

	Un Audited As on 31.12.2020	Audited As on 31.03.2020
Cash Flows from Operating Activities		
Net profit before tax	16299.84	22531.51
Adjustments for :		
Depreciation and amortization expense	3769.24	4711.22
Provision for doubtful debts/advances/ impairment	-	(26.14)
Dividend Income	-	(16.92)
Foreign currency Translation	124.99	1918.10
Other Comprehensive Income	-	(28.57)
Operating profit before working capital changes	**20194.07**	**29089.20**
Movements in Working Capital		
(Increase)/Decrease in Trade Receivables	(1136.79)	(3266.84)
(Increase)/Decrease in Other financial assets	32.74	441.55
(Increase)/Decrease in Inventories	(2011.53)	(5847.12)
(Increase)/Decrease in Other Current Assets	(328.25)	(2437.90)
(Increase)/Decrease in Other Non Current Assets	(272.32)	(399.65)
Increase/(Decrease) in Trade Payables	1272.18	(3242.43)
Increase/(Decrease) in Other financial liabilities	329.84	801.71
Increase/(Decrease) in Other Current liabilities	(1585.80)	(741.49)
Increase/(Decrease) in Provisions	-	15.60
Changes in Working Capital	(3699.94)	(14676.59)
Cash generated from operations	**16494.13**	**14412.61**
Direct Taxes Paid	(2213.69)	(5347.01)
Net Cash from operating activities	**14280.44**	**9065.61**
Cash flows from Investing Activities		
Purchase of Fixed Assets (Including CWIP)	(12916.89)	(6380.11)
Dividend Income	-	16.92
Creditor for Capital goods	458.15	(1207.62)
Advance for Fixed Assets	19.29	(1272.57)
Net Cash From/ (Used In) Investing Activities	**(12439.45)**	**(8843.38)**
Cash flows from Financing Activities		
Proceeds from/ (Repayment) Long term borrowings	(4259.78)	9331.17
Proceeds from/(Repayment of) Short-term borrowings	8454.22	(4075.46)
Dividend and corporate dividend tax paid	(2660.56)	(8979.38)
Net Cash From/ (Used In) Financing Activities	1533.88	(3723.67)
Net Increase/(Decrease) in cash and cash equivalents	**3374.86**	**(3501.45)**
Cash and Cash equivalents at the beginning of the year	3765.37	7266.82
Cash and Cash equivalents at the ending of the year	**7140.23**	**3765.37**

Cash and Cash Equivalents include the following for Cash flow purpose

	Un Audited As on 31.12.2020	Audited As on 31.03.2020
Cash and Cash Equivalents/ Bank Balances	**7,244.12**	**3869.25**
Less: Unclaim dividend	103.89	103.89
Cash and Cash Equivalents/ Bank Balances	**7140.23**	**3765.37**

By order of the Board

Sd/-
Challa Srishant
Managing Director
DIN : 00016035

Sd/-
Challa Rajendra Prasad
Executive Chairman
DIN : 00702292

Place : Hyderabad
Date : 28.01.2021

2.1 Investments

(₹ in Lakhs)

	31.12.2020		31.03.2020	
	Current	Non Current	Current	Non Current
Investments at amortized cost(Unquoted Non Trade Investments:)				
Coffee Futures Exchange India Ltd (Equity Subscription for Membership as Ordinary member - 1 share of ₹ 10,000)	-	0.10	-	0.10
Preference shares in Associated Coffee Merchants (Intl) Ltd (1,87,400 Preference Shares Face value of GBP 1/-each)	-	147.91	-	147.91
Total investments carried at Amortized cost	**-**	**148.01**	**-**	**148.01**
Total Invetsments	**-**	**148.01**	**-**	**148.01**

2.2 Other Financial Assets

	31.12.2020		31.03.2020	
	Current	Non Current	Current	Non Current
Rental Deposits	-	35.14	-	27.89
Electricity and Other Security Deposits	-	489.09	-	529.08
Other Receivables	-	-	-	-
Tender Deposit	8.28	-	8.28	-
	8.28	**524.23**	**8.28**	**556.97**

2.3 Other Non Current Assets and Current Assets

	31.12.2020		31.03.2020	
	Current	Non Current	Current	Non Current
Advance Tax (Net of Provision for tax)	-	1638.99	80.10	1366.67
Deposits with Statutory authorities	-	2883.28	-	2883.28
Advances to Employees	52.15	-	53.51	-
Prepaid Expenses	191.74	-	246.89	-
Input tax and other taxes receivables	2350.86	-	1223.71	-
Advance to Creditors	2152.63	-	889.18	-
Advances for Capital goods/services	1753.13	-	1772.42	-
Other receivables	679.03	-	2604.77	-
	7179.55	**4522.28**	**6870.59**	**4249.95**

2.4 Inventories **(₹ in Lakhs)**

	31.12.2020 Current	31.03.2020 Current
Raw materials	11141.32	13149.78
Work-in-progress	542.35	370.45
Finished goods	12055.36	9161.09
Stores, spares and consumables	2265.20	2076.37
Packing materials	2049.26	1284.26
	28053.48	**26041.95**

The mode of valuation of Inventories has been stated in Note 1.11 of Significant Accounting Policies
Inventories hypothecated as security for availing working capital facilities from banks

2.5 Trade receivables

	31.12.2020 Current	31.03.2020 Current
Trade Receivables		
Unsecured,considered good	28089.56	26969.36
Less: Allowances for credit losses	141.41	158.00
	27948.15	**26811.36**

2.6 Cash and Cash Equivalents

	31.12.2020	31.03.2020
a) Cash and Cash equivalents		
i) Cash on hand	12.55	6.25
ii) Balances with banks		
- Current Accounts	6889.66	3529.33
b) Other Bank Balances (with resricted use)		
(i) Margin Money Deposit Accounts (against Bank Guarantees)	182.16	182.16
(ii) Unclaimed Dividend Account	103.89	103.89
(iii) Dividend Account	-	-
Interest accrued but not due on deposits	55.87	47.63
	7244.12	**3869.25**

Cash and Cash Equivalents include the following for Cash flow purpose

	31.12.2020	31.03.2020
Cash and Cash Equivalents/ Bank Balances	7244.12	3869.25
Less: Unclaim dividend	103.89	103.89
Less: dividend	-	-
Cash and Cash Equivalents/ Bank Balances	**7140.23**	**3765.37**

2.7 Share Capital

(₹ in Lakhs)

	31.12.2020	31.03.2020
Authorized Share Capital		
150,000,000 Equity Shares of ₹ 2 each	3000.00	3000.00
(Previous year :150,000,000 Equity Shares of ₹ 2 each)		
Issued Subscribed and Paid up Share Capital		
133,027,920 Equity Shares of ₹ 2 each, fully paid up	2660.56	2660.56
(Previous year :133,027,920 Equity Shares of ₹ 2 each, fully paid up)	**2660.56**	**2660.56**

2.8 Other Equity

	31.12.2020	31.03.2020
Retained Earnings		
Opening Balance	57238.38	49624.16
Add: Current year Transfer	13305.85	16593.60
Less: Dividend Paid(Including Dividend distribution Tax)	(2660.56)	(8979.38)
Total	**67883.67**	**57238.38**
General Reserve		
Opening Balance	28820.70	28820.70
Add: Current year Transfer	-	-
Less: Written Back in Current year	-	-
Total	**28820.70**	**28820.70**
Foreign Currency Translation Reserve		
Opening Balance	**5150.54**	**3232.44**
Add: Current year Transfer	(17.08)	1918.10
Less: Written Back in Current year	-	-
Total	**5133.46**	**5150.54**
Acturial Gains or Losses (OCI)		
Opening Balance	**(155.97)**	**(134.81)**
Add: Current year Transfer	-	(21.16)
Less: Written Back in Current year	-	-
Total	**(155.97)**	**(155.97)**
Measurement ofderivative instrument at Fair Value (OCI)		
Opening Balance	(874.68)	(311.53)
Add: Current year Transfer	273.40	(563.15)
Less: Written Back in Current year	-	-
Total	**(601.28)**	**(874.68)**
Total Other Equity	**101080.58**	**90178.97**

2.9 Borrowings

(₹ in Lakhs)

	31.12.2020		31.03.2020	
	Current	Non Current	Current	Non Current
Secured Borrowings:				
Term loans from Banks				
HDFC Bank	-	6300.00	-	10166.67
Citi Bank	-	4500.00	-	3000.00
Citi Bank External commercial borrowings	-	9131.70	-	11779.05
Working Capital Facilities	22724.37	-	14270.14	-
	22724.37	**19931.70**	**14270.14**	**24945.71**

2.10 Deffered Tax Liabilities

	31.12.2020	31.03.2020
Opening Balance	4624.94	3961.34
Add : On account of IND AS Adjustment	-	-
Add : On account of depreciation	(95.32)	3955.10
Add : On account of Others	662.24	(3291.50)
Closing Balance	**5191.86**	**4624.94**

2.11 Other Non Current Liabilities & Current liabilities

	31.12.2020		31.03.2020	
	Current	Non Current	Current	Non Current
Salaries and employee benefits	203.10	-	423.30	-
Withholding and other taxes payable	122.72	-	159.01	-
Advance from customers	152.92	-	223.46	-
Others	207.01	-	253.40	-
	685.75	**-**	**1059.17**	**-**

2.12 Trade Payables

	31.12.2020 Current	31.03.2020 Current
Due to Micro & Small Enterprises		
Dues to others		
For Raw material	2198.01	956.67
For Packing material	915.43	820.64
For Stores and Consumables	179.81	147.14
For Services	442.47	539.09
	3735.72	**2463.54**

2.13 Other financial liabilities **(₹ in Lakhs)**

	31.12.2020		31.03.2020	
	Current	Non Current	Current	Non Current
Creditors For Capital goods	1127.15	-	669.00	-
Unpaid dividends	103.89	-	103.89	-
Dividend payables	-	-	-	-
Interest accrued but not due on borrowings	174.22	-	220.89	-
Current maturities of long term debt	8432.52	-	7678.29	-
Derivative Financial liability	-	601.28	-	874.68
Other Payables	593.43	-	1155.90	-
	10431.20	**601.28**	**9827.96**	**874.68**

2.14 Provisions

	31.12.2020		31.03.2020	
	Current	Non Current	Current	Non Current
Leave Encashment	-	7.16	-	7.16
Provision for tax	205.97	-	-	-
Gratuity	-	24.96	-	24.96
	205.97	**32.12**	**-**	**32.12**

(₹ in Lakhs)

2.15 Revenue from operations

	31.12.2020	31.03.2020
Revenue from :		
Sale of Products - Coffee	89110.40	110521.19
Sale of Trade Licences	1646.97	3394.08
Revenue from operations	**90757.38**	**113915.27**

2.16 Other income

	31.12.2020	31.03.2020
Interest on Deposits	8.58	167.57
Dividend Income on long-term investments	-	16.92
Dividend Income from Ngon Coffee Company Ltd	-	-
Profit on sale of assets	-	-
Scrap sales	10.61	0.93
Sales of Raw Materials	-	-
Miscellaneous Income	355.85	264.35
	375.04	**449.77**

2.17 Cost of materials consumed

	31.12.2020	31.03.2020
Raw Material		
Purchases	46391.32	61188.21
Add: Opening Stock	13149.78	11153.05
	59541.10	72341.26
Less: Closing Stock	11141.32	13149.78
	48399.78	**59191.49**

2.18 Changes in inventories

	31.12.2020	31.03.2020
Work-in-progress		
Opening	370.45	167.89
Closing	542.35	370.45
	(171.90)	(202.56)
Finished goods		
Opening	9161.09	6113.55
Closing	12055.36	9161.09
	(2894.26)	(3047.54)
	(3066.16)	**(3250.11)**

2.19 Employee benefits expense

	31.12.2020	31.03.2020
Salaries, Wages and Bonus	3785.08	4336.12
Directors' Remuneration	810.00	1582.00
Contribution to provident and other funds	362.32	463.21
Staff welfare	495.58	652.78
	5452.98	**7034.11**

2.20 Finance costs

(₹ in Lakhs)

	31.12.2020	31.03.2020
Interest Expense	1135.23	1561.28
Other borrowing costs	92.58	235.05
	1227.81	**1796.33**

2.21 Other expenses

	31.12.2020	31.03.2020
Packing material consumed	6067.00	5980.14
Stores and Consumable consumed	880.18	947.56
Power and fuel	4085.00	6469.39
Repairs and Maintenance to Buildings	48.39	38.19
Repairs and Maintenance to Machinery	1163.77	1099.75
Repairs and Maintenance to Other assets	113.71	130.27
Transportation, Ocean Freight, Clearing and Forwarding	2777.84	3019.26
Insurance	233.08	203.72
Rent	89.16	106.40
Rates and Taxes	147.52	140.01
Directors' Sitting Fee	10.15	17.45
Non-whole time Directors' Commission	-	81.00
Selling Expenses	1902.34	2392.98
Commission on Sales	506.45	411.08
Travelling and Conveyance	183.93	378.24
Communication Expenses	55.61	110.60
Printing and Stationery	20.94	25.01
Office Maintenance	436.13	578.71
Donations	79.91	96.06
Corporate Social Responsibility (CSR) Expenditure	342.98	328.22
Professional Fees & Expenses	202.93	352.20
Subscription and Membership fee	2.67	9.46
Auditor's Remuneration	24.71	39.68
Foreign Exchange Loss (Net)	(470.29)	(745.90)
Miscellaneous expenses	161.42	161.57
Allowance for credit losses	(16.59)	(26.13)
Loss on sale of Asset	-	5.59
	19048.93	**22350.50**

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CCL BEVERAGES PRIVATE LIMITED

Report on the Audit of the Financial Statements Opinion

We have audited the accompanying financial statements of **CCL BEVERAGES PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including other comprehensive income) , andthe Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss,total comprehensive income, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficientand appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the Matter was addressed in Audit
<u>Capital Work in Progress:</u> During the FY 2019-20 the company has incurred capital expenses of Rs.2.55 crore. The project has not yet completed hence total expenses incurred are transferred to capital work in progress.	Our audit procedures amongst others included the following: • Obtained the details of transaction. • Conducted sampling relating to capital work inprogress. • Wetestedtheeffectivenessof internal controls over capital payments and capital work in progress. • We have reviewed the Purchase Order(s) and Work order(s) documents between the parties to ensure for compliance of terms and conditions.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure's to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report there on.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion there on.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards referred to in Section 133 of Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the Accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the department of company affairs, in terms of section 143 (11) of the companies Act, 2013, and on the basis of our examination of the books and records as we considered appropriate and according to the information and explanation given to us, we give in the "Annexure B" a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Companies Act 2013, we report that:

a) We have sought and 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 proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

c) The Balance Sheet and Statement of Profit and Loss and Cash flow Statement dealt with this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financials comply with the Accounting Standards specified under of Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act, 2013.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure A”; and

g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) There are no pending litigations for or against the Company which would impact its financial position.

ii) The Company does not have any derivatives contracts. Further there are no long-term contracts for which provisions for any material foreseeable losses is required to be made.

iii) There are no amounts pending that are required to be transferred to Investor Education and Protection Fund.

For NSVR & ASSOCIATES LLP.,
Chartered Accountants
(FRN No.008801S/S200060)

Sd/-
R Srinivasu
Partner
M.no:224033
UDIN:20224033AAAAIJ7227

Date:15.06.2020
Place: Hyderabad

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of CCL BEVERAGES PRIVATE LIMITED of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **CCL BEVERAGES PRIVATE LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act,2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed underSection143(10)of the Companies Act,2013,to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of internal financial Controls over Financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purpose in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and(3)provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion:

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

For NSVR &ASSOCIATES LLP.,
Chartered Accountants
(FRNNo.008801S/S200060)

Sd/-
R Srinivasu
Partner
M.no:224033
UDIN:20224033AAAAIJ7227

Date: 15.06.2020
Place: Hyderabad

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of CCL BEVERAGES PRIVATE LIMITED of even date)

i. In respect of the Company's fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and capital work in progress.

(b) The Company has a program of verification to cover all the items of capital work in progress in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain assets relating to capital work in progress were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the company does not have any immovable property hence Clause 3(i)(c) of the Order is not applicable.

ii. As explained to us, the company has not started commercial operations hence no inventory is available. Hence Clause 3(ii) of the Order is not applicable.

iii. The Company has not granted any loans, secured or unsecured to companies, firms or other Parties covered in the register maintained under section 189 of the Companies Act. Thus, Clause 3(iii) of the Order is not applicable.

iv. According to the information and explanations given to us, the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities is not applicable to the company. Hence reporting under Clause iv is not applicable.

v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

vi. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company. Thus reporting under clause vi of the order is not applicable to the Company.

vii. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020for a period of more than six months from the date they became payable.

viii. 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 institutions, banks or debenture holders.

ix. Money raised by way of term loan were applied for the purpose for which it was raised. The Company has not raised moneys by way of initial public offer or further public offer.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has not made transactions with the related parties and hence reporting under clause 3 (xiii) of the Order is not applicable to the Company.

xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For NSVR &ASSOCIATES LLP.,
Chartered Accountants
(FRNo.008801S/S200060)
UDIN:20224033AAAAIJ7227

Sd/-
R Srinivasu
Partner
M.no:224033

Date: 15.06.2020
Place: Hyderabad

CONTINENTAL COFFEE

BALANCE SHEET AS AT 31st MARCH, 2020

	Note No.	31/03/20
ASSETS		
Non-current assets		
Property plant and Equipment		-
Capital Work Inprogress		2,55,04,986
Intangible assets		-
Financial assets		
Investments		-
Other financial assets		-
Other non current assets		-
		2,55,04,986
Current assets		
Inventories		-
Financial assets		
Trade receivables		-
Cash and cash equivalent	2.1	16,66,136
Other financial assets	2.2	18,42,49,516
Other current assets	2.3	8,90,52,587
		27,49,68,239
TOTAL ASSETS		**30,04,73,225**
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	2.4	1,00,000
Other Equity	2.5	-1,00,000
		-
Liabilities		
Non-current liabilities		
Financial Liabilities		
Borrowings	2.6	30,00,00,000
Other Financial Liability		
Deferred tax liabilities (net)		-
		30,00,00,000
Current liabilities		
Financial Liabilities		
Borrowings		
Trade payables		
(a) Total outstandings dues of MSME		-
(b) Total outstandings dues of other than MSME		-
Other financial liabilities	2.7	3,69,560
Provisions		-
Other current liabilities	2.8	1,03,665
		4,73,225
TOTAL EQUITY AND LIABILITIES		**30,04,73,225**

The accompanying Significant accouting policies and notes form an integral part of the Standalone financial statements.

As per our report of even date
For NSVR & Associates LLP.,
Chartered Accountants
FRN : 008801S/S200060

For. CCL BEVERAGES PRIVATE LIMITED

Sd/-
R.Srinivasu
Partner
M.No.224033
UDIN:20224033AAAAIJ7227

Sd/-
CHALLA SRISHANT
Director
DIN:00016035

Sd/-
BANDI MOHAN KRISHNA
Director
DIN:03053172

Place : Hyderabad
Date : 15th June, 2020

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

		Note No.	31/03/20
1	**Income**		
	Revenue from operations	2.90	-
	Other income	2.91	-
	Total Revenue		-
2	**Expenses**		
	Consumption of Raw Materials	2.92	-
	Changes in inventories	2.93	-
	Employee benefits expense	2.94	75,000
	Finance costs	2.95	-
	Depreciation and amortization expense		-
	Other expenses	2.96	25,000
	Total Expenses		**1,00,000**
3	**Profit before tax**		**-1,00,000**
4	**Tax expense**		
	(1) Current tax		-
	(2) Deferred tax		-
5	**Profit for the year**		**-1,00,000**
6	**Other comprehensive income (OCI)**		
	a) (i) Items that will not be reclassified to profit or loss		
	(ii) Tax on items that will not be reclassified to profit or loss -		
	b) (i) Items that will be reclassified to profit or loss		-
	(ii) Income Tax on items that may be reclassified to profit or loss -		
	Total other comprehensive income		**-**
7	**Total comprehensive income for the year (5 + 6)**		**-1,00,000**
8	**Earnings per share**		
	Basic earnings per share of Rs.10/-each		-10.00
	Diluted earnings per share of Rs.10/- each		-10.00

The accompanying Significant accouting policies and notes form an integral part of the Standalone financial statements.

As per our report of even date
For NSVR & Associates LLP.,
Chartered Accountants
FRN : 008801S/S200060

Sd/-
R.Srinivasu
Partner
M.No.224033
UDIN:20224033AAAAIJ7227

Place : Hyderabad
Date : 15th June, 2020

For. CCL BEVERAGES PRIVATE LIMITED

Sd/-
CHALLA SRISHANT
Director
DIN:00016035

Sd/-
BANDI MOHAN KRISHNA
Director
DIN:03053172

CONTINENTAL COFFEE

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

	As at 31.3.2020
A. CASH FLOWS FROM OPERATING ACTIVITIES:	
Net profit before taxation, and extraordinary items	(1,00,000)
Adjusted for :	
Interest debited to P&L A/c	-
Depreciation	-
Operating profits before working capital changes	(1,00,000)
Changes in current assets and liabilities	
Inventories	-
Trade Receivables	-
Loans	-
Other Current assets	(8,90,52,587)
Trade Payables	-
Other Financial Liabilities	3,69,560
Other Current Liabilities	1,03,665
Other Current Financial Assets	(18,42,49,516)
Cash generated from operations	(27,29,28,878)
Income tax paid	-
Net cash generated from operating activities	**(27,29,28,878)**
B. CASH FLOWS FROM INVESTING ACTIVITIES:	
Capital Work in Progress	(2,55,04,986)
Sale of Fixed Assets	
Long Term Loans and advances	
Net cash used in investing activities	**(2,55,04,986)**
C. CASH FLOWS FROM FINANCING ACTIVITIES:	
Secured and Unsecured Loans	
Borrowings	30,00,00,000
Interest paid	-
Changes in Non Current Liabilities	-
Increase in share Capital	1,00,000
Net cash generated in financing activities	**30,01,00,000**
D. Net increase / (decrease) in cash and cash equivalents	**16,66,136**
E. Cash and cash equivalents at the beginning of the year	**-**
F. Cash and cash equivalents at the end of the year	**16,66,136**

The notes form an integral part of these financial statements 1 to 24

As per our report of even date
For NSVR & Associates LLP.,
Chartered Accountants
FRN : 008801S/S200060

Sd/-
R.Srinivasu
Partner
M.No.224033
UDIN:20224033AAAAIJ7227

Place : Hyderabad
Date : 15th June, 2020

For. CCL BEVERAGES PRIVATE LIMITED

Sd/-
CHALLA SRISHANT
Director
DIN:00016035

Sd/-
BANDI MOHAN KRISHNA
Director
DIN:03053172

1. NOTES TO STANDALONE FINANCIAL STATEMENTS

DESCRIPTION OF THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES

1.1 General Information

CCL BEVERAGES PRIVATE LIMITED (the company) was incorporated on 19th October 2019 and is engaged in the business of manufacturing of Coffee and coffee related products. The Company has business operations mainly in India. The Company is a subsidiary of CCL Products (India) Limited which is a public limited company and domiciled in India and has its registered office at Sy. No. 269/1, Kuvvkolli Village, Varadaiahpalem Mandal, Chittoor, AP. The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.
1.2 Basis of preparation and presentation of Financial Statements

The financial statements of **CCL BEVERAGES PRIVATE LIMITED** have been prepared and presented in accordance with the Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

1.3 Basis of Measurement

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the balance sheet:

a. Certain financial assets are measured either at fair value or at amortized cost depending on the classification;

b. Employee defined benefit assets/(liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation and

c. Long-term borrowings are measured at amortized cost using the effective interest rate method.

1.4 Use of estimates and judgments.

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, the areas involving critical estimates or Judgments are:

a. Depreciation and amortization

Depreciation and amortization is based on management estimates of the future useful lives of certain class of property, plant and equipment and intangible assets.

b. Employee Benefits

The present value of the employee benefits obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) includes the discount rate, wage escalation and employee attrition. The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

c. Provision and contingencies

Provisions and contingencies are based on the Management's best estimate of the liabilities based on the facts known at the balance sheet date.

d. Fair valuation

Fair value is the market based measurement of observable market transaction or available market information.
1.5 Functional and presentation currency

These financial statements are presented in Indian rupees, which is also the functional currency of the Company. All financial information presented in Indian rupees.

1.6 Current and non-current classification

All the assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013and Ind AS 1, Presentation of financial statements.

Assets: An asset is classified as current when it satisfies any of the following criteria:

a. It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;

b. It is held primarily for the purpose of being traded;

c. It is expected to be realized within twelve months after the reporting date; or

d. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities: A liability is classified as current when it satisfies any of the following criteria:

a. It is expected to be settled in the Company's normal operating cycle;

b. It is held primarily for the purpose of being traded;

c. It is due to be settled within twelve months after the reporting date; or

d. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of non-current assets/ liabilities respectively. All other assets/ liabilities are classified as non-current. Deferred tax assets and liabilities are always disclosed as non-current.

1.7 Foreign Currency Transaction

Transactions in foreign currencies are translated to the respective functional currencies of entities within the Comp-any at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in the statement of profit and loss in the period in which they arise.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction, if any.

1.8 Property Plant & Equipment

Recognition and measurement
Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset i.e., freight, duties and taxes applicable and other expenses related to acquisition and installation. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalised as part of the cost of that asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within in the statement of profit and loss.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognized in the statement of profit and loss as incurred.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up.

Depreciation

Depreciation is recognized in the statement of profit and loss on a written down value basis over the estimated useful lives of property, plant and equipment based on Schedule II to the Companies Act, 2013 (“Schedule”), which prescribes the useful lives for various classes of tangible assets. For assets acquired or disposed off during the year, depreciation is provided on prorata basis.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under other current assets.

The cost of property, plant and equipment not ready to use before such date are disclosed under capital work-in-progress. Assets not ready for use are not depreciated.

1.9 Intangible assets

During the financial year there are no Intangible assets that are acquired by the Company.

1.10 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

a. Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

(i) Debt instrument at FVTPL

Debt instruments included within the FVTPL category are measured at fair value with all changesrecognised in the statement of profit and loss. The Company has not designated any debt instrument as at FVTPL.

(ii) Investment in Preference Shares and Unquoted trade Investments

Investment in Preference Shares and Unquoted trade Investments are measured at amortised cost using Effective Rate of Return (EIR).

(iii) Investment in equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments i.e., investments in equity shares within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

(iv) Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's balance sheet) when:

(i) The rights to receive cash flows from the asset have expired, or

(ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the

Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

b. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(i) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

1.11 Inventories

Inventories consist of finished goods and are measured at the lower of cost and net realisable value. The cost of all categories of inventories is based on the weighted average method. Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods cost includes an appropriate share of overheads based on normal operating capacity.

1.12 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, an impairment test is performed each year at March 31. The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”). An impairment loss is recognized in the statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

1.13 Cash & Cash Equivalents

Cash and bank balances comprise of cash balance in hand, in current accounts with banks, demand deposit, short-term deposits, Margin Money deposits and unclaimed dividend accounts. For this purpose, “short-term” means investments having maturity of three months or less from the date of investment. Bank overdrafts that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.The Margin money deposits and unclaimed dividend balances shall be disclosed as restricted cash balances.

1.14 Employee Benefits

a. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b. Defined Contribution Plan

The Company’s contributions to defined contribution plans are charged to the statement of profit and loss as and when the services are received from the employees.

c. Defined Benefit Plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates based on prevailing market yields of Indian Government Bonds and that have terms to maturity approximating to the terms of the related defined benefit obligation. The current service cost of the defined benefit plan, recognised in the statement of profit and loss in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognised immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

d. Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

e. Other long-term employee benefits

The Company's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the curr ent and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

1.15 Provisions, contingent liabilities and contingent assets

a. Provisions
A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

b. Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

c. Contingent assets

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs
.

1.16 Revenue Recognition

a. Sale of goods and trade license
Revenue from sale of goods is recognized when significant risks and rewards in respect of ownership of the product is transferred to the customer. Revenue from the sale of Products excludes Goods and Service Tax and is measured at the fair value of the consideration received or receivable, net of returns, applicable trade discounts and primary schemes.

b. Other Income

(i) Miscellaneous Income

Miscellaneous Income includes Rounding off and other non operating income these are recognized as and when accrued.

1.17 Borrowing Costs

Borrowing costs consist of interest, ancillary and other costs that the Company incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

1.18 Tax Expenses

Tax expense consists of current and deferred tax.

a. Income Tax

Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

b. Deferred Tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Dividend distribution tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Company and all such taxes are recognized in the statement of changes in equity as part of the associated dividend payment.

1.19 Earnings Per Share

The Company presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

1.20 Trade receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment.

1.21 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

1.22 Determination of fair values

The Company's accounting policies and disclosures require the determination of fair value, for certain financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

a. Property, plant and equipment

Property, plant and equipment, if acquired in a business combination or through an exchange of non-monetary assets, is measured at fair value on the acquisition date. For this purpose, fair value is based on appraised market values and replacement cost.

b. Intangible assets

The fair value of brands, technology related intangibles, and patents and trademarks acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of these brands, technology related intangibles, patents or trademarks being owned (the "relief of royalty method"). The fair value of customer related, product related and other intangibles acquired in a business combination has been determined using the multi-period excess earnings method after deduction of a fair return on other assets that are part of creating the related cash flows.

c. Inventories

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

d. Investments in equity and debt securities and units of mutual funds

The fair value of marketable equity and debt securities is determined by reference to their quoted market price at the reporting date. For debt securities where quoted market prices are not available, fair value is determined using pricing techniques such as discounted cash flow analysis.

In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors. Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds.

e. Derivatives

The fair value of foreign exchange forward contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds). The fair value of foreign currency option and swap contracts and interest rate swap contracts is determined based on the appropriate valuation techniques, considering the terms of the contract.

f. Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements. In respect of the Company's borrowings that have floating rates of interest, their fair value approximates carrying value.

For NSVR & Associates LLP. ,
Chartered Accountants
Firm Reg. No.008801S/S200060

For CCL BEVERAGES PRIVATE LIMITED

Sd/-	Sd/-`	Sd/-
R. Srinivasu	**CHALLA SRISHANT**	**BANDI MOHAN KRISHNA**
Partner	Director	Director
Membership No.224033	DIN:00016035	DIN: 03053172
UDIN:20224033AAAAIJ7227		

Place: Hyderabad
Date: 15th June, 2020

1.23 Sale of goods

The company has not started commercial operations

1.24 Auditors Remuneration Amount in INR

Particulars	For the year ended 31 March 2020
a) Audit Fee	25,000
b) Other charges	
Taxation matters	-
Other matters	-
c) Reimbursement of out of pocket expenses	-
Total	**25,000**

1.25 Earnings per Share Amount in INR

Particulars	For the year ended 31 March 2020
Earnings	
Profit attributable to equity holders	-1,00,000
Shares	
Number of shares at the beginning of the year	-
Add: Equity shares issued	10,000
Less: Buy back of equity shares	-
Total number of equity shares outstanding at the end of the year	10,000
Weighted average number of equity shares outstanding during the year – Basic	**10,000**
Add: Weighted average number of equity shares arising out of outstanding stock options (net of the stock options forfeited) that have dilutive effect on the EPS	-
Weighted average number of equity shares outstanding during the year – Diluted	10,000
Earnings per share of par value Rs.10/- – Basic (Rs)	**-10.00**
Earnings per share of par value Rs.10/- – Diluted (Rs)	**-10.00**

1.26 Related Parties

List of Holding Companies
CCL Products (India) Limited., India

In accordance with the provisions of Ind AS 24 “Related Party Disclosures” and the Companies Act, 2013, Company’s Directors, members of the Company’s Management Council and Company Secretary are considered as Key Management Personnel. List of Key Management Personnel of the Company is as below:

- Mr. Challa Srishant, Director
- Mr. B. Mohan Krishna, Director.

The following is a summary of significant related party transactions: **Amount in INR**

Particulars	For the year ended 31st March 2020
a) Key managerial personnel	
Remuneration & Commission	
Mr. Challa Srishant	Nil
Mr. B. Mohan Krishna,	Nil
Total	**Nil**

1.27 Earnings/expenditure in foreign currency:

Expenditure in Foreign currency: **Amount in INR**

Particulars	For the year ended 31st March 2020
Purchase of Material	Nil
Professional Fees	Nil
Other expenses	Nil
Total	**Nil**

Earnings in Foreign currency:

Particulars	For the year ended 31st March 2020
FOB Value of Exports	Nil
Dividend	Nil
Total	**Nil**

1.28 Segment Reporting:

The Company concluded that there is only one operating segment i.e., Coffee products. Hence, the same becomes the reportable segment for the Company. Accordingly, the Company has only one operating and reportable segment, the disclosure requirements specified in paragraphs 22 to 30 are not applicable. Accordingly, the Company shall present entity-wide disclosures enumerated in paragraphs 32, 33 and 34 of Ind AS 108.

1.29 Determination of Fair Values:

The Company's accounting policies and disclosures require the determination of fair value, for certain financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability

(I) Property, plant & Equipment:

The Company has not elected to measure any item of property, plant and equipment at its fair value at the Transition Date; property, plant and equipment have been measured at cost in accordance with Ind AS.

(ii) Investments in equity securities

The fair value of marketable equity is determined by reference to their quoted market price at the reporting date.

1.30 Income Taxes:

a. Income tax expense/ (benefit) recognized in the statement of profit and loss:
Income tax expense/ (benefit) recognized in the statement of profit and loss consists of the following:

Amount in INR

Particulars	For the year ended 31st march 2020
Current Taxes Expense	
Deferred Taxes Expense	Nil
Deferred Taxes Expense/(benefit)	
Deferred Taxes Benefit	Nil
Total Income Tax Expense/(Benefit) Recognized in the Statement of Profit and Loss	Nil

b. Reconciliation of Effective Tax Rate:

Amount in INR

Particulars	31.03.2020
Profit Before Income Taxes	-1,00,000
Enacted Tax Rate in India	25.17%
Computed Expected Tax Benefit/(Expense)	Nil
Effect of:	
Differences between Indian and foreign tax rates	-
Impairment of product related intangibles and goodwill	
(Unrecognized deferred tax assets) / recognition of previously unrecognized deferred tax assets, net	-
Expenses not deductible for tax purposes	-
Share-based payment expense	
Income exempt from income taxes	-
Foreign exchange differences	-
Incremental deduction allowed for research and development costs	-
Deferred tax expense on undistributed earnings of subsidiary outside India	-
Current taxes on undistributed earnings of subsidiary outside India	-
Effect of change in tax laws and rate	-
Investment allowance deduction	-
Earlier Years' tax Provision -(reversal)/provided)	-
Others	-
Income Tax Benefit/(Expense)	-
Effective Tax Rate	-

c. Deferred Tax Assets & Liabilities:

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that created these differences is given below:

Amount in INR

Particulars	For the year ended 31st march 2020
Opening Balance (Deferred Tax Asset) 31.03.2019	Nil
Add: Expenses disallowed as per the Income Tax Act, 1961	
Less: Previous year expenses now allowed	
Add: Depreciation & Amortization	-
Net Deferred Tax Assets as at 31.03.2020	Nil

1.31 Financial Instruments:

Amount in INR

Particulars	Carrying Value Mar'20	Fair value Mar'20
Trade Receivables	-	-
Other Financial Assets	18,42,49,516	18,42,49,516
Cash and cash equivalents	16,66,136	16,66,136
Total	**18,59,15,652**	**18,59,15,652**
Borrowings	30,00,00,000	30,00,00,000
Trade payables	-	-
Other financial liabilities	3,69,560	3,69,560
Total	**30,03,69,560**	**30,03,69,560**

2.5 Other Non Current Assets and Current Assets

		31.03.2020
a)	**Cash and Cash equivalents**	
	i) Cash on hand	-
	ii) Balances with banks	
	- Current Accounts	16,66,136
b)	**Other Bank Balances (with restricted use)**	
	(i) Margin Money Deposit Accounts	-
	(ii) Unclaimed Dividend Account	-
	(iii) Dividend Account	-
	Interest accrued but not due on deposits	-
		16,66,136

2.2 Other Financial Assets

	31.03.2020
Rental Deposits	
Electricity and Other Security Deposits	
Other Receivables	18,42,49,516
Tender Deposit	-
	18,42,49,516

2.3 Other Non Current Assets and Current Assets

	31.03.2020
Deposits with Statutory authorities	
Advances to Employees	-
Prepaid Expenses	-
Input tax and other taxes receivables	-
Advance to Creditors	-
Advances for Capital goods/services	8,90,52,587
	8,90,52,587

2.4 Share Capital

	31/03/20
Authorized Share Capital	
100000 Equity Shares of Rs.10 each	10,00,000
Issued Subscribed and Paid up Share Capital	
10,000 Equity Shares of Rs.10 each, fully paid up	1,00,000
	1,00,000
Details of shareholders holding more than 5% shares : 1. CCL Products (India) Ltd. - 9999 Shares @ Rs.10/- each 2. Mr. Challa Srishant --1 Share @ Rs.10/- Each (Registered owner on behalf of the beneficial owner M/s.CCL Products (India) Limited)	

2.4.1 Reconciliation of Number of Shares :

	31/03/20
Number of Shares at the beginning of the year Add : Shares issued during the year	 10,000
Number of Shares at the end of the year	**10,000**

2.5 Other Equity

	31/03/20
Retained Earnings Opening Balance Add: Current year Transfer	 -1,00,000
Total	**-1,00,000**
General Reserve	
Opening Balance Add: Current year Transfer Less: Written Back in Current year	
Total	
Acturial Gains or Losses (OCI) Opening Balance Add: Current year Transfer Less: Written Back in Current year	
Total	
Measurement of Derivative instrument at fair value (OCI) Opening Balance Add: Current year Transfer	
Total	
Total Other Equity	**-1,00,000**

2.6 Borrowings

	31/03/20
Secured Borrowings: Term loans from Banks CITI Bank Term loan	 30,00,00,000
	30,00,00,000

Note:-
Term loan from CITI Bank, N.A of Rs.45 Crs carrying interest rate of 3months T bill +1.70% pa repayable in 6 years including 2 years of moratorium and repayable in 8 Half Yearly installments. Security:- 1. Corporate Guarantee From CCL Produts (India) Limited 2. Exclusive charge on all present and future fixed assets situated at Kuvvakolli (village), Varadiahpalem (Mandal), Chittoor District, AP.

2.7 Other financial liabilities

	31/03/20
Creditors For Capital goods	3,69,560
Unpaid dividends	
Dividend Payable	
Interest accrued but not due on borrowings	
Current Maturities of Long Term Borrowings	
Derivative Financial Liability	
Other Payables	
	3,69,560

2.8 Other Non Current Liabilities & Current liabilities

Particulars	31/03/20
Salaries and employee benefits	75,000
Withholding and other taxes payable	3,665
Audit Fees Payable	25,000
Others	
	1,03,665

2.9 Revenue from operations

	31.03.2020
Revenue from : Sale of Products - Coffee	
Revenue from operations	-

2.91 Other income

	31.03.2020
Interest on Deposits Dividend Income on long-term investments	
	-

2.92 Cost of materials consumed

	31.03.2020
Raw Material	
Purchases	-
Add: Opening Stock	-
Less: Closing Stock	-
	-

2.93 Changes in inventories

	31.03.2020
Work-in-progress	
Opening	-
Closing	-
Finished goods	
Opening	-
Closing	-

2.94 Employee benefits expense

	31.03.2020
Salaries, Wages and Bonus	75,000
Directors' Remuneration	-
Contribution to provident and other funds	-
Staff welfare	-
	75,000

2.95 Finance costs

	31.03.2020
Interest on Working Capital Loans	-
Less: Forward contract Premium	-
Interest on Term Loans	-
Other borrowing costs	-
	-

2.96 Other expenses

	31.03.2020
Auditor's Remuneration	25,000
Miscellaneous expenses	-
	25,000

For NSVR & Associates LLP. ,
Chartered Accountants
Firm Reg. No.008801S/S200060

For CCL BEVERAGES PRIVATE LIMITED

Sd/-
R. Srinivasu
Partner
Membership No.224033
UDIN:20224033AAAAIJ7227

Sd/-
CHALLA SRISHANT
Director
DIN:00016035

Sd/-
BANDI MOHAN KRISHNA
Director
DIN: 03053172

Place: Hyderabad
Date : 15th June, 2020

PROVISIONAL BALANCE SHEET AS AT 31st DECEMBER, 2020

	Note No.	Un Audited As on 31/12/20	Audited As on31/03/20
ASSETS			
Non-current assets			
Property plant and Equipment		-	-
Capital Work Inprogress		10,28,94,414	2,55,04,986
Intangible assets		-	-
Financial assets			
Investments		-	-
Other financial assets		-	-
Other non current assets		-	-
		10,28,94,414	**2,55,04,986**
Current assets			
Inventories		-	-
Financial assets			
Trade receivables		-	-
Cash and cash equivalent	2.1	27,92,841	16,66,136
Other financial assets	2.2	34,40,70,230	18,42,49,516
Other current assets	2.3	3,64,323	8,90,52,587
		34,72,27,394	**27,49,68,239**
TOTAL ASSETS		**45,01,21,808**	**30,04,73,225**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	2.4	1,00,000	1,00,000
Other Equity	2.5	-1,00,000	-1,00,000
		-	-
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	2.6	45,00,00,000	30,00,00,000
Other Financial Liability			
Deferred tax liabilities (net)		-	-
		45,00,00,000	**30,00,00,000**
Current liabilities			
Financial Liabilities			
Borrowings			
Trade payables			
(a) Total outstandings dues of MSME		-	-
(b) Total outstandings dues of other than MSME		-	-
Other financial liabilities	2.7	-	3,69,560
Provisions		-	-
Other current liabilities	2.8	1,21,808	1,03,665
		1,21,808	**4,73,225**
TOTAL EQUITY AND LIABILITIES		**45,01,21,808**	**30,04,73,225**

For. CCL BEVERAGES PRIVATE LIMITED

Sd/-	Sd/-
CHALLA SRISHANT	**BANDI MOHAN KRISHNA**
Director	Director
DIN:00016035	DIN:03053172

Place : Hyderabad
Date : 6th March, 2021

PROVISIONAL PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st DECEMBER, 2020

	Note No.	Un Audited As on 31/12/20	Audited As on31/03/20
1 **Income**			
Revenue from operations	2.90		-
Other income	2.91	-	-
Total Revenue		**-**	**-**
2 **Expenses**			
Consumption of Raw Materials	2.92	-	-
Changes in inventories	2.93	-	-
Employee benefits expense	2.94	-	75,000
Finance costs	2.95	-	-
Depreciation and amortization expense		-	-
Other expenses	2.96	-	25,000
Total Expenses		-	1,00,000
3 **Profit before tax**		**-**	**-1,00,000**
4 **Tax expense**			
(1) Current tax		-	-
(2) Deferred tax		-	-
5 **Profit for the year**		**-**	**-1,00,000**
6 **Other comprehensive income (OCI)**			
a) (i) Items that will not be reclassified to profit or loss			
(ii) Tax on items that will not be reclassified to profit or loss		-	-
b) (i) Items that will be reclassified to profit or loss		-	-
(ii) Income Tax on items that may be reclassified to profit or loss		-	-
Total other comprehensive income		**-**	-
Total comprehensive income for the year (5 + 6)		**-**	**-1,00,000**
Earnings per share			
Basic earnings per share of Rs.10/-each		-	-10.00
Diluted earnings per share of Rs.10/- each		-	-10.00

For. CCL BEVERAGES PRIVATE LIMITED

	Sd/-	Sd/-
	CHALLA SRISHANT	**BANDI MOHAN KRISHNA**
Place : Hyderabad	Director	Director
Date : 6th March, 2021	DIN:00016035	DIN:03053172

PROVISIONAL CASH FLOW STATEMENT FOR THE YEAR ENDED 31st DECEMBER, 2020

	Un Audited As at 31.12.2020	Audited As at 31.3.2020
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit before taxation, and extraordinary items	-	(1,00,000)
Adjusted for :		
Interest debited to P&L A/c	-	-
Depreciation	-	-
Operating profits before working capital changes	-	**(1,00,000)**
Changes in current assets and liabilities		
Inventories	-	-
Trade Receivables	-	-
Loans	-	-
Other Current assets	8,86,88,264	(8,90,52,587)
Trade Payables	-	-
Other Financial Liabilities	(3,69,560)	3,69,560
Other Current Liabilities	18,143	1,03,665
Other Current Financial Assets	(15,98,20,714)	(18,42,49,516)
Cash generated from operations	(7,14,83,867)	(27,29,28,878)
Income tax paid	-	-
Net cash generated from operating activities	**(7,14,83,867)**	**(27,29,28,878)**
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital Work in Progress	(7,73,89,428)	(2,55,04,986)
Sale of Fixed Assets		
Long Term Loans and advances		
Net cash used in investing activities	**(7,73,89,428)**	**(2,55,04,986)**
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Secured and Unsecured Loans		
Borrowings	**15,00,00,000**	**30,00,00,000**
Interest paid	-	-
Changes in Non Current Liabilities	-	-
Increase in share Capital	-	1,00,000
Net cash generated in financing activities	**15,00,00,000**	**30,01,00,000**
D. Net increase / (decrease) in cash and cash equivalents	11,26,705	16,66,136
E. Cash and cash equivalents at the beginning of the year	16,66,136	-
F. Cash and cash equivalents at the end of the year	**27,92,841**	**16,66,136**

For. CCL BEVERAGES PRIVATE LIMITED

Sd/-	Sd/-
CHALLA SRISHANT	**BANDI MOHAN KRISHNA**
Director	Director
DIN:00016035	DIN:03053172

Place : Hyderabad
Date : 6th March, 2021

2.1 Cash and Cash Equivalents

	31.12.2020	31.03.2020
a) Cash and Cash equivalents		
i) Cash on hand	-	-
ii) Balances with banks		
- Current Accounts	27,92,841	16,66,136
b) Other Bank Balances (with restricted use)		
(i) Margin Money Deposit Accounts	-	-
(ii) Unclaimed Dividend Account	-	-
(iii) Dividend Account	-	-
Interest accrued but not due on deposits	-	-
	27,92,841	**16,66,136**

2.2 Other Financial Assets

	31.12.2020	31.03.2020
Rental Deposits		
Electricity and Other Security Deposits		
Other Receivables	34,40,70,230	18,42,49,516
Tender Deposit	-	-
	34,40,70,230	**18,42,49,516**

Note:

2.3 Other Non Current Assets and Current Assets

	31.12.2020	31.03.2020
Deposits with Statutory authorities		
Advances to Employees	-	-
Prepaid Expenses	-	-
Input tax and other taxes receivables	-	-
Advance to Creditors	-	-
Advances for Capital goods/services	3,64,323	8,90,52,587
	3,64,323	**8,90,52,587**

2.4 Share Capital

	31.12.2020	31.03.2020
Authorized Share Capital		
100000 Equity Shares of Rs.10 each	10,00,000	10,00,000
Issued Subscribed and Paid up Share Capital		
10,000 Equity Shares of Rs.10 each, fully paid up	1,00,000	1,00,000
	1,00,000	**1,00,000**

2.4.1 Reconciliation of Number of Shares :

	31.12.2020	31.03.2020
Number of Shares at the beginning of the year		
Add : Shares issued during the year	10,000	10,000
Number of Shares at the end of the year	**10,000**	**10,000**

2.5 Other Equity

	31/12/20	31/03/20
Retained Earnings		
Opening Balance		
Add: Current year Transfer	-1,00,000	-1,00,000
Total	**-1,00,000**	**-1,00,000**
General Reserve		
Opening Balance		
Add: Current year Transfer		
Less: Written Back in Current year		
Total		
Acturial Gains or Losses (OCI)		
Opening Balance		
Add: Current year Transfer		
Less: Written Back in Current year		
Total		
Measurement of Derivative instrument at fair value (OCI)		
Opening Balance		
Add: Current year Transfer		
Total		
Total Other Equity	**-1,00,000**	**-1,00,000**

2.6 Borrowings

	31/12/20	31/03/20
Secured Borrowings:		
Term loans from Banks		
CITI Bank Term loan	45,00,00,000	30,00,00,000
	45,00,00,000	**30,00,00,000**

2.7 Other financial liabilities

	31/12/20	31/03/20
Creditors For Capital goods	-	3,69,560
Unpaid dividends		
Dividend Payable		
Interest accrued but not due on borrowings		
Current Maturities of Long Term Borrowings		
Derivative Financial Liability		
Other Payables		
	-	**3,69,560**

2.8 Other Non Current Liabilities & Current liabilities

Particulars	**31/12/20**	**31/03/20**
Salaries and employee benefits	75,000	75,000
Withholding and other taxes payable	21,808	3,665
Audit Fees Payable	25,000	25,000
Others		
	1,21,808	**1,03,665**

For. CCL BEVERAGES PRIVATE LIMITED

	Sd/-	Sd/-
	CHALLA SRISHANT	**BANDI MOHAN KRISHNA**
Date : 06.03.2021	Director	Director
Place : Hyderabad	DIN:00016035	DIN:03053172

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF CCL PRODUCTS (INDIA) LIMITED, AT ITS MEETING HELD ON TUESDAY, 20TH DAY OF OCTOBER, 2020 AT 11: 30 A.M. AT THE CORPORATE OFFICE OF THE COMPANY SITUATED AT 7-1-24/2/D, GREENDALE, AMEERPET -500016.

PRESENT:

CHALLA RAJENDRA PRASAD	:	Chairman
CHALLA SRISHANT	:	Managing Director
VIPIN KUMAR SINGAL	:	Director
CHALLA SHANTHA PRASAD	:	Director
KULSOOM NOOR SAIFULLAH	:	Director
CHANDRAHAS KATA	:	Director
BANDI MOHAN KRISHNA	:	Whole Time Director
KONDAMUDU KASYAP SARMA	:	Director
VENKATA KRISHNA RAU GOGINENI	:	Director
KRISHNANAND LANKA	:	Director
DURGA PRASAD KODE	:	Director
VEERAYYA CHOWDARY KOSARAJU	:	Director

BACKGROUND:

1. A Scheme of Amalgamation between CCL Beverages Private Limited (Transferor Company) and CCL Products (India) Limited (Transferee Company) and their respective Shareholders and Creditors ("Scheme"), was approved by the Board of Directors of the Transferee Company and the Board of Directors of the Transferor Company on 20.10.2020 for the purpose of amalgamation of CCL Beverages Private Limited with CCL Products (India) Limited (Transferee Company) on a going concern basis with effect from 01.04.2020 (First Day of April, Two Thousand and Twenty), being the Appointed Date.

2. This report is being adopted pursuant to the requirement of section 232(2) (c) of the Companies Act, 2013, for circulating to the equity shareholders / Creditors and Stakeholders of the Company. This report explains the effect of the Scheme of Amalgamation on equity shareholders, key managerial personnel, promoters, non-promoter shareholders and other stake holders.

3. The Scheme of Amalgamation between CCL Beverages Private Limited (Transferor Company) and CCL Products (India) Limited (Transferee Company) and their respective Shareholders and Creditors ("Scheme"), was approved by the Board of Directors of the Company after taking into consideration the rationale of the Scheme and the certificate issued by the Statutory Auditors of the Company to the effect that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.

4. RATIONALE, OBJECTIVE, PURPOSE AND BENEFITS OF THE SCHEME TO THE COMPANY AND ITS STAKEHOLDERS

The Transferee Company is holding the entire stake in the Transferor Company. The Transferor Company i.e. CCL Beverages Private Limited was incorporated in the year 2019 and was made a wholly owned subsidiary of the Transferee Company in order to implement agglomeration and packing project at Kuvvakolli Village through its Spray Dried Coffee Plant to cater to the increased demand in international markets. However, the Board of Directors of the Transferee Company thought fit and decided to implement the said project under the Transferee Company itself and hence the amalgamation of the Transferor Company with the Transferee Company is being undertaken. The amalgamation of the Transferor Company with the Transferee Company would inter-alia have the following benefits:

1. The amalgamation will enable appropriate consolidation of activities of Transferor Company and Transferee Company with pooling and more efficient utilization of their resources, greater economies of scale, reduction in overheads and other expenses and improvement in various operating parameters.
2. To achieve consolidation, greater integration and flexibility which will maximize overall shareholder value and improve the competitive position of the combined entity.
3. To achieve greater efficiency in cash management and unfettered access to cash flows generated by the combined entity which can be deployed more effectively to fund organic and inorganic growth opportunities.
4. Improved organizational capability and leadership, arising from the pooling of human capital who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
5. Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business process, elimination of duplication and rationalization of administrative expenses.
6. The amalgamation will result in reduction of multiplicity of entities, thereby reducing compliance cost of multiple entities viz., statutory filings, regulatory compliances, labour law/ establishment related compliances.

5. REPORT OF THE BOARD OF DIRECTORS :

a. Based on review of the Scheme/Documents, the Board is of the view that the Scheme is fair and reasonable.

b. The Scheme of Amalgamation, if approved by the appropriate authorities and the Hon’ble Tribunal, shall not have any adverse impact or effect on Equity Shareholders, Key Managerial Personnel (KMP), Directors, Promoters, Non-Promoter Members, Creditors, whether secured or unsecured, employees of Transferee Company and / or Transferor Company.

c. Further, it is noted that since the present Scheme of Amalgamation does not contemplate any issue of shares, the Exchange ratio is not applicable in the instant case.

In the opinion of the Board, the said Scheme will be beneficial to the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable.

The Board has adopted this Report after considering the information set out herein. The Board or any duly authorised committee or official(s) authorised by it is entitled to make relevant modifications to this Report, if required, and such modifications shall be deemed to form part of this Report.

FOR CCL PRODUCTS (INDIA) LIMITED

Sd/-
Challa Srishant
Managing Director
(DIN: 00016035)

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF CCL BEVERAGES PRIVATE LIMITED, AT ITS MEETING HELD ON TUESDAY, 20TH DAY OF OCTOBER, 2020 AT 05: 30 P.M. AT 7-1-24/2/D, GREENDALE, AMEERPET -500016.

PRESENT:

CHALLA SRISHANT	:	Director (in the Chair)
BANDI MOHAN KRISHNA	:	Director

BACKGROUND:

1. A Scheme of Amalgamation between CCL Beverages Private Limited (Transferor Company) and CCL Products (India) Limited (Transferee Company) and their respective Shareholders and Creditors ("Scheme"), was approved by the Board of Directors of the Transferee Company and the Board of Directors of the Transferor Company on 20.10.2020 for the purpose of amalgamation of CCL Beverages Private Limited with CCL Products (India) Limited (Transferee Company) on a going concern basis with effect from 01.04.2020 (First Day of April, Two Thousand and Twenty), being the Appointed Date.

2. This report is being adopted pursuant to the requirement of section 232(2) (c) of the Companies Act, 2013, for circulating to the equity shareholders / Creditors and Stakeholders of the Company. This report explains the effect of the Scheme of Amalgamation on equity shareholders, key managerial personnel, promoters, non-promoter shareholders and other stake holders.

3. The Scheme of Amalgamation between CCL Beverages Private Limited (Transferor Company) and CCL Products (India) Limited (Transferee Company) and their respective Shareholders and Creditors ("Scheme"), was approved by the Board of Directors of the Company after taking into consideration the rationale of the Scheme and the certificate issued by the Statutory Auditors of the Company to the effect that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.

4. **RATIONALE, OBJECTIVE, PURPOSE AND BENEFITS OF THE SCHEME TO THE COMPANY AND ITS STAKEHOLDERS**

   The Transferee Company is holding the entire stake in the Transferor Company. The Transferor Company i.e. CCL Beverages Private Limited was incorporated in the year 2019 and was made a wholly owned subsidiary of the Transferee Company in order to implement agglomeration and packing project at Kuvvakolli Village through its Spray Dried Coffee Plant to cater to the increased demand in international markets. However, the Board of Directors of the Transferee Company thought fit and decided to implement the said project under the Transferee Company itself and hence the amalgamation of the Transferor Company with the Transferee Company is being undertaken. The amalgamation of the Transferor Company with the Transferee Company would inter-alia have the following benefits:

a. The amalgamation will enable appropriate consolidation of activities of Transferor Company and Transferee Company with pooling and more efficient utilization of their resources, greater economies of scale, reduction in overheads and other expenses and improvement in various operating parameters.

b. To achieve consolidation, greater integration and flexibility which will maximize overall shareholder value and improve the competitive position of the combined entity.

c. To achieve greater efficiency in cash management and unfettered access to cash flows generated by the combined entity which can be deployed more effectively to fund organic and inorganic growth opportunities.

d. Improved organizational capability and leadership, arising from the pooling of human capital who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.

e. Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business process, elimination of duplication and rationalization of administrative expenses.

f. The amalgamation will result in reduction of multiplicity of entities, thereby reducing compliance cost of multiple entities viz., statutory filings, regulatory compliances, labour law/ establishment related compliances.

5. REPORT OF THE BOARD OF DIRECTORS :

a. Based on review of the Scheme/Documents, the Board is of the view that the Scheme is fair and reasonable.

b. The Scheme of Amalgamation, if approved by the appropriate authorities and the Hon'ble Tribunal, shall not have any adverse impact or effect on Equity Shareholders, Key Managerial Personnel (KMP), Directors, Promoters, Non-Promoter Members, Creditors, whether secured or unsecured, employees of Transferee Company and / or Transferor Company.

c. Further, it is noted that since the present Scheme of Amalgamation does not contemplate any issue of shares, the Exchange ratio is not applicable in the instant case.

In the opinion of the Board, the said Scheme will be beneficial to the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable.

The Board has adopted this Report after considering the information set out herein. The Board or any duly authorised committee or official(s) authorised by it is entitled to make relevant modifications to this Report, if required, and such modifications shall be deemed to form part of this Report.

FOR CCL BEVERAGES PRIVATE LIMITED

Sd/-
Bandi Mohan Krishna
Director
(DIN: 03053172)

Ramanatham & Rao
Chartered Accountants

P. B. No. 2102, Flat # 302, Kala Mansion,
Sarojini Devi Road, Secunderabad - 500 003
E-mail : ramanathamandrao@gmail.com
Phone : 27814147, 27849305, Fax : 27840307

To

The Board of Directors,
CCL Products (India) Limited
Duggirala,
Guntur - 522330
Andhra Pradesh

Auditors Certificate

We, the Statutory Auditors of M/s CCL Products (India) Limited have examined the accounting treatment of the scheme of Amalgamation of M/s CCL Beverages Private Limited (Transferor Company) with CCL Products (India) Limited (Transferee Company) pursuant to the provisions of Section 230 to 232 of the Companies Act, 2013, as amended from time to time and subject to the Rules laid there under.

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatments are in accordance with the applicable Accounting Standards notified by the Central Government under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended from time to time read with Generally Accepted Accounting Principles.

For RAMANATHAM & RAO
CHARTERED ACCOUNTANTS
FRN: 002934S

(K SREENIVASAN)
Partner
ICAI M No. 206421
UDIN: 20206421AAAAIG1349

Place: Hyderabad
Date: 30-11-2020

RAMANATHAM & RAO
Chartered Accountants
SEC

NSVR & ASSOCIATES LLP.,
CHARTERED ACCOUNTANTS

To,

The Board of directors,
CCL BEVERAGES PRIVATE LIMITED.,
Door No/SY No.269/1, Kuvvakolli Village,
Varadaiahpalem (Mandal),
Chittoor dist,
AP 517645 IN.

Auditor's Certificate

We , the statutory auditors of **M/s CCL Beverages Private Limited** have examined the accounting treatment of the scheme of Amalgamation of **M/s CCL Private Limited** with **M/s. CCL Products (India) Limited** pursuant to the of Sec 230 to 233 of the Companies Act,2013, as amended from time to time and subject to the rules laid there under.

Based on our examination and according to the information and explanation given to us, we confirm that the accounting treatments are in accordance with the applicable Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016., the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read with Rule 7 of Companies (Accounts) Rules, 2014.

For **NSVR Associates & LLP**
(Chartered Accountants)
FRN No : 008801S/S200060

NSVR & ASSOCIATES LLP
Chartered Accountants

(R.Srinivasu)
Partner
M.No:224033
UDIN: 21224033AAAAAL6361

Date: 05.01.2021
Place: Hyderabad.

Flat No. 201, Nestcon Gayatri, Plot No. 28, Near South Indian Bank, Panchavati Co-Operative Society, Road No. 10, Banjara Hills. Hyderabad, Telangana - 500 034, Ph: 040 - 23391164, E-mail: info@svpandco.com

Annexure-X

CCL Products (India) Limited

(CIN: L15110AP1961PLC000874)
Registered Office:Duggirala Mandal, Guntur Dist. – 522 330, Andhra Pradesh
Ph: 08644-277294 / 277296 Fax: 08644-277295
E.mail: companysecretary@continental.coffee Website: www.cclproducts.com

Proxy form

CIN	:	L15110AP1961PLC000874
Name of the company	:	CCL PRODUCTS (INDIA) LIMITED
Registered office	:	Duggirala Mandal, Guntur Dist. – 522 330, Andhra Pradesh
Name of the creditor	:	
Registered Address	:	
Email Id	:	
Creditor ID	:	

I /We, being the creditor, to an extent of Rs._____ owing from the above named company, hereby appoint

1.	Name		
	Address		
	E-mail Id		Signature
	or failing him		
2.	Name		
	Address		
	E-mail Id		Signature
	or failing him		
3.	Name		
	Address		
	E-mail Id		Signature
	or failing him		

as my / our proxy to attend and vote for me / us and on my / our behalf at the Tribunal Convened Meeting of Trade / Sundry Creditors of the company, to be held through video conferencing ("VC") / other audio visual means ("OAVM") on Saturday, the 10th day of April, 2021, at 12:30 P.M. (IST)

Sl No.	
1.	Approval of the Scheme of Amalgamation between CCL Beverages Private Limited (Transferor Company) and CCL Products (India) Limited (Transferee Company) and their respective Shareholders and Creditors pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 and rules thereunder.

Signed this …………. day of 2021.

Signature of Trade / Sundry Creditor : Signature of Proxy holder(s) :

Affix Revenue Stamp

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a Trade / Sundry Creditors would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.

NOTES

NOTES