CCL PRODUCTS (INDIA) LIMITED
Corporate Offic :
7-1-24/2/D, "Greendale", Ameerpet, Hyderabad - 500016, India.
TEL : +91 - 40 - 23732455 FAX : +91 - 40 - 23732499, 23736461
E-mail : info@cclproducts.com Website : www.cclproducts.com

22nd June, 2018

To
The Corporate Relations Department
Bombay Stock Exchange
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai – 400 001
Fax No.: 022-22723121/3719

Dear Sir,

Sub: Notice of 57th Annual General Meeting (AGM) and Annual Report of the Company
Ref: Company Code – 519600

Please find enclosed the Notice convening the 57th AGM of the Company to be held on Saturday, 14th July, 2018 at 11.00 A.M at the Registered Office of the Company situated at Duggirala, Guntur District, Andhra Pradesh – 522 330 and the Annual Report for the financial year 2017-18.
In order to comply with the requirements of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual Report for the financial year 2017-18 will be filed with the Stock Exchanges after it is adopted by the shareholders of the Company at the 57th AGM to be held on 14th July, 2018.

This is for your information and necessary records.

For **CCL Products (India) Limited**

Sridevi Dasari
Company Secretary & Compliance Officer

CCL PRODUCTS (INDIA) LIMITED
ANNUAL REPORT 2017-18

Our Executive Chairman Sri Challa Rajendra Prasad and Director Sri Vipin K Singal receiving Outstanding Export Performance Award on behalf of CCL Products (India) Limited from Sri Suresh Prabhu Ji, Hon'ble Minister for Commerce & Industry

57TH ANNUAL GENERAL MEETING
Saturday, 14th July, 2018
at 11.00 A.M.
Duggirala – 522 330
Guntur Dist.
Andhra Pradesh
INDIA

Contents

Company Information

Board of Directors

Mr. Challa Rajendra Prasad, Executive Chairman
Mr. I. J. Rao, IRS (Retd.) (upto 13.12.2017)
Mr. Vipin K. Singal
Mr. K. Chandrahas, IRS (Retd.)
Mr. J. Rambabu, IAS (Retd.)
Mr. K. K. Sarma
Mr. G.V. Krishna Rau, IAS (Retd.)
Ms. Kulsoom Noor Saifullah
Ms. Shantha Prasad Challa
Dr. Lanka Krishnanand
Mr. Kode Durga Prasad, IPS (Retd.) (w.e.f.01.02.2018)
Mr. B. Mohan Krishna, Executive Director-Operations
Mr. Challa Srishant, Managing Director

Chief Financial Officer

Mr. K.V.L.N. Sarma

Company Secretary & Compliance Officer

Ms. Sridevi Dasari

Registered Office & Factory

Duggirala, Guntur Dist. - 522 330
Andhra Pradesh, India.
Ph : +91 8644-277294, Fax : +91 8644-277295
E.mail : info@cclproducts.com
www.cclproducts.com

CIN No. L15110AP1961PLC000874

Auditors

M/s.Ramanatham & Rao,
Chartered Accountants
Ft.no.302, Kala Mansion
Sarojini Devi Road
Secunderabad – 500 003, T.S., India.

Internal Auditors

M/s. Ramesh & Co.
Chartered Accountants
H.No: 6-3-661/B/1
Sangeeth Nagar, Somajiguda
Hyderabad – 500 082, T.S., India.

Bankers

ICICI Bank Ltd
State Bank of India
Citi Bank N.A.

Registrars & Share Transfer Agent (Physical & Demat)

M/s. Venture Capital & Corporate Investments Pvt. Ltd.
12-10-167, Bharatnagar Colony
Hyderabad – 500 018, T.S., India
Phone : +91 40 2381 8475 / 76
Fax : +91 40 2386 8024
E.mail : info@vccipl.com

Secretarial Auditors

M/s. P. S. Rao & Associates
Company Secretaries
Flat No.10, 4th Floor, D. No.6-3-347/22/2
Ishwarya Nilayam, Opp. Sai Baba Temple,
Dwarakapuri Colony, Punjagutta,
Hyderabad – 500 082, T.S., India

Board Committees

Audit Committee	Stakeholders Relationship Committee
Mr. K. Chandrahas - Chairman	Mr. K. Chandrahas - Chairman
Mr. Vipin K. Singal	Mr. Vipin K. Singal
Mr. J. Rambabu	Mr. J. Rambabu
Mr. K. K. Sarma	Mr. K. K. Sarma
Mr. G.V. Krishna Rau	Mr. G.V. Krishna Rau
Ms. Kulsoom Noor Saifullah	Ms. Kulsoom Noor Saifullah
Dr. Lanka Krishnanand	Dr. Lanka Krishnanand
Mr. Kode Durga Prasad	Mr. Kode Durga Prasad

Nomination and Remuneration Committee	Corporate Social Responsibility Committee
Mr. G.V.Krishna Rau - Chairman	Mr. Vipin K Singal- Chairman
Mr. Vipin K. Singal	Mr. K. Chandrahas
Mr. K. Chandrahas	Mr. J. Rambabu
Mr. J. Rambabu	Mr. K. K. Sarma
Mr. K. K. Sarma	Mr. B. Mohan Krishna
Ms. Kulsoom Noor Saifullah	Mr. G.V. Krishna Rau
Ms. Challa Shantha Prasad	Ms. Kulsoom Noor Saifullah
Dr. Lanka Krishnanand	Mr. Challa Srishant
Mr. Kode Durga Prasad	Ms. Challa Shantha Prasad
	Dr. Lanka Krishnanand
	Mr. Kode Durga Prasad

Risk Management Committee

Mr. Challa Srishant- Chairman	Ms. Kulsoom Noor Saifullah
Mr. Vipin K. Singal	Ms. Challa Shantha Prasad
Mr. K. Chandrahas	Dr. Lanka Krishnanand
Mr. J. Rambabu	Mr. Kode Durga Prasad
Mr. K. K. Sarma	Mr. K. V. L. N. Sarma
Mr. B. Mohan Krishna	Ms. Sridevi Dasari
Mr. G.V. Krishna Rau	Mr. N. Sudhakar

NOTICE

Notice is hereby given that the 57th Annual General Meeting of the Members of CCL Products (India) Limited will be held on 14th July, 2018 at 11.00 A.M. at the Registered Office of the Company situated at Duggirala, Guntur District, Andhra Pradesh- 522 330 to transact the following items of business:

Ordinary Business:

1. To consider and adopt:

   (a) the audited Financial Statement of the Company for the year 2017-18 together with the Report of the Board of Directors and Auditors thereon; and

   (b) the audited consolidated Financial Statement of the Company for the year 2017-18.

2. To declare final dividend of ₹ 2.50/- per Equity Share of ₹ 2/- each to the shareholders for the financial year 2017-18.

3. To appoint a director in place of Dr. Lanka Krishnanand (DIN 07576368), who retires by rotation and being eligible, offers himself for re-appointment as a Director.

4. To appoint a director in place of Ms. Kulsoom Noor Saifullah (DIN 02544686), who retires by rotation and being eligible, offers herself for re-appointment as a Director.

Special Business:

5. Appointment of Mr. Kode Durga Prasad as an Independent Director

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Kode Durga Prasad (holding DIN 07946821), who was appointed as an Additional Director of the Company by the Board of Directors as per Section 161(1) of the Companies Act, 2013 and who holds office only upto the date of this Annual General Meeting for a period of five years, be and is hereby appointed as an Independent Director of the Company, for a period of five consecutive years from the ensuing Annual General Meeting.

6. Ratification of Remuneration to Cost Auditors

   To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable for the year 2018-19 to M/s. Kapardi & Associates, Cost Accountants, (Registration No. 100231), Hyderabad, appointed as Cost Auditors by the Board of Directors of the Company to conduct the audit of the cost records maintained by the Company for the financial year ending 31st March, 2018, amounting to ₹1,50,000/- (Rupees One lakh fifty thousand only) excluding taxes as may be applicable, in addition to reimbursement of all out of pocket expenses, be and is hereby ratified.

By order of the Board of Directors
For CCL Products (India) Limited

Sd/-
Sridevi Dasari
Company Secretary & Compliance Officer

Place: Hyderabad
Date : 21st May, 2018

NOTES FOR MEMBERS:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on poll instead of himself/herself and such proxy need not be a member of the Company.

2. Proxies in order to be effective must be received by the Company at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

3. The Register of Members and Share Transfer Books of the Company in respect of Equity Shares will remain closed from Tuesday, 10^{th} July, 2018 to Saturday, 14^{th} July, 2018 (both days inclusive).

4. Statement as required under section 102 of the Companies Act, 2013, in respect of special business is annexed hereto.

5. In case you are holding the Company's shares in dematerialized form, please contact your depository participant and give suitable instructions to update your bank details in your demat account and to notify any changes with respect to their addresses, email id, ECS mandate.

   In case you are holding Company's shares in physical form, please inform Company's RTA viz. M/s. Venture Capital and Corporate Investments Pvt. Ltd, 12-10-167, Bharat Nagar, Hyderabad - 500 018 by enclosing a photocopy of blank cancelled cheque of your bank account.

6. M/s. Venture Capital and Corporate Investments Pvt. Ltd, 12-10-167, Bharat Nagar, Hyderabad -500 018 is the Share Transfer Agent (STA) of the Company. All communications in respect of share transfers and change in the address of the members may be communicated to them.

7. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the Share Transfer Agent/ Company.

8. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorising their representative to attend and vote on their behalf at the meeting.

9. Members holding shares in physical form are informed to furnish their bank account details to the RTA to have printed the same on the dividend warrants so as to avoid any possible fraudulent encashment / misuse of dividend warrants by others.

10. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered office of the Company on all working days, between 11.00 A.M. to 1.00 P.M. upto the date of the meeting.

11. Members/Proxies are requested to bring the attendance slip filled in for attending the Meeting.

12. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility. Members holding shares in dematerialized form may contact their respective depository participant(s) for recording nomination in respect of their shares.

13. **Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):**

    Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as amended from time to time, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

The Members/Claimants whose shares, unclaimed dividend have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 which is available on www.iepf.gov.in along with requisite fee as decided by it from time to time and the detailed procedure for the same is available on the website of the Company www.cclproducts.com.

Members who have not yet encashed the dividend warrants from the financial year ended 31st March 2011 onwards are requested to forward their claims to the Company's Registrar and Share Transfer Agent without any further delay. It is in Members' interest to claim any un-encashed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the Members' account on time.

It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall rest with the Company in respect of such amount. It may also be noted that the unclaimed dividend amount which were lying with the Company upto the year ended on 31st March 2010, have already been transferred to IEPF. The details of the unclaimed dividends are available on the Company's website at www.cclproducts.com and on the website of Ministry of Corporate Affairs at www.mca.gov.in. Members are requested to contact the Company's Registrar and Share Transfer Agent or the Company to claim the unclaimed/unpaid dividends.

14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / RTA.

E-VOTING

The business as set out in the Notice may be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternate to its members to cast their votes electronically on all resolutions set forth in the Notice convening the 57th Annual General Meeting. The Company has engaged the services of Central Depository Services India Limited (CDSL) to provide the e-voting facility.

The Members whose names appear in the Register of Members / List of Beneficial Owners as on 7th July, 2018 (cut-off date), are entitled to vote on the resolutions set forth in this Notice.

The e-voting period will commence on Wednesday, 11th July, 2018 (09:00 hrs) and will end on Friday, 13th July, 2018 (17:00 hrs). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Members will not be able to cast their votes electronically beyond the date & time mentioned above.

The Company has appointed Mr. Y. Suryanarayana, Advocate to act as Scrutinizer to conduct and scrutinize the electronic voting process and poll at the Annual General Meeting in a fair and transparent manner. The members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereunder.

PROCEDURE FOR E-VOTING:

Instructions for members for voting electronically are as under:

A. In case of members receiving e-mail (for members whose e-mail address are registered with the Company/Registrars)

(i) The shareholders should log on to the e-voting website www.evotingindia.com.

(ii) Click on “Shareholders” tab.

(iii) Now Enter your User ID

a For CDSL: 16 digits beneficiary ID,

b For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c Members holding shares in Physical Form should enter Folio Number registered with the Company.

(iv) Next enter the Image Verification as displayed and click on Login.

(v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vi) If you are a first time user, follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. (The sequence number is printed on the address leaf of the Annual Report) • 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 or Date of Birth(DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. • If both the details are not recorded with the depository or Company, please enter the member ID / folio number in the Dividend Bank details field as mentioned in instruction (iii).

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

(viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

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

(xi) 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.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) 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.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com

- After receiving the login details a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.

- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) 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.

B. In case of members receiving the physical copy of notice of 57th Annual General Meeting by courier (for members whose e-mail ids are not registered with the Company/Depositories):

i. Please follow all the steps from S.No.(i) to S.No. (xvii) to cast vote

C. **General Instructions:**

i. The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 7th July, 2018.

ii. Members can opt for only one mode of voting, i.e., either by venue voting or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through venue voting will be treated as invalid.

iii. Members who do not have access to e-voting facility have been additionally provided the facility through Ballot Form. They may send duly completed Ballot Form to the Scrutinizer, Mr. Y. Suryanarayana at the Registered Office of the Company so as to reach on or before the conclusion of the 57th Annual General Meeting or can carry the same to the AGM and deposit in the Ballot Box during the Meeting. Members have the option to request for physical copy of Ballot Form by sending an e-mail to companysecretary@cclproducts.com by mentioning their Folio No. / DP ID and Client ID.

iv. The facility for voting through polling paper shall also be made available at the meeting and the members attending the meeting who have not already cast their vote by e-voting shall be able to exercise their right at the meeting.

v. The member who cast their vote by e-voting prior to the meeting may also attend the meeting, but shall not be entitled to cast their vote again.

iv. The Scrutinizer, after scrutinising the votes cast at the meeting through poll and through remote e-voting will, not later than three days of 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 www.cdslindia.com. The results shall simultaneously be communicated to the Stock Exchanges.

v. The result of the voting on the Resolutions at the Meeting will be announced by the Chairman or any other person authorized by him within two days of the AGM.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5

In accordance with the provisions of Section 149 read with Schedule IV to the Companies Act, 2013, appointment of an Independent Director requires approval of members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have proposed that Mr. Kode Durga Prasad be appointed as an Independent Director of the Company.

The appointment of Mr. Kode Durga Prasad shall be effective upon approval by the members in the Meeting.

Mr. Kode Durga Prasad is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Mr. Kode Durga Prasad that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act. In the opinion of the Board, Mr. Kode Durga Prasad fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Kode Durga Prasad is independent of the management and possesses appropriate skills, experience and knowledge.

Brief resume of Mr. Kode Durga Prasad

Mr. Kode Durga Prasad is a Commerce Graduate, who joined Indian Police Service in 1981 in the undivided Andhra Pradesh Cadre. Later, on the division of the State in 2014, he was allotted to Telangana Cadre.

He served with distinction in various fields, such as Law and Order, Training, Provisioning, Anti-naxal operations, Vigilance in Energy Sector, Intelligence in the State Police and in VIP protection and Para Military Forces in the Central Government.

He served in several departments of the Government like Law and Order, State Intelligence, Anti Naxal operations, Training and Administration, Vigilance, Special Protection Group and Central Reserve Police Force.

He was recognized with the:-

a) Indian Police Medal for Meritorious Service – 2002.
b) Antrik Suraksha Seva Medal – 2002.
c) Presidents Police Medal for Distinguished Services – 2010.
d) S.P.G. Medal - 2014.

Presently he is serving as Advisor, Home Government of Andhra Pradesh for laying roads in interior Naxal affected agency areas and heading a Committee for advising Government on Inland Waterways in Andhra Pradesh.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Kode Durga Prasad is appointed as an Independent Director of the Company.

Mr. Kode Durga Prasad was appointed as an Additional Director by the Board in their meeting held on 01st February, 2018.

Mr. Kode Durga Prasad is a member of the Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Risk Management Committee of the Board of Directors of the Company.

Details of his other directorships are given in Directors' Report. Mr. Kode Durga Prasad holds 8400 shares in the Company. The Board consider that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Kode Durga Prasad as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Kode Durga Prasad as an Independent Director, for the approval by the shareholders of the Company.

Copy of the draft letter for appointment of Mr. Kode Durga Prasad as an Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company.

Except Mr. Kode Durga Prasad, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Your Directors recommend the Resolution for your approval.

Item No. 6

Pursuant to the recommendation of the Audit Committee, the Board of Directors had at its meeting held on 21st May, 2018, approved the reappointment of the Cost Auditors, M/s. Kapardi & Associates, Cost Accountants (Registration No.100231) and remuneration payable to them, as set out in the Resolution under this Item of the Notice.

In accordance with Rule 14 of Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors requires ratification by the Shareholders and hence this resolution is put for the consideration of the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

Your Directors recommend the Resolution for your approval.

By order of the Board of Directors
For CCL Products (India) Limited

Sd/-
Sridevi Dasari
Company Secretary & Compliance Officer

Place: Hyderabad
Date : 21st May, 2018

Directors' Profile

Disclosure relating to Director pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standards on General Meetings issued by ICSI :-

Name of the Director	Mr. Kode Durga Prasad
Date of Appointment including terms and conditions of appointment	He was appointed as an Additional Director in the Board meeting of the Company held on 01.02.2018.
Date of first appointment on the Board	01.02.2018
Date of Birth	26/02/1957 (AGE: 61)
Expertise in Specific Functional areas and Experience	He served in several Government Departments like Law and Order, State Intelligence, Anti Naxal operations, Training and Administration, Vigilance, Special protection Group and Central Reserve Police Force. He is presently serving as Advisor, Home Government of Andhra Pradesh for laying roads in interior Naxal affected agency areas and heading a committee for advising Government on Inland Waterways in Andhra Pradesh.
Educational Qualification	Commerce Graduate and Indian Police Service officer of 1981 batch
Directorships in other Companies	None
Membership / Chairmanships of committees of Other Boards (other than the Company)	NIL
Details of Remuneration sought to be paid and the remuneration last drawn by such person	NA
Shareholding in the Company as on 31.03.2018	8,400
Relationship between Directors inter-se/ Manager and KMPs	NIL
Number of Meetings of the Board attended during the year	1 of 4

Disclosure relating to Director pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standards on General Meetings issued by ICSI:-

Name of the Director	Ms. Kulsoom Noor Saifullah
Date of Appointment including terms and conditions of appointment	She was appointed as a Non-Executive Director in the Annual General Meting of the Company held on 20.07.2015.
Date of first appointment on the Board	19.01.2015
Date of Birth	01/09/1956 (AGE: 61)
Expertise in Specific Functional areas and Experience	As an entrepreneur exporter she has exported leather products to both East and West Europe. She was also appointed as advisor and sole representative of the Donetsk Regional Administration, Government of Ukraine in India. She has been actively involved in social welfare projects. She is the founder of The India Harmony Foundation.
Educational Qualification	BA (English Honours)
Directorships in other Companies	Good Earth Mining Private Limited
Membership / Chairmanships of committees of Other Boards (other than the Company)	NIL
Details of Remuneration sought to be paid and the remuneration last drawn by such person	NA
Shareholding in the Company as on 31.03.2018	NIL
Relationship between Directors inter-se/ Manager and KMPs	NIL
Number of Meetings of the Board attended during the year	4 of 4

Disclosure relating to Director pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standards on General Meetings issued by ICSI :-

Name of the Director	Dr. Lanka Krishnanand
Date of Appointment including terms and conditions of appointment	He was appointed as a Non-Executive Director in the Annual General Meeting of the Company held on 26.09.2016
Date of first appointment on the Board	29.07.2016
Date of Birth	06/03/1962 (AGE: 56)
Expertise in Specific Functional areas and Experience	He has undertaken several projects and few of them are Development of Feature based CAD/CAM with reference of Machining Processes & Evaluation of Sculptured Surfaces, Development of Networked Digital Library as an online learning resource etc.
Educational Qualification	B Tech in Mechanical Engineering, M. Tech in Industrial Engineering and Ph. D in Automatic Feature Recognition
Directorships in other Companies	None
Membership / Chairmanships of committees of Other Boards (other than the Company)	NIL
Details of Remuneration sought to be paid and the remuneration last drawn by such person	NA
Shareholding in the Company as on 31.03.2018	NIL
Relationship between Directors inter-se/ Manager and KMPs	NIL
Number of Meetings of the Board attended during the year	3 of 4

Directors' Report

Performance of CCL Group

(₹ in Lakhs)

Particulars	2017 - 2018	2016 - 2017
Revenue from operations	1,13,800	98,316
Profit for the year after meeting all expenses (before Interest, Depreciation & Tax)	24,374	23,334
Less:		
Interest	783	1,117
Depreciation and other write offs	3,408	3325
Provision for Taxation	5,369	5,435
Net Profit	14,813	13,456

Your Company, along with it's 100% subsidiaries as a Group, posted good financial results during the year under review. Turnover of the Group is ₹ 1,13,800 Lakhs and the net profit of the Company is ₹ 14,813 Lakhs.

Performance of the Company

Your directors submit their report for the financial year ended 31.03.2018:

(₹ in Lakhs)

Particulars	2017 - 2018	2016 - 2017
Revenue from operations	82,466	71,406
Profit for the year after meeting all expenses (before Interest, Depreciation & Tax)	16,867	17,061
Less:		
Interest	620	683
Depreciation and other write offs	1122	1067
Provision for Taxation	5,349	5,431
Net Profit	9,776	9,897

Turnover of the Company is ₹ 82,466 Lakhs and the net profit of the Company is ₹ 9,776 Lakhs.

Transfer of amount to General Reserve

No amount has been transferred to reserves during the year.

Dividend

Your Directors are pleased to recommend a dividend of ₹ 2.50/- per equity share of ₹ 2/- each for the year 2017-18 subject to the approval of shareholders. The Company has framed a Dividend Distribution Policy and the same is herewith annexed as 'Annexure I' to this report. The Dividend Distribution Policy is posted on the website of the Company and the web link is http://cclproducts.com/dividend-distribution-policy.pdf

Subsidiaries

Jayanti Pte Limited (Singapore)

Jayanti Pte Limited is a wholly owned subsidiary of the Company incorporated in Singapore for the purpose of promoting instant coffee projects in various countries. This is only an investment Company, hence no operational performance is reported.

Grandsaugreen SA (Switzerland)

Grandsaugreen SA is a wholly owned subsidiary of Jayanti Pte Limited and step down subsidiary of the Company incorporated in Switzerland. This is an agglomeration and packing unit and a brief operational performance of the Company is as below:

(₹ in Lakhs)

Particulars	2017 - 2018	2016 - 2017
Revenue from operations	7,707	2,282
Profit for the year after meeting all expenses (before Interest, Depreciation & Tax)	569	(54)
Less:		
Interest	7	14
Depreciation and other write offs	473	483
Provision for Taxation	26	21
Net Profit/Loss	63	(572)

Ngon Coffee Company Limited (Vietnam)

Ngon Coffee Company Limited is a wholly owned subsidiary, jointly owned by CCL and Jayanti Pte Limited. This is an instant coffee manufacturing unit and a brief operational performance is as below:

(₹ in Lakhs)

Particulars	2017 - 2018	2016 - 2017
Revenue from operations	29,707	26,353
Profit for the year after meeting all expenses (before Interest, Depreciation & Tax)	7,511	6,711
Less:		
Interest	156	421
Depreciation and other write offs	1,800	1,774
Provision for Taxation	-	-
Net Profit/Loss	5,555	4,516

The Board has decided to wind up M/s. Jayanti Pte Ltd by transferring the shares held by it in M/s.Grandsaugreen SA and M/s. Ngon Coffee Company Limited, to the parent Company, there by making both the Companies directly owned by CCL as 100% Subsidiaries.

Continental Coffee Private Limited

Continental Coffee Private Limited is a wholly owned subsidiary of the Company, which has been established with an objective of promoting instant coffee brands of the Company in the domestic market and a brief operational performance is as below:

(₹ in Lakhs)

Particulars	2017 - 2018	2016 - 2017
Revenue from operations	2367	277
Profit for the year after meeting all expenses (before Interest, Depreciation & Tax)	(573)	(371)
Less:		
Interest	-	-
Depreciation and other write offs	14	-
Provision for Taxation		-
Net Profit/Loss	(587)	(371)

The statement containing the salient features of the financial statement of subsidiaries as per sub-section (3) of Section 129 of the Companies Act, 2013 in Form AOC-1 is herewith annexed as 'Annexure II' to this report.

Corporate Social Responsibility

The Company as part of its Corporate Social Responsibility (CSR) initiative, undertook many projects like promotion of education in rural areas, infrastructure and sanitation development, welfare of girl child, facilitating pure drinking water to the identified rural areas in and around the factory at Duggirala, Guntur District, Andhra Pradesh and also rural women empowerment and rural youth skill development programmes in rural areas around Hyderabad.

The Annual Report on CSR activities is annexed herewith as 'Annexure III' to this report. The CSR Policy is posted on the website of the Company and the web link is http://cclproducts.com/csr-policy.pdf

Internal Control Systems & their adequacy

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures.

Statutory Auditors

The Shareholders in their meeting held on 11th July, 2017 approved the appointment of M/s. Ramanatham & Rao, Chartered Accountants, Hyderabad, as the Statutory Auditors of the Company, to hold office till the conclusion of 61st Annual General Meeting.

Internal Auditors

The Board of Directors based on the recommendation of the Audit Committee have re-appointed M/s. Ramesh & Co., Chartered Accountants, Hyderabad, as the Internal Auditors of your Company. The Internal Auditors are submitting their reports on quarterly basis.

Cost Auditors

In accordance with Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 the Audit Committee has recommended and the Board of Directors had appointed M/s. Kapardi & Associates, Cost Accountants, Hyderabad, being eligible and having sought re-appointment, as Cost Auditors of the Company, to carry out the cost audit of the products manufactured by the Company during the financial year 2018-19 on a remuneration of ₹1,50,000/-. The remuneration payable to the cost auditor is required to be placed before the Members in the general meeting for their ratification. Accordingly, a resolution seeking members ratification for the remuneration payable to M/s. Kapardi & Associates, Cost Accountants, is included in the Notice convening the Annual General Meeting.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. P.S.Rao & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as 'Annexure IV' to this report.

Directors

The Board of Directors have appointed Mr. Kode Durga Prasad, IPS (Retd.) as an Additional Director of the Company who holds office till the ensuing Annual General Meeting. The Board, based on the recommendation of Nomination and Remuneration Committee considered the appointment of Mr. Kode Durga Prasad as an

Independent Director subject to approval of shareholders. Accordingly a resolution seeking approval of Shareholders for his appointment as an Independent Director for a period of five years is included at Item No.5 of the Notice convening the Annual General Meeting.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Ms. Kulsoom Noor Saifullah and Dr. Lanka Krishnanand, Directors of the Company retire by rotation and being eligible, have offered themselves for re-appointment.

All the Independent Directors have given declarations stating that they meet the criteria of independence as per the provisions of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Meetings of the Board

Four meetings of the Board of Directors were held during the year. The details of the Board and Committee meetings and Independent Directors' meeting are given in the Corporate Governance Report which form part of this Annual Report.

Audit Committee

The Board has constituted Audit Committee as per the provisions of Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The composition, attendance, powers and role of the Audit Committee are included in Corporate Governance Report. All the recommendation made by the Audit Committee were accepted by the Board of Directors.

Policy on Director's Appointment and Remuneration and other matters

(a) Procedure for Nomination and Appointment of Directors:

The Nomination and Remuneration Committee has been formed pursuant to and in compliance with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Section 178 of the Companies Act, 2013. The main object of this Committee is to identify persons who are qualified to become directors and who may be appointed in senior management of the Company, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance, recommend the remuneration package of both the Executive and the Non-Executive Directors on the Board and also the remuneration of Senior Management, one level below the Board. The Committee reviews the remuneration package payable to Executive Director(s) and recommends to the Board the same and acts in terms of reference of the Board from time to time.

On the recommendation of the Nomination and Remuneration Committee, the Board has adopted and framed a Remuneration Policy for the Directors, Key Managerial Personnel and other employees pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations.

The remuneration determined for Executive/Independent Directors is subject to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors. The Non-Executive Directors are compensated by way of profit sharing Commission and the Non-Executive Directors are entitled to sitting fees for the Board/Committee Meetings. The remuneration paid to Directors, Key Managerial Personnel and all other employees is in accordance with the Remuneration Policy of the Company.

The Nomination and Remuneration Policy and other matters provided in Section 178(3) of the Act and Regulation 19 of SEBI Listing Regulations have been disclosed in the Corporate Governance Report, which forms part of this Report.

(b) Familiarisation/Orientation program for Independent Directors:

A formal familiarization programme was conducted about the amendments in the Companies Act, Rules prescribed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable laws of the Company.

It is the general practice of the Company to notify the changes in all the applicable laws from time to time in every Board Meeting conducted.

The details of such familiarization programmes for Independent Directors are posted on the website of the Company and web link is http://cclproducts.com/familiarization-programme-for-independent-directors.pdf

Annual Evaluation of Board Performance and Performance of its Committees and of Directors

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit and other Committees.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

Particulars of Loans, Guarantees and Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

Fixed Deposits

Your Company has not accepted any fixed deposits and as such no principal or interest was outstanding as on the date of the Balance sheet.

Capex

Your company has spent the following amounts towards capex during this financial year:

1. At Duggirala plant for Civil works and line balancing of plant & machinery ₹ 23 crores

2. At SEZ in Kuvakolli, Chittoor District for establishment of a new freeze dried coffee plant ₹ 198 crores

Directors' Responsibility Statement

Pursuant to Section 134 (5) of the Companies Act, 2013, your Directors confirm that to the best of their knowledge and belief and according to the information and explanation obtained by them,

i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii) Such accounting policies as mentioned in the notes to the financial statements have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2017-18 and of the profit or loss of the Company for that period;

iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) The annual accounts for the year 2017-18 have been prepared on a going concern basis.

v) That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

vi) That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Vigil Mechanism / Whistle Blower Policy

The Company has a Whistle Blower Policy framed to deal with instance of fraud and mismanagement if any, in the Group. The details of the Policy are explained in the Corporate Governance Report and also posted on the website of the Company and the web link is http://cclproducts.com/whistle-blower-policy.pdf

Risk Management

The Company has constituted a Risk Management Committee and formulated a policy on the Risk Management. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report. The Risk Management Policy of the Company is posted on the website of the Company and the web link is http://cclproducts.com/risk-management-policy.pdf

Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All related party transactions are placed before the Audit Committee and also the Board for approval. Prior omnibus approval of the Audit Committee is obtained as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the transactions which are of a foreseen and repetitive nature. The Company has developed a Policy on Related Party Transactions for the purpose of identification and monitoring of such transactions.

None of the transactions with related parties falls under the scope of section 188(1) of the Companies Act, 2013. Information on transactions with related parties pursuant to section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in 'Annexure V' in Form AOC-2 and forms part of this report.

The policy on Related Party Transactions as approved by the Board is uploaded on the website of the Company and the web link is http://cclproducts.com/policy-on-related-party-transactions.pdf.

Policy on Material Subsidiaries

The Policy on Material Subsidiaries as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as approved by the Board is uploaded on the website of the Company and the web link is http://cclproducts.com/policy-on-material-subsidiary.pdf

Extract of Annual Return

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and

Administration) Rules, 2014, the details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as 'Annexure VI' to this report.

Management Discussion & Analysis

Pursuant to the provisions of Regulation 34(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a report on Management Discussion & Analysis is herewith annexed as "Annexure VII" to this report.

Particulars of Employees

The information required pursuant to Section 197 of the Companies Act, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is herewith annexed as "Annexure VIII" to this report.

Business Responsibility Report

A Business Responsibility Report as per Regulation 34 of the Listing Regulations, detailing the various initiatives taken by the Company on the environmental, social and governance front forms an integral part of this Annual Report.

Corporate Governance

The Company has been making every endeavor to bring more transparency in the conduct of its business. As per the requirements of the per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a compliance report on Corporate Governance for the year 2017-18 and a Certificate from the Secretarial Auditors of the Company are furnished, which form part of this Annual Report.

Human Resources

Your Company considers its Human Resources as the key to achieve its objectives. Keeping this in view, your Company takes utmost care to attract and retain quality employees. The employees are sufficiently empowered and such work environment propels them to achieve higher levels of performance. The unflinching commitment of the employees is the driving force behind the Company's vision. Your Company appreciates the spirit of its dedicated employees.

Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Work place

Your Company strongly supports the rights of all its employees to work in an environment, free from all forms of harassment. The Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The policy aims to provide protection to Employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where Employees feel secure. The Company has also constituted an Internal Committee, known as Anti Sexual Harassment Committee to address the concerns and complaints of sexual harassment and to recommend appropriate action.

The Company has not received any complaint on sexual harassment during the year.

Energy conservation, technology absorption and foreign exchange earnings and outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as 'Annexure IX' to this report.

Significant and material orders passed by the regulators or courts

There are no significant or material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

Material Changes and Commitments

There were no material changes and commitments affecting the financial position of the Company that have occurred between the end of the Financial Year 2017-18 of the Company and the date of the report.

Acknowledgments

Your Directors take this opportunity to express their sincere appreciation to the shareholders, customers, bankers, suppliers and other business associates for the excellent support and cooperation extended by them.

Your Directors gratefully acknowledge the ongoing co-operation and support provided by the Central and State Governments, Stock Exchanges, SEBI, RBI and other Regulatory Bodies.

On behalf of the Board

Place: Hyderabad
Date: 21st May, 2018

Sd/-
Challa Rajendra Prasad
Executive Chairman

Annexure I

DIVIDEND DISTRIBUTION POLICY

In terms of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

INTRODUCTION

The Securities Exchange Board of India (SEBI) on July 8, 2016 has notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 (Regulations). Vide these Regulations, SEBI has inserted Regulation 43A after Regulation 43 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy, which shall be disclosed in its Annual Report and on its website.

Regulation 43A of the Listing Regulations makes it mandatory for the top five hundred listed entities based on their market capitalization calculated as on 31st March of every financial year to formulate Dividend Distribution Policy.

CCL Products (India) Limited (the "Company") being one of the top five hundred listed companies as per the criteria mentioned above, the Company has approved and adopted this Dividend Distribution Policy (the "Policy") at its meeting held on 01st February, 2017, being the effective date of the Policy.

OBJECTIVE

Dividend is the payment made by a Company to its shareholders, usually in the form of distribution of its profits. The profits earned by the Company can either be retained in business or used for acquisitions, expansion, modernisation or diversification, or it can be distributed to the shareholders. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend. This Policy aims to reconcile between all these needs.

The objective of this policy is to ensure a regular dividend income for the shareholders and long term capital appreciation for all stakeholders of the Company. The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes.

The Board of Directors refer to the policy while declaring/recommending dividends on behalf of the Company. Through this policy, the Company would endeavour to maintain a consistent approach to dividend pay-out plans.

DEFINITIONS

The terms referred to in the policy will have the same meaning as defined under the Act and the Rules made thereunder, and the SEBI Regulations.

PARAMETERS / FACTORS TO BE CONSIDERED BEFORE DECLARING DIVIDEND

The dividend pay-out decision of the Board depends upon the following financial parameters and internal and external factors:

1. **FINANCIAL PARAMETERS AND INTERNAL FACTORS**

The financial parameters and internal factors which would be considered while declaration of dividend by the Board are as follows:

i) Operating cash flow of the Company
ii) Profit earned during the year
iii) Profit available for distribution
iv) Earnings Per Share (EPS)
v) Working capital requirements
vi) Capital expenditure requirement
vii) Business expansion and growth
viii) Likelihood of crystalization of contingent liabilities, if any
ix) Additional investment in subsidiaries and associates of the Company
x) Upgradation of technology and physical infrastructure
xi) Creation of contingency fund
xii) Acquisition of brands and business
xiii) Cost of Borrowing
xiv) Past dividend payout ratio / trends

2. **EXTERNAL FACTORS**

Certain external factors could compel the Board of the Company to reflect on the dividend payout for any financial year of the Company. Some of the external factors affecting the Company's dividend payment are:

i) Economic Environment
ii) Dividend payout ratios across Industries
iii) Statutory provisions and guidelines
iv) Capital Markets
v) Inflation rate
vi) Industry outlook for future years
vii) Taxation

PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

The Company presently has only 1 (one) class of shares, i.e. Equity Shares. Hence, the parameters which are required to be adopted for various classes of shares do not apply to the Company. This Policy is subject to review and the Board shall consider and specify other parameters to be adopted with respect to such class(es) of shares.

CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The shareholders of the Company may not expect dividend in the following circumstances, subject to the discretion of the Board:

i. In the event of a growth opportunity where the Company may be required to allocate a significant amount of capital.

ii. In the event of higher working capital requirement for business operations or otherwise.

iii. When Company's liquidity is jeopardized for any reason, impairing its ability to pay the dividend.

iv. In the event of loss or inadequacy of profits.

The Board of Directors of the Company may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for the then ongoing or planned business expansion or other factors which may be considered by the Board.

The Company will take a decision on the dividend distribution, keeping all external and internal factors in view and duly adopting a judicious balance between directly rewarding the shareholders through dividend declaration on the one hand and increasing shareholder's wealth in future through appropriate retention of profits and its realisation for sustainable growth, on the other.

UTILISATION OF RETAINED EARNINGS

The Company shall endeavour to utilise the retained earnings in a manner which shall be beneficial to the interests of the Company and also its shareholders.

The retained earnings of the Company may be used in any of the following ways:

1. Capital expenditure for working capital;
2. Organic and/or inorganic growth;
3. Investment in new business(es) and/or additional investment in existing business(es);
4. Declaration of dividend;
5. Capitalization;
6. Buy back of shares;
7. General corporate purposes, including contingencies;
8. Correcting the capital structure;
9. Such other criteria as the Board may deem fit from time to time; or
10. Any other usage as permitted under applicable laws / regulations.

CONFLICT IN POLICY

In the event of a conflict between this policy and the statutory provisions, the statutory provisions shall prevail.

MODIFICATION OF THE POLICY

The Board is authorised to change or amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Act, the Regulations, or any other applicable law.

The modifications, if any, made to the policy shall be disclosed on the website and in the Annual Report.

DISCLOSURES

The Company shall make appropriate disclosures as required under the Listing Regulations and the Companies Act, 2013.

The Policy shall be disclosed in the Company's Annual Report and on the website (www.cclproducts.com) of the Company.

In case, the Company proposes to declare dividend on the basis of the parameters in addition to those as specified in this Policy and/or proposes to change any of the parameters, the Company shall disclose such changes along with the rationale in its Annual Report and on its website.

REVIEW OF POLICY

The Policy may be amended, as and when deemed fit. The Board of Directors shall have the right to modify, amend or change any or all clauses of this Policy in accordance with the provisions of the Applicable laws/ Acts /Regulations or otherwise.

In case of any amendment(s), clarification(s), circular(s) etc. issued under any Applicable laws/ Regulations, which is not consistent with any of the provisions of this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall be deemed to be amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

AMENDMENTS TO THE POLICY

Any change in the Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and/or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

In case of any amendment(s), clarification(s), circular(s) etc., issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendments, clarification(s), circular(s) etc., shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

DISCLAIMER

This policy shall not be construed as a solicitation for investments in the Company's securities and shall neither act as an assurance of guaranteed returns (in any form), on investments in the Company's securities.

Annexure - II

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Account) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/ joint ventures

Part “A”: Subsidiaries

SUBSIDIARY COMPANY FINANCIAL HIGHLIGHTS – 2017-18

Sl No	Particulars	Continental Coffee Private Limited	Jayanti Pte. Ltd.	Grandsaugreen SA	Ngon Coffee Company Ltd
1	Capital	7,00,00,000	2,17,79,131	1,11,00,000	3,44,56,46,33,286
2	Reserves	(9,60,29,469)	69,102	(39,56,970)	5,52,99,35,24,058
3	Total Assets	10,97,31,333	2,18,56,761	73,02,960	9,17,11,71,39,513
4	Total Liabilities	10,97,31,333	2,18,56,761	73,02,960	9,17,11,71,39,513
5	Turnover	23,65,00,594	-	1,16,16,900	10,51,57,77,24,890
6	Profit/(Loss) before Taxation	(5,87,30,777)	(13,556)	97,427	1,95,52,21,23,197
7	Provision for Taxation	(39,757)	-	38,706	-
8	Profit/(Loss) after Taxation	(5,86,91,020)	(13,556)	58,721	1,95,52,21,23,197
9	Dividend	-	-	-	-
10	Investment	-	-	-	-
11	Percentage of shareholding	100	100	100*	100#
	Reporting Currency	INR	USD	CHF	VND
	Exchange Rate used for Conversion :				
	- Average Yearly Rates for Profit and Loss Account Items	-	64.9414	66.3466	0.002825
	- Year end rates for Balance Sheet Items	-	65.0441	68.0311	0.002840

Note: *Grandsaugreen SA is a wholly owned subsidiary of Jayanti Pte Ltd and step down subsidiary of CCL Products (India) Limited

Ngon Coffee Company Limited is jointly owned by Jayanti Pte Ltd (58.82%) and CCL Products (India) Ltd (41.18%)

Part “B”: Associates and Joint Ventures - NA

As per our report of even date
For RAMANATHAM & RAO
Chartered Accountants
Sd/-
K.SREENIVASAN
Partner
M.No.206421
Place : Hyderabad
Date : 21st May, 2018

By order of the Board

Sd/-
Challa Rajendra Prasad
Executive Chairman

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

Sd/-
Sridevi Dasari
Company Secretary

Sd/-
K. Chandrahas
Director

Sd/-
Challa Srishant
Managing Director

Annexure III
ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. The CSR is being reported from 1st April, 2017 to 31st March, 2018.
2. This report does not include the information about subsidiary companies.
3. This report does not include the information about any other entities
4. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

A. CSR Policy:

CSR Vision Statement & Objective

CSR Vision:
In alignment with its vision, as a socially responsible corporate citizen, CCL will continue to enhance value creation in the society and community in which it operates. Through its conduct, services, and CSR initiatives it will strive to promote sustained growth in the surrounding environs.

Objective:
To operate its business in a sustainable manner respecting the society & the environment, while recognising the interests of all its stakeholders.

To also take up directly or indirectly programmes that will benefit the communities in and around its factories which will over a period of time enhance the quality of life and economic well being of the local residents.

Through its regular services and additionally through its CSR initiatives, CCL will generate community goodwill and create a positive image of CCL as a socially responsible corporate.

Resources:
- 2% of the average net profits of the Company made during the three immediately preceding financial years
- Any income arising therefrom
- Surplus arising out of CSR activities.

Identification of CSR works:
The applications, representations received from community representatives, NGO's or Panchayat requesting assistance for a work to be taken up or CCL on its own identifying a work for execution, will be listed.

Areas Identified for CSR activities:
The areas where the Company intends to focus its CSR activity are listed below. This is not an exclusive list and the Company may include other activities, based on the areas identified and felt need for improvement by the CSR Committee-

1. Eradicating extreme hunger and poverty
2. Infrastructure Development (village roads, culverts, bus shelters, solar lighting etc)
3. Ensuring environmental sustainability
4. Drinking water / Sanitation
5. Healthcare
6. Community Development
7. Education and vocational training
8. Skill Development
9. Child care and nutrition

CCL will engage in the above activities independently or in such manner that it will complement the work being done by local authorities whereever necessary in such a manner that, the work executed by CCL will offer a multi fold benefit to the community.

Implementation Process:
A CSR Cell will be formed at Factory and at Corporate Office to identify the various projects / programmes suitable as per the policy of the Company. These identified projects / programmes will be scrutinized by the CSR Committee and select for implementation.

Monitoring:
The Co-ordinators periodically inspect & report the progress of work commissioned every quarter and submit a report to CSR Committee.

Weblink: http://cclproducts.com/csr-policy.pdf

B. Composition of the CSR Committee:

Mr. Vipin K Singal, Chairman (Independent Director)

Mr. K. Chandrahas (Independent Director)

Mr. J. Rambabu (Independent Director)

Mr. K. K. Sarma (Independent Director)

Mr. Kode Durga Prasad (Independent Director)

Mr. B. Mohan Krishna (Executive Director)

Mr. G.V. Krishna Rau (Independent Director)

Ms. Kulsoom Noor Saifullah (Non-executive Director)

Ms. Shantha Prasad Challa (Non-executive Director)

Dr. Lanka Krishnanand (Non-executive Director)

Mr. Challa Srishant (Managing Director)

C. Average net profit of the Company for last three financial years:

Average net profit: ₹ **131.17 Crore**

D. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):

The Company is required to spend ₹ 2.62 Crore towards CSR.

E. Details of CSR spend for the financial year:

a. **Total amount spent for the financial year:** ₹ 2.83 Crore (out of which, ₹ 0.25 Crores pertains to the amount that has to be spent for the year 2016-17)

b. **Amount unspent, if any:**
₹ 4 Lakhs

c. **Reason for not spending:**

The amount of ₹ 4 Lakhs is already allocated for promotion of education to under privileged children and this amount will be spent in financial year 2018-19.

d. Manner in which the amount spent during the financial year is detailed below:

S.No	CSR project or Activity identified.	Sector in which the Project is covered.	Projects or programs (1) Local Area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise.	Amount Spent on the projects or programs Subheads (1) Direct expenditure on projects or programs. (2) Overheads	Cumulative expenditure upto the reporting period.	Spent: Direct or through implementing Agency.
1	Contribution to Old Age Homes	Helping Old people	Guntur District	100000	100000	100000	By the Company
2	Contribution to Orphanages	Child development	Guntur District	350000	350000	350000	By the Company
3	Building R O Plant	To provide Safe Drinking Water.	Guntur District	406210	406210	406210	By the Company
4	Promoting Education	Education	Tenali, Hyderabad rural, Guntur rural	6407166	6007166	6007166	By the Company
5	Providing tree guards	Environment	Guntur Rural	3957400	3957400	3957400	By the Company
6	Contribution to health centres and medicines	Health and Hygiene	Guntur Rural, East Godavari Rural	4290000	4290000	4290000	By the Company
7	Providing infrastructure facilities in rural areas	Development of infrastructure	Guntur rural	8150931	8150931	8150931	By the Company
8	Self employment skill development	Woman empowerment and Youth Skill development	Rural areas of Hyderabad	5020152	5020152	5020152	By the Company
	Total			**28681859**	**28281859**	**28281859**	

F. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR Objectives and Policy of the Company:

The Implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

For CCL Products (India) Limited
Sd/-
Challa Srishant
Managing Director

For CCL Products (India) Limited
Sd/-
Vipin K. Singal
Chairman- CSR Committee

Place: Hyderabad
Date : 21st May, 2018

Annexure IV
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31st March, 2018
[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members,
CCL Products (India) Ltd,
Duggirala, Guntur Dist.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CCL PRODUCTS (INDIA) LTD., (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion , the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder.

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowing.

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the audit period);**

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the audit period);**

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the audit period)**

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the audit period);** and

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the audit period);**

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

vi. Other specifically applicable laws to the Company:

- Food Safety and Standards Act, 2006 and Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011 and Food Safety and Standards (Packaging and Labelling) Regulations, 2011;
- Coffee Act, 1942 and the rules made thereunder;
- Boiler Act, 1923 and Indian Boiler Regulations 1950;
- Petroleum Act, 1934 and Petroleum Rules, 2002;
- Explosives Act, 1884 read with Static and Mobile Pressure Vessels (Unfired) Rules, 1981;
- Legal Metrology Act, 2009 and Metrology Rules, 2011
- Special Economic Zone Act, 2005 and Special Economic Zone Rules, 2006. (to the extent applicable)

We have also examined compliance with the applicable clauses of Secretarial Standards, as amended from time to time, issued by the Institute of Company Secretaries of India

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All the decisions at the Board Meetings and Committee Meetings have been carried out unanimously as recorded in the Minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that

- there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- During the year under review, the Company's specific Special Economic Zone (SEZ) for Agro based Food Processing at Kuvakolli Village, Chittoor, AP, has been notified by the Central Government through Official Gazette, dated 31st March, 2017. Further, the Company has received approval to set up Freeze dried Instant Coffee manufacturing unit in its SEZ.
- The Reserve Bank of India has approved the increase in FII / FPI investment limit under Portfolio Investment Scheme from 24% to 40% of the paid up Capital of the Company.

  Apart from the said, there were no such specific events/actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the Company's affairs.

For P S Rao & Associates
Company Secretaries

P S Rao
Partner
M. No.: 9769
C.P. No.: 3829

Place: Hyderabad
Date: 17th May, 2018

[This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.]

To
The Members,
CCL Products (India) Ltd,
Duggirala, Guntur Dist.

Secretarial Audit Report of even date is to be read along with this letter.

Management Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. We have followed the audit practises and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on random basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practises we followed provide a reasonable basis for our opinion.

3. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

4. We believe that audit evidence and information provided by the Company's management is adequate and appropriate for us to provide a basis for our opinion.

5. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

6. We have not verified the correctness and appropriateness of financial records and Books and Accounts of the Company.

Disclaimer

7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For P S Rao & Associates
Company Secretaries

P S Rao
Partner
M. No.: 9769
C.P. No.: 3829

Place: Hyderabad
Date: 17th May, 2018

Annexure- V

Particulars of contracts / arrangements made with related parties [Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014 – AOC-2]

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2018, which were not at arm's length basis.

Details of material contracts or arrangement or transactions at arm's length basis:
The details of material contracts or arrangement or transactions at arm's length basis for the year ended 31st March, 2018, are as follows:

Name of the related party	Nature of relationship	Duration of contracts	Sailent terms	2017-18 Amount (₹ in Lakhs)	2016-17 Amount (₹ in Lakhs)
Nature of Contract Equity Investment Continental Coffee Private Limited	Subsidiary	01-04-2015 - ongoing	Not applicable	400.00	294.00
Rent					
Sri.Challa Srishant	Managing Director	01-08-2017 - ongoing	Based on Transfer price guidelines	26.50	22.02
Smt.Challa Shantha Prasad	Director	01-08-2017 - ongoing	Based on Transfer price guidelines	19.36	17.26
Smt.Challa Soumya	Daughter of Executive Chairman	01-08-2017 - ongoing	Based on Transfer price guidelines	4.94	2.84
Sale of Instant Coffee Grandsaugreen SA	Subsidiary	01-02-2009 - ongoing	Based on Transfer price guidelines	6674.34	1747.38
Continental Coffee Private Limited	Subsidiary	01-04-2015 - ongoing	Based on Transfer price guidelines	1770.86	260.78

Annexure -VI
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	L15110AP1961PLC000874
ii	Registration Date	22/03/1961
iii	Name of the Company	CCL Products (India) Limited
iv	Category/Sub-category of the Company	Public Company / Limited by Shares
v	"Address of the Registered office & contact details"	Duggirala, Guntur District- 522330. Tel: 08644 277294
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Venture Capital and Corporate Investments Pvt.Ltd. 12-10-167, Bharatnagar Colony, Hyderabad – 500 018. Tel: 40 2381 8475

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	"NIC Code of the Product /service"	“% to total turnover of the company"
1	Manufacturing of Instant Coffee	107	100%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sl No	Name & Address of the Company	CIN/GLN	"HOLDING/ SUBSIDIARY/ ASSOCIATE"	“% OF SHARES HELD”	“APPLICABLE SECTION”
1	"Continental Coffee Private Limited 7-1-24/2/D, Greendale, Ameerpet, Hyderabad- 500016"	U15492TG2011PTC074429	Subsidiary	100	2(87)
2	Jayanti Pte. Limited 10, Jalan Besar, # 10-12, Sim Lim Tower, Singapore – 208787	Foreign Company	Subsidiary	100	2(87)
3	Ngon Coffee Company Limited Cu Kuin Industrial Complex, CU Kuin District, Dak Lak Province, Vietnam	Foreign Company	Subsidiary	100	2(87)

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	59575000	0	59575000	44.78%	59884700	0	59884700	45.02%	0.24%
b) Central Govt.or State Govt.									
c) Bodies Corporates									
d) Bank/FI									
e) Any other									
SUB TOTAL:(A) (1)	59575000	0	59575000	44.78%	59884700	0	59884700	45.02%	0.24%
(2) Foreign									
a) NRI- Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other…									
SUB TOTAL (A) (2)									
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)”	**59575000**	**0**	**59575000**	**44.78%**	**59884700**	**0**	**59884700**	**45.02%**	**0.24%**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	2986786	0	2986786	2.25%	2043083	0	2043083	1.53%	-0.72%
b) Banks/FI	58595	0	58595	0.04%	23682	0	23682	0.02%	-0.02%
C) Cenntral govt									
d) State Govt.									
e) Venture Capital Fund									
f) Insurance Companies									
g) FIIS	86825	0	86825	0.07%	0	0	0	0.00%	-0.07%
h) Foreign Portfolio Investors Corporate (FPI)	31387358	0	31387358	23.59%	33944978	0	33944978	25.52%	1.93%
h) Foreign Venture									
Capital Funds"									
i) Alternate Investment Funds	1795480	0	1795480	1.35%	3470498	0	3470498	2.61%	1.26%
j) Others (specify)									
SUB TOTAL (B)(1):	**36315044**	**0**	**36315044**	**27.30%**	**39482241**	**0**	**39482241**	**29.68%**	**2.38%**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non Institutions									
a) Bodies corporates	3079761	49000	3128761	2.35%	2396439	47000	2443439	1.84%	-0.51%
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	12422130	882440	13304570	10.00%	11563959	599963	12163922	9.14%	-0.86%
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakh	5826109	129000	5955109	4.48%	4717068	129000	4846068	3.64%	-0.84%
c) Others (specify)									
i) Non-resident Indians & Foreign Nationals	10916732	3073170	13989902	10.52%	12052799	1839740	13892539	10.44%	-0.08%
ii) Trust	627803	0	627803	0.47%	0	0	0	0.00%	-0.47%
iv) Clearing Members	131731	0	131731	0.10%	102061	0	102061	0.08%	-0.02%
v) IEPF Authority	0	0	0	0.00%	212950	0	212950	0.16%	0.16%
SUB TOTAL (B)(2):	**33004266**	**4133610**	**37137876**	**27.92%**	**31045276**	**2615703**	**33660979**	**25.30%**	**-2.62%**
Total Public Shareholding (B)= (B)(1)+(B)(2)”	**69319310**	**4133610**	**73452920**	**55.22%**	**70527517**	**2615703**	**73143220**	**54.98%**	**-0.24%**
C. Shares held by Custodian for GDRs & ADRs”									
Grand Total (A+B+C)	**128894310**	**4133610**	**133027920**	**100%**	**130412217**	**2615703**	**133027920**	**100%**	**0.00%**

(ii) SHAREHOLDING OF PROMOTERS

S. No.	Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Challa Shantha	18200000	13.68%	0	18250000	13.72%	0	0.04%
2	Challa Soumya	13100000	9.85%	0	13155300	9.89%	0	0.04%
3	Challa Srishant	13500000	10.15%	0	13614000	10.24%	0	0.09%
4	Challa Rajendra Prasad	12775000	9.60%	0	12865400	9.67%	0	0.07%
5	Challa Ajitha	1000000	0.75%	0	1000000	0.75%	0	0.00%
6	B. Mohan Krishna	1000000	0.75%	0	1000000	0.75%	0	0.00%
	Total	**59575000**	**44.78%**	**0**	**59884700**	**45.02%**	**0**	**0.24%**

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No	Name	Shareholding		Date	Increase/ decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No.of shares at the beginning 01.04.2017/ end of the year (31.03.2018)	% of total shares of the company				No of shares	% of total shares of the company
1	Challa Shantha Prasad	18200000	13.68	01/04/17				
				28/07/17	50000	Purchase	18250000	13.72
		18250000	13.72	31/03/18				
2	Challa Soumya	13100000	9.85	01/04/17				
				28/07/17	50000	Purchase	13150000	9.88
				25/08/17	5300	Purchase	13155300	9.89
		13155300	9.89	31/03/18				
3	Challa Srishant	13500000	10.15	01/04/17				
				02/06/17	15000	Purchase	13515000	10.16
				23/06/17	15200	Purchase	13530200	10.17
				28/07/17	72800	Purchase	13603000	10.22
				25/08/17	11000	Purchase	13614000	10.24
		13614000	10.24	31/03/18				
4	Challa Rajendra Prasad	12775000	9.60	01/04/17				
				02/06/17	15000	Purchase	12790000	9.61
				16/06/17	90	Purchase	12790090	9.61
				23/06/17	15110	Purchase	12805200	9.62
				28/07/17	54800	Purchase	12860000	9.66
				25/08/17	5400	Purchase	12865400	9.67
		12865400	9.67	31/03/18				
5	Mohan Krishna B	1000000	0.75	01/04/17		No change during the year		
		1000000	0.75	31/03/18				
6	Ajitha Challa	1000000	0.75	01/04/17		No change during the year		
		1000000	0.75	31/03/18				

(iv) Shareholding Pattern of top ten Shareholders (other than Direcors, Promoters & Holders of GDRs & ADRs)

Sl. No	Name	Shareholding		Date	Increase/ decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No.of shares at the beginning (01.04.2017)/ end of the year (31.03.2018)	% of total shares of the company				No of shares	% of total shares of the company
1	SMALLCAP WORLD FUND, INC	10642173	8.00	01/04/17	0	Nil movement during the year		
		10642173	8.00	31/03/18				
2	FIAM GROUP TRUST FOR EMPLOYEE BENEFIT PLANS - FIAM EMERGING MARKETS COMMINGLED POOL	5263273	3.96	01/04/17				
				02/06/17	283354	Purchase	5546627	4.17
				21/07/17	147535	Purchase	5694162	4.28
				11/08/17	47083	Purchase	5741245	4.31
				22/09/17	-315180	Sale	5426065	4.08
				30/09/17	95416	Purchase	5521481	4.15
				06/10/17	96657	Purchase	5618138	4.22
				13/10/17	30744	Purchase	5648882	4.25
				20/10/17	14241	Purchase	5663123	4.26
				27/10/17	76962	Purchase	5740085	4.31
				31/10/17	14250	Purchase	5754335	4.32
				03/11/17	12372	Purchase	5766707	4.33
				10/11/17	9980	Purchase	5776687	4.34
		5776687	4.34	31/03/18				
3	GEORGALIS HELEANNA GABRIELLE	2109100	1.59	01/04/17		Nil movement during the year		
		2109100	1.59	31/03/18				

4 MALABAR INDIA FUND LIMITED	1900645	1.43	01/04/17				
			18/08/17	144010	Purchase	2044655	1.54
			25/08/17	44000	Purchase	2088655	1.57
			22/12/17	28640	Purchase	2117295	1.59
			29/12/17	14926	Purchase	2132221	1.43
			05/01/18	43279	Purchase	2175500	1.63
			12/01/18	75145	Purchase	2250645	1.69
			19/01/18	57896	Purchase	2308541	1.74
			26/01/18	142104	Purchase	2450645	1.84
			02/02/18	38731	Purchase	2489376	1.87
			09/02/18	173847	Purchase	2663223	2.00
			16/02/18	67270	Purchase	2730493	2.05
			23/02/18	47203	Purchase	2777696	2.08
			02/03/18	81809	Purchase	2859508	2.15
			09/03/18	67203	Purchase	2926711	2.20
			16/03/18	23934	Purchase	2950645	2.22
	2950645	2.22	31/03/18				
5 VALUEQUEST INDIA MOAT FUND LIMITED	1879283	1.41	01/04/17	0	Nil movement during the year		
	1879283	1.41	31/03/18				
6 INDIA WHIZDOM FUND	1715480	1.29	01/04/17				
			30/06/17	29721	Purchase	1745201	1.31
			05/07/17	2331	Purchase	1747532	1.31
			28/07/17	57965	Purchase	1805497	1.36
			01/09/17	92609	Purchase	1898106	1.43
			08/09/17	37293	Purchase	1935399	1.45
			15/09/17	7500	Purchase	1942899	1.46
			09/02/18	3872	Purchase	1946771	1.46
	1946771	1.46	31/03/18				
7 SCHRODER INTERNATIONAL SELECTION FUND ASIAN SMALLER COMPANIES	1258282	0.95	01/04/17				
			14/04/17	-14273	Sale	1244009	0.94
			21/04/17	-2312	Sale	1241697	0.93
			28/04/17	-2278	Sale	1239419	0.93
			12/01/18	42384	Purchase	1281803	0.96
	1281803	0.96	31/03/18				

8	*CANARA ROBECO MUTUAL FUND A/C CANARA ROBECO EMERGING EQUITIES	1116867	0.84	01/04/17				
				07/04/17	20000	Purchase	1136867	0.85
				19/05/17	-3167	Sale	1133700	0.85
				02/06/17	9300	Purchase	1143000	8.86
				03/11/17	-11720	Sale	1131280	0.85
				10/11/17	-371922	Sale	759358	0.27
				17/11/17	-29266	Sale	730092	0.55
				23/02/18	-8432	Sale	721660	0.54
				02/03/18	-50000	Sale	671660	0.5
		671660	0.50	31/03/18				
9	SUDHIR KONERU	1002410	0.75	01/04/17	0	Nil movement during the year		
		1002410	0.75	31/03/18				
10	NAVEEN BIKKASANI	1000000	0.75	01/04/17	0	Nil movement during the year		
		1000000	0.75	31/03/18				
11	ARUNA MEDARA	1000000	0.75	01/04/17	0	Nil movement during the year		
		1000000	0.75	31/03/18				
12	BIKKASANI P R	1000000	0.75	01/04/17	0	Nil movement during the year		
		1000000	0.75	31/03/18				
13	# FIDELITY INVESTMENT TRUST FIDELITY EMERGING ASIA FUND	310552	0.23	01/04/17				
				02/06/17	73680	Purchase	384232	0.29
				14/07/17	86713	Purchase	470945	0.35
				11/08/17	28768	Purchase	499713	0.37
				18/08/17	44700	Purchase	544413	0.41
				25/08/17	25045	Purchase	569458	0.43
				01/09/17	1965	Purchase	571423	0.43
				15/09/17	4082	Purchase	575505	0.43
				22/09/17	162335	Purchase	737840	0.55
				30/09/17	65461	Purchase	803301	0.60
				06/10/17	65576	Purchase	868877	0.65
				13/10/17	21308	Purchase	890185	0.67
				20/10/17	9419	Purchase	899604	0.68
				27/10/17	52769	Purchase	952373	0.71
				31/10/17	9949	Purchase	962322	0.72
				03/11/17	8685	Purchase	971007	0.73
				10/11/17	205645	Purchase	1176652	0.88
		1176652	0.88	31/03/18				

* Ceased to be in the list of Top 10 shareholders as on 31-03-2018. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2017.
# Not in the list of Top 10 shareholders as on 01-04-2017. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2018.

(v) Shareholding of Directors & KMP

Sl. No	Name	Shareholding: No.of shares at the beginning (01.04.2017)/ end of the year (31.03.2018)	Shareholding: % of total shares of the company	Date	Increase/ decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018): No of shares shares of the company	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018): % of total
A	**Directors**							
1	Challa Rajendra Prasad	12775000	9.60	01/04/17				
	Executive Chairman			02/06/17	15000	Purchase	12790000	9.61
				16/06/17	90	Purchase	12790090	9.61
				23/06/17	15110	Purchase	12805200	9.62
				28/07/17	54800	Purchase	12860000	9.66
				25/08/17	5400	Purchase	12865400	9.67
		12865400	9.67	31/03/18				
2	Challa Srishant	13500000	10.15	01/04/17				
	Managing Director			02/06/17	15000	Purchase	13515000	10.16
				23/06/17	15200	Purchase	13530200	10.17
				28/07/17	72800	Purchase	13060300	10.22
				25/08/17	11000	Purchase	13614000	10.24
		13500000	10.15	31/03/18				
3	I.J. Rao	0	0.000	01/04/17		Nil holding/		
	Non-Executive Director					movement		
	(Ceased to be director on					during the year		
	13.12.2017)	0	0.000	31/03/18				
4	Vipin K Singal	5000	0.003	01/04/17	0	Nil movement		
	Non-Executive Director					during the year		
		5000	0.003	31/03/18				
5	K Chandrahas	18895	0.014	01/04/17				
	Non-Executive Director			28/04/17	1700	Purchase	20595	0.015
				26/05/17	2091	Purchase	22686	0.017
				25/08/17	2000	Purchase	24686	0.018
		24686	0.018	31/03/18				

6	J Rambabu Non-Executive Director	0		01/04/17		Nil holding/ movement during the year		
		0		31/03/18				
7	K K Sarma Non-Executive Director	0	0	01/04/17	0	Nil holding/ movement during the year		
		0	0	31/03/18				
8	B Mohan Krishna Executive Director	1000000	0.75	01/04/17	0	Nil movement during the year		
		1000000	0.75	31/03/18				
9	G V Krishna Rau Non-Executive Director	0	0	01/04/17	0	Nil movement during the year		
		0	0	31/03/18				
10	Kulsoom Noor Saifullah Non-Executive Director	0	0	01/04/17	0	Nil holding/ movement during the year		
		0	0	31/03/18				
11	Challa Shantha Non-Executive Director	18200000	13.68	01/04/17				
				28/07/17	50000	Purchase	18250000	13.72
		18250000	13.72	31/03/18				
12	Krishnanand Lanka Non-Executive Director	0	0	01/04/16	0	Nil holding/ movement during the year		
		0	0	31/03/17				
13	Kode Durga Prasad (w.e.f. 01/02/2018) Non-Executive Director	8400	0.006	01/04/17		Nil movement during the year		
		8400	0.006	31/03/18				
B	**Key Managerial Personnel (KMPs)**							
1	K V L N Sarma Chief Financial Officer	10000	0.01	01/04/17		Nil movement during the year		
		10000	0.01	31/03/18				
2	Sridevi Dasari Company Secretary & Compliance Officer	0	0	01/04/17		Nil Holding/movement during the year		
		0	0	31/03/18				

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

₹ in Lakhs

	"Secured Loans excluding deposits"	"Unsecured Loans"	Deposits	"Total Indebtedness"
Indebtness at the beginning of the financial year				
i) Principal Amount	9,845.35	-	-	9,845.35
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	-	-	-	
Total (i+ii+iii)	**9,845.35**	**-**	**-**	**9,845.35**
Change in Indebtedness during the financial year				
Additions	20,997.47	-	-	20,997.47
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	30,842.82	-	-	30,842.82
ii) Interest due but not paid	97.53	-	-	97.53
iii) Interest accrued but not due	-	-	-	
Total (i+ii+iii)	**30,940.35**	**-**	**-**	**30,940.35**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount in ₹
1	**Gross salary**	**Executive Chairman**	**Managing Director**	**Director-Operations**	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	48,00,000	36,00,000	30,00,000	1,14,00,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961				
2	Stock option				
3	Sweat Equity				
4	Commission as % of profit others (specify)	6,87,00,000	4,04,00,000	2,65,00,000	13,56,00,000
5	Others, please specify				
	Total (A)	**7,35,00,000**	**4,40,00,000**	**2,95,00,000**	**14,70,00,000**
	Ceiling as per the Act				**14,91,66,000**

B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of the Directors						Total Amount in ₹
1	Independent Directors	I.J. Rao	Vipin K. Singal	K. Chandrahas	J. Rambabu	K. K. Sarma	G. V. Krishna Rau	
	(a) Fee for attending board committee meetings	90,000	2,05,000	2,05,000	2,05,000	2,05,000	205000	11,15,000
	(b) Commission	7,00,000	7,00,000	7,00,000	7,00,000	7,00,000	700000	42,00,000
	(c) Others, please specify							
	Director Remuneration							
	Director Remuneration							
	Total (1)	**7,90,000**	**9,05,000**	**9,05,000**	**9,05,000**	**9,05,000**	**9,05,000**	**53,15,000**

2	**Other Non Executive Directors**		Kulsoom Noor Saifullah	Challa Shantha Prasad	Lanka Krishnanand	Total Amount
	(a) Fee for attending board committee meetings		1,90,000	1,10,000	1,55,000	4,55,000
	(b) Commission		7,00,000	7,00,000	7,00,000	21,00,000
	(c) Others, please specify.					
	Total (2)		**8,90,000**	**8,10,000**	**8,55,000**	**25,55,000**
	Total (B)=(1+2)					**78,70,000**
	Total Managerial Remuneration					**15,48,70,000**
	Overall Cieling as per the Act.					**16,40,83,000**

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration		Key Managerial Personnel		Total Amount in ₹
1	Gross Salary	CEO	"Company Secretary"	CFO	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	Not Applicable	14,23,038	76,94,031	91,17,069
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission as % of profit others, specify				
5	Others, please specify				
	Total		**14,23,038**	**76,94,031**	**91,17,069**

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment /Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS			NIL		
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Annexure - VII
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Soluble Instant coffee, more commonly referred to as instant coffee is commercially prepared in solid form by either freeze-drying or spray- drying, after which it can be rehydrated.

Instant coffees have now been on the market for many decades because of its convenience. Soluble coffee consumption has been increasing at a higher rate. With the invention of new technologies, the quality of instant coffee can now be significantly improved, thereby attracting even traditional roast and ground coffee customers. The inherent convenience of making instant coffee as opposed to preparing roast and ground coffee is also a major factor that is causing an increase in instant coffee sales in this fast paced world. Due to an increasing acceptance, instant coffee has also spread to the tea drinking cultures.

Business Review

Your Company has already established its longstanding presence in the international markets in two forms of instant coffee – Spray Dried and Freeze Dried and keeps upgrading the same with latest technology available globally to get better yield. Now, it is focusing to make a mark in the Indian domestic market which is very encouraging.

The Company's endeavours through its quality control division to enhance the quality of products by a careful mix of various blends and essence and to give the products at best prices to the customer are showing results by taking the products to new competitive markets. Efforts to achieve the right mix of raw materials are also giving advantage to the Company in achieving the best quality products at the most competitive price.

The enhanced production capacity of the plant at Duggirala, enabled the Company to cater to the increased demand for instant coffee in international markets.

Your Company through its subsidiary, Continental Coffee Private Limited is keen to grab a pie of domestic market. Domestic business turnover was around ₹ 46 crores which included retail as well as institutional sales. A team of professionals has been put to create a distribution network which will be supplemented with demand creating activities as well. More focus is on product development with an aim to increase coffee consumption among the consumers. Continental Xtra and Continental Speciale, instant coffee brands of the Company are being seeded in select markets of South India. The freeze dried coffee, Continental Premium is being targeted to institutional segment and retail through e-commerce.

During the year under review, the turnover of your Company is ₹ 82,466 lakhs and net profit is ₹ 9,776 lakhs.

Earnings per share (EPS) (Face value of ₹ 2/- per share) for the current year is ₹ 7.35.

Industry Structure and Developments

The opportunity in the instant coffee market is likely to rise at a CAGR of 4.80% from 2017 to 2025. The increasing awareness regarding the harmful effects of aerated drinks is also expected to shift the preference of consumers towards coffee, which subsequently, is anticipated to propel the worldwide market for instant coffee in the near future.

The instant coffee market in India is growing at a rate of more than 15% year on year. A positive consumer outlook towards new experiences such as premium coffee, higher disposable incomes and the growing number of young professionals were some of the important factors that promoted growth in coffee consumption in India. Additionally, increased access to coffee machines in offices and institutions triggered interest in coffee among consumers, which indirectly drove sales in households, as people began to acquire a taste and in turn consumed coffee at home as well.

The demand for the supermarket brands has been consistently growing across Europe. CCL is able to cater the needs of the supermarkets and has a considerably good market share across supermarket private labels across Europe. The coffee consumers are preferring premium products such as Freeze Dried Coffee and thereby creating a market for the premium products.

Outlook

The modern times have witnessed evolution of coffee drinking from an everyday habit to a healthy lifestyle choice. Coffee has gained the status of being the most preferred beverage worldwide. Coffee is the second most traded commodity in the world.

As per ICO, world coffee demand continues to show significant growth, with considerable potential for further increase. More mature markets such as the EU are relatively stable, while emerging markets, particularly in Africa and Asia, are recording significant growth in consumption and sales.

Asia Pacific with a share of around 38% is leading the market share and is expected to remain on top over the next few years. The easy preparation of instant coffee, as well as its ability to be tailored to local taste preferences, has made it the coffee of choice in most markets in Asia Pacific, where coffee consumption is still low.

Among others, the demand for instant coffee is particularly high in the rest of Europe. Countries, such as Poland, Russia, and Bulgaria exhibit a considerably high demand rate, which is estimated to continue to rise in the years to come, retaining the second position in the global instant coffee market.

North America and few European countries, on the other hand, are expected to experience a decline in the demand for instant coffee in the near future because of a greater preference for filter coffee. The new line of machines and capsules that pours cold carbonated drinks, being the latest trend in North America, also indicates a bumpy ride for the market for instant coffee in this region over the coming years.

Vietnam's instant coffee market is expected to continue to grow steadily in coming years due to various market trends. The growth of instant coffee is stemmed from the rising demand among young and adolescent consumers, who seek convenience and quick methods for consuming hot beverages in tune with their busy lifestyle.

The instant coffee segment's outlook is bright as consumers increasingly value instant coffee's simplicity of preparation.

Risks and Concerns

Manufacturing and Operational Risk:

Reduced rainfall in some areas is dramatically changing the ecosystem and growing conditions which result the quality of the beans used as raw material to produce the instant Coffee. It is noticed that changes in weather patterns (drought, unpredictable and varied rains, temperature changes) are causing alterations in the appearance and severity of newer pests while existing diseases are migrating to ecological zones where they previously did not exist. This may affect the quality of the beans grown in the traditional regions from where the Company is procuring. Although credible data on the levels and spread of these diseases and pests is not available, the potential risk should be noted.

Any war between countries, Government / regulatory decisions effecting the change of the duty structure on green coffee/instant coffee shall have an impact on the prices of our imports/exports.

Competition & Market Risk:

The coffee markets in which we do business are highly competitive and competition in these markets is likely to become increasingly more intense due to relatively low barriers to entry. The industry in which we compete is particularly sensitive to price pressure, as well as quality, reputation and viability for wholesale and brand loyalty for retail. To the extent that one or more of our competitors becomes more successful with respect to any key competitive factor, our ability to attract and retain customers could be adversely affected.

Sale and Marketing Risk:

Your Company has already established its longstanding presence in the international markets in the Instant Coffee, however, the sales of the products may fluctuate depending on economic and political conditions, including acts of terrorism in the producing and consuming countries. Decline in population can lead to decrease in sales in that particular territory.

Further, the Company has gained rich experience with the presence of marketing consultants and in-house experienced marketing personnel to face any kind of competition and market related risks.

Forex Risk:

Fluctuation in the foreign currency, especially caused due to any regional debt or other international crisis may affect the forex markets internationally thereby impacting the foreign exchange rates which if result in strengthening the domestic currency may affect the profitability of the Company to the extent of the conversion costs. Fortunately, as the Company mostly deals with USD in all its commercial transactions, the impact of foreign exchange fluctuations is minimal.

Technology Changes:

Any innovation and new technology in producing high quality instant coffee and making the current production technologies redundant and obsolete may prove to be a potential risk which can be addressed by the Company by upgrading the existing technology and improving the production techniques by constant in house research and development.

Opportunities and Threats

The presence in Vietnam helps the Company to cater to the coffee needs of ASEAN countries and also this is in close proximity to many South-East Asian nations, Japan, Korea, China etc. Most of these countries have granted Vietnam a most favoured nation status with reduced or NIL duty structures in addition to having savings on logistics.

The huge potential in domestic market for soluble coffee made the Company concentrate even on domestic sales both in private label segment and through its established brands. The soluble coffee consumption in India is expected to witness a growth of more than 15% year on year and Your Company has made a successful entry in the retail market with its brands.

The major threat being faced by the instant coffee industry is the creation of huge additional capacities in several countries which is resulting in unhealthy competition and stress on prices. Your Company is making efforts to mitigate these threats by increased volumes of high quality products.

Financial performance with respect to operational performance

During the year, the Company has achieved a turnover of ₹ 82,466 Lakhs recording a net profit of ₹ 9,776 Lakhs. Since the plant at Duggirala is operating at optimal capacity, there is no significant change in the net profit arrived during the year as compared to previous year.

Internal Control Systems and their Adequacy

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

Internal audit is carried on a quarterly basis. Internal auditors work with all levels of management and the report is placed before the audit committee. The audit committee after reviewing the findings and suggestions directs the respective departments to implement the same.

Industrial Relations and Human Resources Management

Employees are the valuable assets and the strength of an organisation in its growth, prosperity and development. Your Company has a team of qualified and dedicated personnel who contribute to the growth and progress of the Company. Necessary training is being imparted to the employees and various seminars and workshops are being conducted to continuously hone their skills.

Your Company is continuously striving to create appropriate environment, opportunities and systems to facilitate identification, development, and utilization of their full potential and inculcating a sense of belongingness. There are 442 employees in the Company as on 31st March, 2018.

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

Certifications and Awards

Your Company has the following certifications:

01. BRC- Version 7 with A Grade
02. IFS - Food Version 6
03. Organic Coffee Certificate (Processing & Trading)
04. Fair Trade Certificate
05. Halal Certificate
06. Kosher Certificate
07. FSSAI License
08. BIS License
09. UTZ Certificate (Chain of Custody Standard - Coffee)
10. US FDA Certificate of Registration

Your Company received Outstanding Export Performance Award by EPCES for the year 2015-16 and FIEO Regional Export Award for the year 2015-16 under the category of Top Multi Product Group Exporter in Andhra Pradesh (Gold) during the year.

Cautionary Statement

Statements in this management discussion analysis describing the Company's objectives, projections, estimates, expectations may be forward looking within the meaning of applicable securities-laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could make difference to Company's operations include economic conditions affecting the domestic market and the overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

Annexure - VIII

Details pertaining to Employees as required under Section 197(12) of the Companies Act, 2013

Statement of Particulars of Employees Pursuant to provisions of Section 197(12) of the Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014

a) Employed throughout the Financial Year 2017-18

Name	Age	Qualification	Designation	Date of Commencement of Employment	Experience (Years)	Gross Remuneration	Previous Employment	Previous Designation
Mr. Challa Rajendra Prasad	66	B.E.(Mech.)	Executive Chairman	01-04-1994	42	7,65,00,000	Asian Coffee Ltd	Managing Director
Mr. Challa Srishant	35	B.A., B.L.(Hons.)	Managing Director	18-07-2005	14	4,58,00,000		
Mr. B. Mohan Krishna	37	B.Tech	Executive Director - Operations	01-06-2017	15	2,95,00,000	Elmech Enterprises Limited	Director

ii) Other top ten employees throughout the Financial Year 2017-18

Name	Age	Qualification	Designation	Date of Commencement of Employment	Experience (Years)	Gross Remuneration	Previous Employment	Previous Designation
Mr.K.V.L.N.Sarma	58	B.Com., FCMA	Chief Financial Officer	04-12-2006	40	76,94,031	Aditya Spinners Ltd	Vice President (Fin & Operations)
Mr.B.V.N.Prasad	57	B.Com.	General Manager - Purchase	20-09-1995	36	38,81,662	Plant Organics Ltd	Manager - Purchase
Mr.N.Sudhakar	62	B.E., PGTD	General Manager - Technical	19-08-1995	38	30,47,705	Asian Coffee Ltd	Manager - Maintenance
Mr.P.C.Rangappa	57	B.Sc.	Factory Manager	16-12-1994	37	28,94,031	Asian Coffee Ltd	Executive - Green Coffee
Mr.T.Sudhakar Naidu	45	B.A., B.Sc.	General Manager - Production	16-12-1994	29	27,50,400	Asian Coffee Ltd	Executive - Quality Control
Mr.V.Rama Rao	59	B.Com.	General Manager - Commercial	18-08-1997	36	24,73,251	Godavari Drugs Ltd	Accounts Officer
Mr.R.V.Rama Rao	54	B.Com., LL.B, M.P.M.	General Manager - Legal & HR	04-05-1995	27	21,69,526	Ushakiron Movies Pvt Ltd	Executive - Personnel
Ms.Sridevi Dasari	36	B.Com., M.B.A., CS	Company Secretary & Compliance Officer	13-04-2012	6	14,23,038	NA	
Mr.G.Kesava Naidu	38	B.Sc., M.Sc., P.H.D	Manager - R&D	03-06-2013	7	14,07,277	Venus Medicine Research Center	Deputy Manager
Mr.P.Appala Naidu	39	B.Com., CA	Sr.Manager Accounts	06-01-2017	14	13,71,708	Hemarus Therapeutics Limited	Asisstant General Manager

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014

i) There were 442 permanent employees on the rolls of Company as on 31st March, 2018.

ii) In the financial year, there was an increase of 7.64% in the median remuneration of employees

iii) In the financial year, there was an increase of 19.76% in the managerial remuneration, which is as per the remuneration policy of the Company.

iv) We herewith affirm that remuneration is as per the remuneration policy of the Company.

On behalf of the Board

Place : Hyderabad
Date : 21st May, 2018

sd/-
Challa Rajendra Prasad
Executive Chairman

Annexure-IX

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO
[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

A. Conservation of Energy

Your Company is making investments to up-grade technology in various utilities equipment in the soluble coffee plant to conserve energy.

The steam boiler continues to be a major energy conserver to the Company. CCL is continuously striving for the sustainability, conservative utilisation of energy available and to minimize the ecological footprint by finding out ways to best utilise the waste generated in the process of manufacturing instant coffee. Coffee is a product, where only 40% can be derived from the coffee beans for the productive usage and the rest 60% is in the form of solid waste. This solid waste generated, on drying up, has greater calorific value.

i) the steps taken or impact on conservation of energy

We, at CCL addressed this with detailed discussions with our boiler suppliers. The solid waste, on drying up, not only has good calorific value but is with very low ash content. Thus, jointly with the boiler suppliers – viz., Thermax, we have got the fuel system redesigned so as to enable using this solid waste as fuel for boilers. This has not only resulted in substantial savings on fuel costs but also is environmental friendly as the ash content is very minimal. Thus, this effort of the company has not only served as a substitute for fossil fuel but also is an effective method for waste disposal.

Heat recovery systems have been specifically designed for our processes, which will enable in reduction of steam generation which in turn, will reduce fuel consumption.

ii) Steps taken by the Company for utilising alternate sources of energy

The Company has been continuously saving considerable fuel costs for its boiler by using rice husk and recycled solid waste as fuel.

An Electrostatic Precipitator (ESP) was installed to curb pollution from the boiler which enhance eco friendly operations at the Plant.

iii) The capital investment on energy conservation equipments

The Company is making additional investments mainly to recycle solid waste generated to reduce consumption of fuel for the boiler and for upgradation of the ETP to ensure that the effluent water meets surface water parameters. During the year, the Company spent ₹ 6.67 crores for incorporating latest technology available in the market to increase the efficiency of ETP.

Major refurbishment undertaken for the Freeze Dried Unit has improved the efficiency in productivity resulting in less wastage of the product during production process and led to effective utilization of energy (in the form of steam and electricity consumption). The Heat recovery system will lead to the reduction of steam and fuel being used in processes.

B) Technology Absorption

i) Efforts made towards technology absorption:

The best technology in the world for the manufacturing of quality coffee is being used by your Company and strives continuously to upgrade the technology.

ii) Benefits derived like product improvement, cost reduction, product development or import substitution:

The technology being used has improved the production standards and optimised the operational costs.

iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished:

a) Technology imported	No technology imported during the last 3 years
b) Year of Import	NA
c) Has technology been fully absorbed	NA
d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action	NA

iv) Expenditure incurred on Research and Development:

Your Company has a strong quality and assurance department which continuously strives to improve process methods, quality parameters etc., resulting in better value added products, improvement in quantities etc. This department is part of the Company's routine operations and hence, no specific allocation to be identified under Research and Development.

C) Foreign Exchange Earnings and Outgo:

Total foreign exchange	**₹ in Crores**
Used	**424.68**
Earned	**738.02**

On behalf of the Board

Place : Hyderabad
Date : 21st May, 2018

sd/-
Challa Rajendra Prasad
Executive Chairman

BUSINESS RESPONSIBILITY REPORT
for the financial year 2017-18

[Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

No.	Particulars	Company Information
1	Corporate Identity Number (CIN) of the Company	L15110AP1961PLC000874
2	Name of the Company	CCL PRODUCTS (INDIA) LIMITED
3	Registered Office address	Duggirala, Guntur Dist. Andhra Pradesh- 522330, India
4	Website	www.cclproducts.com
5	E-mail id	companysecretary@cclproducts.com
6	Financial Year reported	01st April, 2017 to 31st March, 2018
7	Sectors that the Company is engaged in (industrial activity code wise)	NIC Code :10792 Description : Manufacturing of Instant Coffee and coffee related products
8	List three key products/services that the Company manufactures/provides (as in the Balancesheet)	The Company manufactures and markets a wide range of instant coffee products.
9	Total number of locations where business activity is undertaken by the Company	The Company has its Registered office situated at Guntur District, A.P. India. Its Corporate office is situated at Hyderabad, Telangana, India SEZ UNIT : Kuvakolli Village, Varadaiahpalem, Chittoor District - 517 645, Andhra Pradesh, India.
9 (i)	Number of International Locations	Singapore,Vietnam and Switzerland
9 (ii)	Number of National Locations	Registered Office: Duggirala-522 330, Guntur District, Andhra Pradesh, India Corporate Office: 7-1-24/2/D,'Greendale, Ameerpet, Hyderabad- 500 016, Telangana, India SEZ UNIT : Kuvakolli Village, Varadaiahpalem, Chittoor District - 517 645, Andhra Pradesh, India.
10	Markets served by the Company – Local/State/National/International	The unit in Duggirala is an export oriented unit and in addition to serving Indian markets, CCL Products (India) Limited exported its products to over 85 countries as on 31st March, 2018.The Company has a significant presence globally.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

No.	Particulars	Company Information
1	Paid up capital (INR)	₹ 266,056,840
2	Total Turnover (INR):	₹ 82,466 Lakhs
3	Total profit after taxes (INR):	₹ 9,776 Lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	During the financial year 2017-18, CCL has incurred expenditure for an amount of ₹ 2.82 Crores which is 2% of PAT of average 3 preceding years.
5	List of activities in which expenditure in 4 above has been incurred:-	The Company aims to undertake activities to reduce inequalities faced by socially and economically backward groups. Please refer the Annexure II of the Director's Report in this Annual Report 2017-18 for information on CSR activities. Some of the activities undertaken in this regard are as follows: (a). Oldage Homes (b). Women empowerment and other skill development activities (c). Orphanage (d). Promoting education (e). Health and nutrition (f). Infrastructure development (g). Environmental Protection (h). Pure drinking water facilities

SECTION C: OTHER DETAILS

No.	Particulars	Company Information
1	Company Subsidiaries/ Joint Ventures	Subsidiary Companies • Continental Coffee Private Limited • Jayanti Pte. Ltd. (Singapore) • Grandsaugreen SA (Switzerland) • Ngon Coffee Company Limited (Vietnam)
2	Subsidiaries participating in company's Business Responsibility (BR) initiatives	CCL Products (India) Limited keeps all its subsidiaries informed about the business responsibility initiatives. It also encourages its subsidiaries to participate in such initiatives.
3	Other entities (e.g suppliers, distributors etc.) participating in Company's BR initiatives	Nil

SECTION D : BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

No.	Particulars	Company Information
1	DIN	00016035
2	Name	Mr. Challa Srishant
3	Designation	Managing Director

(b) Details of BR head

No.	Particulars	Company Information
1	DIN	NA
2	Name	Mr.V. Rama Rao
3	Designation	GM- Commercial
4	Telephone number	+91 40 23732455
5	E-mail ID	ramarao@cclproducts.com

2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Enviornmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

P1	Business should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Business should provide goods and services that are safe and contribute to Sustainability throughout their life cycle
P3	Business should promote the well- being of all employees
P4	Business should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
P5	Business should respect and promote human rights
P6	Business should respect, protect and make efforts to restore the environment
P7	Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Business should support inclusive growth and equitable development
P9	Business should engage with and provide value to their customers and consumers in a responsible manner

Details of compliance (Y/N)

No.	Princple-wise Policies	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes. The policies are based on the'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' released by the Ministry of Corporate Affairs.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	http://cclproducts.com/csr-policy.pdf http://cclproducts.com/policy-on-related-party-transactions.pdf http://cclproducts.com/whistle-blower-policy.pdf http://cclproducts.com/risk-management-policy.pdf http://cclproducts.com/policy-on-material-subsidiary.pdf http://cclproducts.com/remuneration-policy.pdf http://cclproducts.com/code-of-conduct.pdf http://cclproducts.com/code-of-insider-trading.pdf http://cclproducts.com/responsible-sourcing-policy.pdf http://cclproducts.com/sustainability-policy.pdf								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, the policies have been communicated to all the internal and external stakeholders.								
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes, any grievances or feedback to the policies can be sent to Compliance Officer of the Company at companysecretary@cclproducts.com								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The head of the respective departments are made responsible for effective implementation of the policies.								

(a) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	
1	The company has not understood the Principles	Not applicable
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	
3	The company does not have financial or manpower resources available for the task	
4	It is planned to be done within next 6 months	
5	It is planned to be done within the next 1 year	
6	Any other reason (please specify)	

3. Business Responsibility (BR) Governance:

No.	Particulars	Company Informarion
3.a	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The performance on aspects of BR is reviewed by the Company's Management on periodical basis and atleast once a year put up to the Board
3.b	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Company publishes the information on Business Responsibility which forms part of the Annual Report of the Company. The same will be disclosed on the website of the Company at www.cclproducts.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability

CCL Products (India) Limited lays a strong emphasis on ethical corporate citizenship and establishment of good corporate culture. It has always believed in adhering to the best governance practices to ensure protection of interests of all stakeholders of the Company in tandem with healthy growth of the Company. The Company has always discouraged practices that are abusive, corrupt, or anticompetitive.

Our philosophy is to conduct the business with high ethical standards in our dealings with all the stakeholders that include employees, customers, suppliers, government and the community.

The Company has a strong and effective Whistle Blower Policy which aims to deter and detect actual or suspected misconduct. It has been established to ensure that genuine concerns of misconduct/ unlawful conduct, which an individual believes may be taking place within the organisation, are raised at an early stage in a responsible and confidential manner. This mechanism also provides for adequate safeguards against victimisation of employees who avail the mechanism. Any employee may report such incident without fear to the Chairman of the Audit Committee or alternatively may report to the Compliance Officer of the Company. The Policy on Vigil Mechanism may be accessed on the Company's website at http://cclproducts.com/whistle-blower-policy.pdf

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?
Yes

CCL Products (India) Limited is commited to act professionally, fairly and with integrity in all its dealings. The Company has established a 'Vigil Mechanism' for Directors and employees to report their genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct. As an integral part of such Vigil Mechanism, the Whistle Blower Policy of CCL has been formulated with a view to empower the Directors and employees of CCL and / or its subsidiary companies, to detect and report any improper activity within the Company.

Further CCL has also adopted "Code of Conduct for Directors and Senior Management" which captures the behavioral and ethical standards.

The Company obtains an annual confirmation affirming compliance with the Code from the Directors, Key Managerial Persons and the senior management every year.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 word or so.

	Pending as on 31-03-2017	Received during 2017-18	Redressed during 2017-18	Pending as on 31-03-2018
Customer Complaints	Nil	Nil	Nil	Nil
Investor Complaints	0	26	26	0
Consumer cases	Nil	Nil	Nil	Nil

Principle 2: Business should provide goods and services that are safe and contribute to Sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Not Applicable

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

Not Applicable

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Not Applicable

3. Does the company have procedures in place for sustainable sourcing (including transportation)? -Yes

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

CCL's global supply chain is complex in nature which invlolves sourcing raw materials and services from different parts of the world and the Company brought responsible sourcing practices at all the stages of supply chain in place over a period of time inspite of socio-economic and cultual constraints across the countries for long term sustainability.

The Company had a responsible sourcing policy which was made applicable to all its suppliers and ensure that the hygiene working conditions, minimum wages and safety standards are followed by all the employees involved throughout its supply chain globally in strict adherence to the international labour policies.

95% of CCL's inputs are sourced sustainably.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? Yes

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

CCL procures green coffee from small vendors of Karnataka, Andhra Pradesh, Tamil Nadu and Kerala. The Company source all the packaging material and other related products from local and small vendors since inception.

The assurance of sourcing from the Company led to the expansion of the vendors associated, and the company helped them with latest technology available globally for their development.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

CCL continuously strives for the betterment in its porcess of recycling the products and waste generated during the production process. Coffee is a product, where around 40% can be derived from the coffee beans for the productive usage and the rest 60% is in the form of solid waste. This solid waste generated, on drying up, has greater calorific value.

The ash that comes from the boilers will be supplied to brick manufacturers. The solid waste that was generated is being used as fuel to the boilers. The water after the process of extraction is supplied to the neighbouring farmers due to its organic nature which helps them to get better yield. More than 90% of the waste generated is being recycled.

Principle 3: Business should promote the well- being of all employees

We believe that our human capital is one of the most valuable resources to tap the perennial growth of business. Company's Code of Conduct provides guidelines for employee wellbeing related to participation, freedom, gender equality, good environment and harassment free workplace. A strong mechanism is established for deployment of guidelines and grievance redressing mechanism.

1. Please indicate the Total number of employees: 442 as on 31.03.2018.

2. Please indicate the Total number of employees hired on contractual basis : 600

3. Please indicate the Number of permanent women employees : 16

4. Please indicate the Number of permanent employees with disabilities: 2

5. Do you have an employee association that is recognized by management- No

6. What percentage of your permanent employees are members of this recognized employee association? NA

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.-

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

(a) Permanent Employees- 100%
(b) Permanent Women Employees- 100%
(c) Casual/Temporary/Contractual Employees- 100%
(d) Employees with Disabilities- 100%

Principle 4: Business should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. Has the Company mapped its internal and external stakeholders? Yes

CCL has always acknowledged the vital contribution of all stakeholders such as employees, communities, suppliers, customers, regulatory bodies, industry associations, shareholders, academic institutes and media in building a sustainable business and has accorded importance to their voices and concerns.

The Company has carried out comprehensive stakeholder identification program. This allowed us to understand the needs and expectations of our stakeholders better.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders? Yes

The stakeholder engagement program is deployed by focusing on each identified stakeholder from various business divisions of the organisation. We are working towards betterment of communities in the vicinity of our manufacturing plants which are located in rural areas. We have identified stakeholders and we are working on projects for them.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

The Company sources some of its raw material from the farmers of Karnataka, Andhra Pradesh, Tamil Nadu and Kerala.

The packaging material is procured locally from small vendors.

The Company initiated several programs that include health, hygiene and nutrition development in school children, promoting girl child education, swachh Bharat initiatives in the surrounding villages, medical camps and health centres, pure drinking water facilities in many villages.

Principle 5: Business should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

CCL's Policies cover the guidelines on human rights and it is applicable to all members of the CCL group. The members had given liberty to report any violations of the Code, or share their concerns confidentially through e-mail, complaint drop box and access to Committee members as per various Committees under the Code of Conduct.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company had received 26 stakeholder complaints in the past financial year and 100% of the complaints were satisfactorily resolved by the management.

Principle 6: Business should respect, protect and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.

CCL's Sustainability Policy extends to all the stakeholders the organization deals with, including suppliers, contractors, NGOs and others. We aim to propagate the principles of Sustainability throughout our Value chain and to all stakeholders

2. Strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Many facets of respecting and protecting environment are embedded in the company's operations as also its products. Consumption of fuel is very important for our boilers. We have got the fuel system redesigned so as to enable using this solid waste as fuel for boilers. This has not only resulted in substantial savings on fuel costs but also is environmental friendly, as the ash content is very minimal. Thus, this effort of the company has not only served as a substitute for fossil fuel but also is an effective method for waste disposal.

The Company has been continuously saving considerable fuel cost for its boiler by using rice husk and recycled solid waste as fuel. An Electrostatic Precipitator (ESP) was installed to curb pollution from the boiler which enhance eco friendly operations at the Plant.

To minimise the environmental impacts of its products, the Company continuously improves products in terms of fuel efficiency, material use and recyclability

3.Potential environmental risks?

Since there are no chemicals used in the production process and since processing is done with coffee beans and water, everything is organic in nature. Potential environmental risks are constantly being assessed as part of the company's risk management identification process. The Company regularly reviews its environmental risks and undertakes initiatives to mitigate them.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Not Applicable

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Not Applicable

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/ SPCB for the financial year being reported?

All emissions and waste generated by the Company are within the permissible limits given by CPCB/ SPCB in 2017-18.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

(a) Coffee Board of India
(b) Export Promotion Council for EOUs and SEZs (EPCES)
(c) Federation of Indian Export Organization (FIEO)
(d) Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI)
(e) Indo American Chamber of Commerce (IACC)
(f) Indo German Chamber of Commerce (IGCC)
(g) National Coffee Association, USA (NCA)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, others)

The Company associated with above institutions with an intention of mutual learning and contribution in development of processes.

CCL has been instrumental in value addition for the instant coffee in global markets by promoting Indian coffee, working with many associations and also in making several representations to the Government through its officers for development of green coffee production in the State of Andhra Pradesh.

Principle 8: Business should support inclusive growth and equitable development

We at CCL believe that in order to have a growth and equitable development the Compnay has to work in proper co ordination with its ecosystem. The Company also believes that social, environmental and economic values are interlinked and we belong to an Interdependent Ecosystem comprising Shareholders, Consumers, Associates, Employees, Government, Environment and Society. We are committed to ensure a positive impact of our existence on all these stakeholders. It's our continuous endeavour to integrate sustainability considerations in all our business decisions.

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company as part of its corporate social responsibility involved in several programmes and projects that creates a better country for the furture generations. The details of several programmes undertaken by the Company are given in 'Annexure III'of the Directors Report, which forms part of the Annual Report.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?

The aforesaid projects have been carried out by the Company directly and in consultantion with other organizations.

3. Have you done any impact assessment of your initiative?

Yes, the CSR committee internally performs an impact assessment of its initiatives at the end of each year to understand the efficacy of the programme in terms of delivery of desired benefits to the community and to gain insights for improving the design and delivery of future initiatives.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

S.No	CSR Project	Expenditure
1	Old age homes	1,00,000
2	Women Empowerment and other Skill development activities	50,20,152
3	Orphanage	3,50,000
4	Promoting Education	60,07,166
5	Health and hygiene	42,90,000
6	Infrastructure facilities	81,50,931
7	Enviornmental Protection	39,57,400
8	Pure drinking water facilities	4,06,210
	TOTAL	**2,82,81,859**

Details of the same are provided in ' Annexure III'of the Directors Report, which forms part of the Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

CCL's CSR initiatives are rolled out directly or in partnership with non profit organisations. This helps in increasing reach as well as ensuring the adoption of initiative by communities. Project teams track the reach and take necessary steps to make it successful.

Principle 9: Business should engage with and provide value to their customers and consumers in a responsible manner

All the customer complaints which were received in the reporting period have been resolved and there are no complaints or consumer cases pending as on the end of the financial year. There are no cases filed by any customer or consumer against the Company as at the end of financial year 2017–18. The Company displays all product information on the product label, which is mandatory and as may be required for the use of the products by the consumers. The Company shall never engage in any unfair trading practices, irresponsible advertising or anti-competitive behavior. The Company has various checks and balances to ensure that the business of the Company is done in a fair and responsible manner.

Information with reference to BRR framework:

No.	Questions	Information
9.1	What percentage of customer complaints/ consumer cases are pending as on the end of financial year.	Following is the status of customer complaints/ consumer cases as on the end of the financial year ended on 31st March, 2018: 1.Customer complaints- Nil 2.Consumer cases-Nil
9.2	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks(additional information)-Yes	CCL adheres to all the applicable regulations regarding product labeling and displays relevant information on it.
9.3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No case filed by any stakeholder related to the afore mentioned subject is pending as at the end of financial year ended on 31st March, 2018.
9.4	Did your Company carry out any consumer survey/ consumer satisfaction trends?	The Company regularly carries out consumer satisfaction surveys continuously to understand their tastes and preferences and to develop better products.

REPORT ON CORPORATE GOVERNANCE

Company's philosophy on Code of Governance:

Over the years, CCL has shown a commitment towards effective corporate governanace and has always been at the forefront of benchmarking its internal systems and policies with global practices. CCL believes that it needs to show a greater degree of responsibility and accountability. It is committed to provide fair, transparent and equitable treatment to all its stakeholders.

At CCL we have always sought to be a value driven organisation, where our growth and success is directed by our values.

A report on Corporate Governance as required by the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 is as under:

BOARD OF DIRECTORS

SIZE OF THE BOARD

The composition of Board is in consonance with the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on 31st March, 2018, CCL's Board consisted of 12 Members. The Company has three Executive Directors, one of whom is the Executive Chairman, and the others in the capacity of Managing Director and Executive Director - Operations, who are the promoter Directors.

COMPOSITION AND CATEGORY OF DIRECTORS

Name of Director	Category	Designation	No.of shares held in the Company (%)
Mr. C.Rajendra Prasad	Promoter & Executive Director	Executive Chairman	1,28,65,400 (9.67)
Mr. Vipin K Singal	Independent Non-Executive Director	Director	5,000 (0.004)
Mr. K. Chandrahas	Independent Non-Executive Director	Director	24,686 (0.018)
Mr. J. Rambabu	Independent Non-Executive Director	Director	Nil
Mr. I.J Rao (up to 13th December, 2017)	Independent Non-Executive Director	Director	Nil
Mr. K.K.Sarma	Independent Non-Executive Director	Director	Nil
Mr. G.V.Krishna Rau	Independent Non-Executive Director	Director	Nil
Ms. Kulsoom Noor Saifullah	Non-Executive Director	Director	Nil
Mr. B. Mohan Krishna	Promoter & Executive Director	Executive Director	10,00,000 (0.75)
Mr. Challa Srishant	Promoter & Executive Director	Managing Director	1,36,14,000 (10.23)
Mrs. Shantha Prasad Challa	Non-Executive Director	Director	1,82,50000 (13.72)
Dr. Lanka Krishnanand	Non-Executive Director	Director	Nil
Mr. Kode Durga Prasad (w.e.f 01st February, 2018)	Independent Non-Executive Director	Additional Director	8,400 (0.006)

Relationship among Directors

- Mr. Challa Rajendra Prasad – spouse of Mrs. Shantha Prasad Challa, Director; father of Mr. Challa Srishant, Managing Director and father -in- law of Mr. B. Mohan Krishna, Executive Director of the Company.
- Mr. Challa Srishant - son of Mr. Challa Rajendra Prasad, Executive Chairman and Mrs. Shantha Prasad Challa, Director and brother-in-law of Mr. B. Mohan Krishna, Executive Director of the Company.
- Mr. B. Mohan Krishna - son-in-law of Mr. Challa Rajendra Prasad, Executive Chairman and Mrs. Shantha Prasad Challa, Director and brother-in-law of Mr. Challa Srishant, Managing Director of the Company
- Mrs Shantha Prasad Challa- spouse of Mr. Challa Rajendra Prasad, Executive Chairman; mother of Mr. Challa Srishant, Managing Director and mother-in-law of Mr. B. Mohan Krishna, Executive Director of the Company.

Details of attendance of Directors at the AGM, Board Meetings with particulars of their Directorship and Chairmanship /Membership of Board /Committees in other Companies are as under:

Name	Attendance at AGM held on 11th July, 2017	Attendance in Board meetings		Other	
		Held	Present	Direct-orships (@)	Committee memberships
Mr. C.Rajendra Prasad	Yes	4	4	--	--
Mr. I. J. Rao (up to 13th December, 2017)	No	4	2	--	--
Mr. Vipin K Singal	Yes	4	4	--	--
Mr. K. Chandrahas	Yes	4	4	1	--
Mr. J. Rambabu	Yes	4	4	1	1
Mr. K. K. Sarma	Yes	4	4	--	--
Mr. B. Mohan Krishna	Yes	4	4	--	--
Mr. G. V. Krishna Rau	Yes	4	4	--	--
Ms. Kulsoom Noor Saifullah	Yes	4	4	--	--
Ms. Shantha Prasad Challa	Yes	4	4	2	--
Dr. Lanka Krishnanand	Yes	4	3	--	--
Mr. Kode Durga Prasad (w.e.f 01st February, 2018)	NA	4	1	--	--
Mr. Challa Srishant	Yes	4	4	--	--

The Directorships held by Directors in other Companies, as mentioned above do not include Directorships in Foreign Companies, Companies registered under Section 8 of the Companies Act, 2013 and Private Limited Companies.

None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees across all the companies in which they are directors.

None of the Directors serve as Independent Director in more than seven listed companies.

DATES OF BOARD MEETINGS:

The Board met 4 times in the financial year 2017-18 on the following dates, with a gap not exceeding one hundred and twenty days between any two meetings:

22nd May, 2017	11th July, 2017	02nd November, 2017	01st February, 2018

Committees of the Board:

Currently, there are five Board Committees – The Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. The terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board, Committee are convened by the Chairman of the respective Committees.

The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided below:

Audit Committee:

The Company has a qualified and Independent Audit Committee comprising of 6 Independent Directors and 2 Non-Executive Directors, constituted in accordance with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The Committee is empowered with the powers as prescribed under the said Regulation 18 and Section 177 of the Companies Act, 2013. The Committee also acts in terms of reference and directions if any, given by the Board from time to time.

Details on composition of the Audit Committee and the attendance by each Member of the Audit Committee are as under:

Name of the Director	Category	No. of meetings held during the year	No. of meetings attended
Mr. K. Chandrahas	Chairman	4	4
Mr. I. J. Rao (up to 13th December, 2017)	Member	4	2
Mr. Vipin K Singal	Member	4	4
Mr. J. Rambabu	Member	4	4
Mr. K. K. Sarma	Member	4	4
Mr. G.V. Krishna Rau	Member	4	4
Ms. Kulsoom Noor Saifullah	Member	4	4
Dr. Lanka Krishnanand	Member	4	3
Mr. Kode Durga Prasad (w.e.f 01st February, 2018)	Member	4	-

All the members of the Audit Committee are financially literate and have expertise in accounting/ financial management.

Mr. K.V.L.N.Sarma, Chief Financial Officer of the Company and representatives from M/s. Ramesh & Co, Internal Auditors and M/s. Ramanatham & Rao, Statutory Auditors are invitees to the meetings of the Audit Committee. The Company Secretary of the Company acts as the Secretary of the said Committee.

Meetings of Audit Committee:

The Audit Committee met 4 times during the previous year, with a gap not exceeding one hundred and twenty days between any two meetings. Each meeting consisted of atleast 3 Members as its quorum out of which atleast 2 are independent members. The said committee met at the following dates

22nd May, 2017	11th July, 2017	02nd November, 2017	01st February, 2018

Terms of reference

The terms of reference of the Audit Committee are as per Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013 and includes such other functions as may be assigned to it by the Board from time to time.

i) Powers of the Audit Committee includes:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

ii) Role of the Audit Committee includes:

- Oversight of Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of auditors and fixation of audit fee.
- Approval of payment to statutory auditors for any other services rendered by them.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Secttion 134 of the Companies Act, 2013.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgement by management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions
  - Review of draft Auditors Report, in particular qualifications / remarks / observations made by the Auditors on the financial statements
  - Management Discussion and Analysis of financial conditions and result of operations
- Review of Statement of significant related party transactions submitted by the management.
- Review of management letters/letters of internal control weaknesses issued by the statutory auditors.
- Review of internal audit reports relating to internal control weaknesses.
- Review of appointment, removal and terms of remuneration of the Chief Internal Auditor.

- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
- Review of the financial statements of subsidiary Companies
- Review and monitor the auditor's independence and performance and effectiveness of audit process
- Approval or any subsequent modification of transactions of the company with related parties
- Scrutiny of inter-corporate loans and investments
- Valuation of undertakings or assets of the Company, wherever it is necessary
- Evaluation of internal financial controls and risk management systems
- To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- Discussion with internal auditors of any significant findings and follow up there on
- Reviewing the risk management policies, practices and the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To review the functioning of the Whistle Blower Mechanism
- Approval of appointment / reappointment / remuneration of CFO (or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate
- Carrying out any other function as may be mentioned in the terms of reference of the Audit Committee

- Statement of deviations:

- quarterly statements of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1)

- annual statements of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

The Audit Committee discharges its functions and obligations on regular basis and on the occurrence of the events.

Nomination and Remuneration Committee:

The Nomination and Remuneration Committee has been formed in compliance of Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Section 178 of the Companies Act, 2013 comprising of 6 Independent Directors and 3 Non-Executive Directors.

Details on composition of the Nomination and Remuneration Committee and the attendance by each Member of the Committee are as under:

Name of the Director	Category	No. of meetings held during the year	No of meetings attended
Mr. G. V. Krishna Rau	Chairman	2	2
Mr. I.J Rao (up to 13th December, 2017)	Member	2	1
Mr. Vipin K Singal	Member	2	2
Mr. K. Chandrahas	Member	2	2
Mr. J. Rambabu	Member	2	2
Mr. K. K. Sarma	Member	2	2
Ms. Kulsoom Noor Saifullah	Member	2	2
Ms. Shantha Prasad Challa	Member	2	2
Dr. Lanka Krishnanand	Member	2	2
Mr. Kode Durga Prasad (w.e.f 01st February, 2018)	Member	2	-

The Committee met twice during the previous year. The said committee met on the following dates:

22nd May, 2017	01st February, 2018

The main object of this Committee is to identify persons who are qualified to become directors and who may be appointed in senior management of the Company, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance, recommend the remuneration package of both the Executive and the Non-Executive Directors on the Board and also the remuneration of Senior Management, one level below the Board. The Committee reviews the remuneration package payable to Executive Director(s) and recommends to the Board the same and acts in terms of reference of the Board from time to time.

Terms of reference

The terms of reference of the Nomination and Remuneration Committee are as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key Managerial Personnel and other employees.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- To recommend/review remuneration of Key Managerial Personnel based on their performance and defined assessment criteria.
- To decide on the elements of remuneration package of all the Key Managerial Personnel i.e. salary, benefits, bonus, stock options, pensions etc.
- Recommendation of fee / compensation if any, to be paid to Non-Executive Directors, including Independent Directors of the Board.
- Payment / revision of remuneration payable to Managerial Personnel.
- While approving the remuneration, the committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee.
- The Committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and shareholders.
- Any other functions / powers / duties as may be entrusted by the Board from time to time.

The Company has adopted a policy relating to the remuneration for Directors, Key Mamagerial Personnel and other employees of the Company which is disclosed on the website of the Company www.cclproducts.com.

Nomination and Remuneration Policy

1. Introduction

CCL Products (India) Limited (CCL), believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance.

Towards this, CCL ensures constitution of Board of Directors with an appropriate composition, size, diversified expertise, experience and commitment to discharge their responsibilities and duties effectively. CCL recognizes the importance of Independent Directors in achieving the effectiveness of the Board. CCL aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

CCL also recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its Directors, Key Managerial Personnel and other employees keeping in view the following objectives:

a) ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the Company successfully.

b) Ensuring that the relationship of remuneration to performance is clear and meets the performance benchmarks.

c) Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

2) Scope :

This policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the Independence of Directors, in case of their appointment as Independent Directors of the Companyand also for recommending to the Board the remuneration of the Directors, Key Managerial Personnel and other employees of the Company.

3) Terms and References:

In this policy, the following terms shall have the following meanings:

3.1 "Director" means a Director appointed to the Board of a Company.

3.2 "Nomination and Remuneration Committee" means the committee constituted by CCL's Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

3.4 "Key Managerial Personnel" means

(i) the Chief Executive Officer or the Managing Director or the Manager;

(ii) the Company Secretary;

(iii) the Whole Time Director;

(iv) the Chief Financial Officer; and

(v) such other officer as may be prescribed under the Companies Act, 2013

4. Selection of Directors and determining Director's Independence

4.1 Qualifications and criteria

4.1.1 The Nomination and Remuneration (NR) Committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required by the Board as a whole and its individual members. The objective is to have the Board with the diverse background and experience that is relevant for the Company's global operations.

4.1.2 In evaluating the suitability of individual Board Members, the NR Committee may take into account factors, such as:

General understanding of the Company's business dynamics, global business and social perspective; Educational and professional background standing in the profession;

Personal and professional ethics, integrity and values;

Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

4.1.3 The proposed appointee shall also fulfill the following requirements:

Shall possess a Director Identification Number;

Shall not be disqualified under the Companies Act, 2013;

Shall give his written consent to act as a Director;

Shall endeavor to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;

Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;

Shall disclose his concern or interest in any company or companies or Bodies Corporate, firms, or other association of Individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;

Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, SEBI(LODR) Regulations, 2015 and other relevant laws.

4.1.4 The NR Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

4.2 Criteria of Independence

4.2.1 The NR Committee shall assess the independence of Directors at the time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

4.2.2 The criteria of independence, as laid out in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 is as below:

An independent director in relation to a Company, means a director other than a Managing Director or a whole- time director or a nominee director-

a. who, in the opinion of the Board, is a person of Integrity and possesses relevant expertise and experience;

b. (i) who is or was not a promoter of the Company or its holding, subsidiary or associate company;

 (ii) who is not related to promoters or directors in the Company, its holding, subsidiary or associate company;

c. who has or had no pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

d. none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

e. who, neither himself nor any of his relatives—

(i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—

(A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent or more of the total voting power of the company; or

(iv) is a Chief Executive or director, by whatever name called, of any non profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or

(v) is a material supplier, service provider or customer or a lessor or lessee of the company

f. shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.

g. shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.

h. who is not less than 21 years of age.

4.2.3 The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

4.3 Other directorships / committee memberships

4.3.1 The Board members are expected to have adequate time, expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The NR Committee shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

4.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.

4.3.3 A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.

4.3.4 A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships. For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

5. Remuneration to Executive Directors, Key Managerial Personnel, Non-Executive Directors and other employees

5.1.1 The Board, on the recommendation of the Nomination and Remuneration (NR) Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.

5.1.2 The Board, on the recommendation of the NR Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.

5.1.3 The remuneration structure to the Executive Directors and Key Managerial Personnel shall include the following components: (i) Basic Pay (ii) Perquisites and Allowances (iv) Commission (Applicable in case of Executive Directors) (v) Retiral benefits (vi) Annual Performance Bonus

5.1.4 The Annual Plan and Objectives for Executive Directors and Senior Executives shall be reviewed by the NR Committee and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and Objectives.

5.2 Remuneration to Non-Executive Directors

5.2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non- Executive Directors of the Company within the overall limits approved by the shareholders.

5.2.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

5.3 Remuneration to other employees

5.3.1 Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

Following are the details of the remuneration paid for the year 2017-18:

a) Non-Executive Directors

Name of the Director	Sitting Fees Paid (₹)	Commission for the year 2017-18 in ₹
Mr. I. J. Rao	90,000	7,00,000
Mr. Vipin K Singal	2,05,000	7,00,000
Mr. K. Chandrahas	2,05,000	7,00,000
Mr. J. Rambabu	2,05,000	7,00,000
Mr. K.K. Sarma	2,05,000	7,00,000
Mr. G.V. Krishna Rau	2,05,000	7,00,000
Ms. Kulsoom Noor Saifullah	1,90,000	7,00,000
Ms. Challa Shantha Prasad	1,10,000	7,00,000
Dr. Lanka Krishnanand	1,55,000	7,00,000
Mr. Kode Durga Prasad	--	7,00,000

b) Executive Directors

Name of the Director	Salary Paid	Perquisites and allowances	Commission as % of profit
Mr. Challa Rajendra Prasad	48,00,000	--	6,87,00,000
Mr. Challa Srishant	36,00,000	--	4,04,00,000
Mr. B. Mohan Krishna	30,00,000	--	2,65,00,000

Stakeholders Relationship Committee :

The Stakeholders Relationship Committee has been formed in compliance of Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Section 178 of the Companies Act, 2013 comprising of 6 Independent Directors and 2 Non-Executive Directors.

The composition of the Stakeholders Relationship Committee and the attendance of each Member of the said Committee are as under:

Name of the Director	Category	No. of meetings held during the year	No of meetings attended
Mr. K. Chandrahas	Chairman	4	4
Mr. I.J. Rao (up to 13th December, 2017)	Member	4	2
Mr. Vipin K Singal	Member	4	4
Mr. J. Rambabu	Member	4	4
Mr. K. K. Sarma	Member	4	4
Mr. G. V. Krishna Rau	Member	4	4
Ms. Kulsoom Noor Saifullah	Member	4	4
Dr. Lanka Krishnanand	Member	4	3
Mr. Kode Durga Prasad (w.e.f 01st February, 2018)	Member	4	--

The Stakeholders Relationship Committee met four times during the previous year. The said committee met on the following dates:

22nd May, 2017	11th July, 2017	02nd November, 2017	01st February, 2018

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

Ms. Sridevi Dasari, Company Secretary is appointed as the Compliance Officer of the Company.

The Board has authorised the Company Secretary, who is also the Compliance Officer, to approve share transfers/transmission and comply with other formalities in relation thereto.

All investor complaints, which cannot be settled at the level of the Compliance Officer, will be placed before the Committee for final settlement.

A total of 26 complaints were received during the year and were totally resolved. There were no complaints pending for redressal during the year under review. There were no pending transfers as on 31st March, 2018.

Terms of reference

The terms of reference of the Stakeholders Relationship Committee are as under:

i) Redressal of grievances of shareholders, debenture holders and other security holders

ii) Transfer and transmission of securities

iii) Dealing with complaints related to transfer of shares, non-receipt of declared dividend, non-receipt of Balance Sheet etc.

iv) Issuance of duplicate shares certificates

v) Review of dematerialization of shares and related matters

vi) Performing various functions relating to the interests of shareholders/investors of the Company as may be required under the provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 with the Stock Exchanges and regulations/guidelines issued by the SEBI or any other regulatory authority In order to expedite the process and for effective resolution of grievances/complaints, the Committee has delegated powers to the Registrar and Share Transfer Agents i.e., M/s. Venture Capital and Corporate Investments Pvt. Ltd. , to redress all complaints/grievances/enquiries of the shareholders/investors. It redresses the grievances/ complaints of shareholders/investors under the supervision of Company Secretary & Compliance Officer of the Company.

The Committee, along with the Registrars and Share Transfer Agents of the Company follows the policy of attending to the complaints, if any, within seven days from the date of its receipt.

As mandated by SEBI, the Quarterly Reconciliation of Share Capital Audit, highlighting the reconciliation of total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) vis-à-vis the total issued and listed capital is being carried out by a Practicing Company Secretary. This Audit confirms that the total issued and paid up capital is in agreement with the total number of shares held in physical and dematerialized form with NSDL and CDSL.

As on 31st March, 2018, 13,04,12,217 Equity Shares of ₹ 2/- each representing 98.03% of the total no. of shares are in dematerialized form.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee has been formulated pursuant to Section 135 of the Companies Act, 2013 comprising of 6 Independent Directors, 3 Non-Executive Directors and 2 Executive Directors.

Details on composition of the Corporate Social Responsibility Committee and the attendance by each Member of the Committee are as under:

Name of the Director	Category	No. of meetings held during the year	No of meetings attended
Mr. Vipin K Singal	Chairman	2	2
Mr. I J Rao (up to 13th December, 2017)	Member	2	1
Mr. K. Chandrahas	Member	2	2
Mr. J. Rambabu	Member	2	2
Mr. K. K. Sarma	Member	2	2
Mr. B. Mohan Krishna	Member	2	2
Mr. Challa Srishant	Member	2	2
Mr. G.V. Krishna Rau	Member	2	2
Ms. Kulsoom Noor Saifullah	Member	2	2
Ms. Shantha Prasad Challa	Member	2	2
Dr. Lanka Krishnanand	Member	2	2
Mr. Kode Durga Prasad (w.e.f 01st February, 2018)	Member	2	--

The Committee met twice during the previous year. The said committee met on the following dates:

22nd May, 2017	01st February, 2018

Terms of reference

The terms of reference of the Corporate Social Responsibility Committee are as under:

i) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;

ii) recommend the amount of expenditure to be incurred on the activities referred to in clause (i) above; and

iii) monitor the Corporate Social Responsibility Policy of the company from time to time.

Corporate Social Responsibility Policy

The Company has adopted Corporate Social Responsibility Policy containing the activities to be undertaken by the Company as part of its CSR programs. The CSR policy is disclosed on the website of the Company www.cclproducts.com and the web link is http://cclproducts.com/assets/csr-policy22.pdf

Risk Management Committee

The Committee comprises of 6 Independent Directors, 3 Non-Executive Directors, 2 Executive Directors and 3 Members from the Senior Management of the Company. Constitution of Risk Management Committee is as below:

Name of the Director	Category
Mr. Challa Srishant	Chairman
Mr. I J Rao (up to 13th December, 2017)	Member
Mr. Vipin K Singal	Member
Mr. K. Chandrahas	Member
Mr. J. Rambabu	Member
Mr. K. K. Sarma	Member
Mr. B. Mohan Krishna	Member
Mr. G.V. Krishna Rau	Member
Ms. Kulsoom Noor Saifullah	Member
Ms. Shantha Prasad Challa	Member
Dr. Lanka Krishnanand	Member
Mr. Kode Durga Prasad (w.e.f 01st February, 2018)	Member
Mr. K V L N Sarma (Chief Financial Officer)	Member
Ms. Sridevi Dasari (Company Secretary)	Member
Mr. N. Sudhakar (GM-Technical)	Member

The Committee met once on 01st February, 2018 during the previous year.

The Company recognises that enterprise risk management is an integral part of good management practice. The purpose of this policy is to articulate our approach and expectations in relation to the management of risk across the organisation. Risk Management is an essential element in achieving business goals and deriving benefits from market opportunities. All employees are responsible for managing risk in so far as is reasonably practicable within their area of activity.

Objective of the Risk Management Policy

To embed the management of risk as an integral part of our business processes;

To establish an effective system of risk identification, analysis, evaluation and treatment within all areas and all levels of the Company;

To avoid exposure to significant financial loss;

To contribute to the achievement of the Company's objectives; and

To assess the benefits and costs of implementation of available options and controls to manage risk.

The primary function of the Risk Management Committee is to assist the Board to manage the risk appetite of the Company in order to promote a balanced business model and growth. The Committee oversees the identification of major areas of risk being faced by the Company, the development of strategies to manage those risks and reviews the risk management policies and their implementation.

Functions, Roles and Responsibilities of the Committee

- To approve structures, analyze risks and benefits, seek independent opinion with regard to structure or views.
- Assisting the Board in fulfilling its oversight responsibilities with regard to Enterprise Risk Management.
- Reviewing and approving risk related disclosures.
- Responsible for day to day oversight of risk management including identification, impact assessment, monitoring, mitigation and reporting.
- Formulation and implementation of risk management policies and procedures.
- Providing updates to the Board on enterprise risks and action taken.
- Ensure compliance with policies and procedures laid down by the Company for specific business units.
- Maintenance and development of a supportive culture, in relation to the management of risk appropriately embedded through procedures, training and leadership actions so that all employees are alert to the wider impact on the whole organisation of their actions and decisions.
- Advising Board on all high level risk matters.
- To review the effectiveness of the internal control system and risk management framework in relation to the achievement of business objectives.
- Reporting risk events and incidents in a timely manner.

Code of Conduct

All the Directors and senior management confirmed the compliance of code of conduct. The Company has posted the Code of Conduct for Directors and Senior Management on the website and the weblink is http://cclproducts.com/code-of-conduct.pdf.

Meeting of Independent Directors

During the year under review, the Independent Directors met on 02nd February, 2018, inter alia, to discuss:

Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;

Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.

Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Majority of the Independent Directors were present at the Meeting.

Familiarization Programme for Board Members

A formal familiarization programme was conducted about the amendments in the Companies Act, 2013, Rules prescribed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable laws of the Company.

It is the general practice of the Company to notify the changes in all the applicable laws from time to time in every Board Meeting conducted.

The details of such familiarization programmes for Independent Directors are posted on the website of the Company and the web link is http://cclproducts.com/familiarization-programme-for-independent-directors.pdf

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit and other Committees.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

General Body Meetings:

Last 3 Annual General Meetings (AGMs) were held at Registered Office at Duggirala, Guntur District, Andhra Pradesh as detailed below:

Financial Year Ended	Date	Day	Time	Special Resolutions passed at the AGMs by the Shareholders
31st March 2017	11-07-2017	Tuesday	11.00 A.M.	Increase of FII/FPI holding in the Company.
31st March 2016	26-09-2016	Monday	10.00 A.M.	No Special Resolution was passed at the AGM.
31st March 2015	20-07-2015	Monday	10.00 A.M.	i) Adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 ii) Approval of Related Party Transaction pursuant to Clause 49 of the Listing Agreement.

Mr. Y. Suryanarayana, Advocate, conducted the e-voting process and the Poll.

No Special Resolution has been passed through the exercise of postal ballot last year.

No Special Resolution is proposed to be conducted through postal ballot at the AGM to be held on 14th July, 2018.

Disclosures:

a. The particulars of transactions between the Company and its related parties are set out at Notes to financial statements. However these transactions are not likely to have any conflict with the Company's interest.

The Policy on Related Party Transactions as approved by the Board is uploaded on the website of the Company and the weblink is http://cclproducts.com/policy-on-related-party-transactions.pdf

b. There were no non-compliances during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by any Stock Exchange, SEBI or any other Statutory Authority.

c. The Whistle Blower (Vigil) mechanism provides a channel to the employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy and also provides for adequate safeguards against victimization of employees by giving them direct access to the Chairman of the Audit Committee in exceptional cases. No person has been denied access to the Chairman of the Audit Committee.

The Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of Company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees. The Whistle Blower Policy of the Company is also posted on the website of the Company and the web link is http://cclproducts.com/whistle-blower-policy.pdf

d. The Company does not have any Material Non-listed Indian Subsidiary as defined under Regulation 16 of SEBI Listing Regulations.

The Policy on Material Subsidiaries as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as approved by the Board is uploaded on the website of the Company and the web link is http://cclproducts.com/policy-on-material-subsidiary.pdf

e. The Managing Director and the Chief Financial Officer have certified to the Board in accordance with Regulation 33(2)(a) of SEBI Listing Regulations pertaining to CEO/CFO certification for the Financial Year ended 31st March, 2018.

f. The Company has complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The status of compliance with the discretionary requirements under Regulation 27(1) of SEBI Listing Regulations are as under:

Discretionary Requirements:

Separate posts of Chairperson and Chief Executive Officer: The office of Chairman and that of Managing Director of the Company are held by different persons.

Reporting of internal auditor: The Internal Auditor of the Company reports directly to the Audit Committee

Means of communication:

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

Financial results and other information are displayed in the Investor Relations section on the company's Website: www.cclproducts.com

No presentations were made to the Institutional Investors or to Analysts.

Management Discussion and Analysis Report forms part of Annual Report as an annexure to the Directors' Report.

General Shareholder Information

The 57th Annual General Meeting of the company will be held on 14th July, 2018 at 11.00 A.M at the Registered Office of the Company situated at Duggirala , Guntur Dist, Andhra Pradesh.

- Financial Calendar : 1st of April, 2018 to 31st of March, 2019.
- Results for the quarter ending
  - 30th June 2018 — Second/Third week of July, 2018
  - 30th September 2018 — First/Second week of October, 2018
  - 31st December 2018 — First/Second week of February 2019
  - 31st March 2019 — Second /Third week of May, 2019
- Date of Book closure : From Tuesday, 10th July, 2018 to Saturday, 14th July, 2018 (both days inclusive)
- Dividend Payment Date : Within fifteen workings days from the date of AGM.
- Listing on Stock Exchanges :
  1) BSE Ltd,
     Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai -400001
  2) National Stock Exchange of India Ltd.
     'Exchange Plaza' 5th Floor, Plot No.C/1, G-Block, Bandra-Kurla Complex, Bandra(E), Mumbai-400051
- **Stock Code**

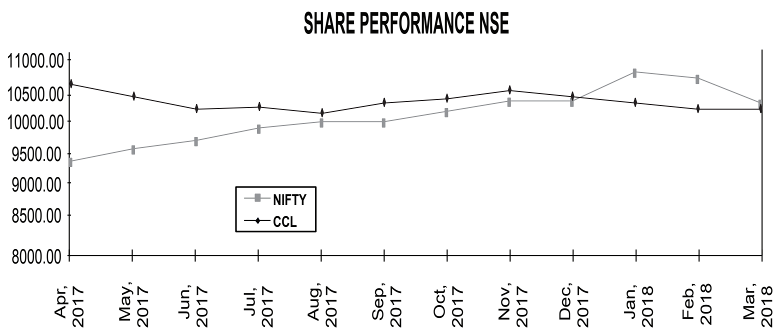
Name of the Stock Exchange	**Stock Code**
BSE Ltd	519600
National Stock Exchange of India Ltd.	CCL
ISIN no. for both NSDL and CDSL	INE421D01022

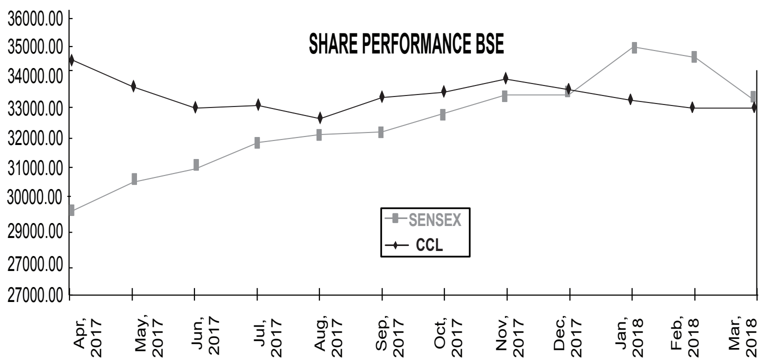
The Listing fees for the year 2018-19 has been paid to both the above Stock Exchanges.

Market Price Data

High, low during each month and trading volumes of the Company's Equity Shares during the last financial year 2017-18 at The BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) are as under:

DATE	BSE			NSE		
	High	Low	Qty Traded	High	Low	Qty Traded
April 2017	355.00	329.45	1,35,898	355.00	331.50	10,42,841
May 2017	344.30	285.95	2,26,861	347.00	285.05	19,80,393
June 2017	303.70	269.75	1,63,571	304.80	269.90	12,06,195
July 2017	309.90	270.15	1,87,324	313.00	270.00	20,09,836
August 2017	292.00	253.45	2,06,507	293.75	254.15	11,27,561
September 2017	323.00	280.90	1,35,122	322.95	280.05	26,18,917
October 2017	330.00	305.00	61,166	324.95	293.15	9,58,665
November 2017	354.60	301.50	2,84,708	355.05	300.10	26,71,214
December 2017	328.00	298.00	81,551	329.00	297.00	10,34,681
January 2018	320.00	282.00	2,14,201	315.00	286.00	35,10,762
February 2018	304.45	265.25	1,35,061	310.00	265.00	27,06,080
March 2018	300.50	271.65	76,175	301.50	272.95	14,97,886





Distribution Schedule:

Distribution Schedule as on 31st March, 2018

S.No.	Nominal Value	Amount in `	% to total Capital	No. of Share Holders	% to total Holders
11	Upto 5000	9403590	3.53	16860	94.02
2	5001 to 10000	3635656	1.37	488	2.72
3	10001 to 20000	3686528	1.39	231	1.29
4	20001 to 30000	1918606	0.72	75	0.42
5	30001 to 40000	2000578	0.75	55	0.31
6	40001 to 50000	1107622	0.42	24	0.13
7	50001 to 100000	6456458	2.43	87	0.49
8	100001 and above	237846802	89.40	112	0.62
	TOTAL	**266055840**	**100**	**17932**	**100**

Categories of Shareholders as on 31st March, 2018:

S.No	Category of Shareholders	No.of Shares	Percentage
1	Promoter & Promoter Group	59884700	45.02
2	Mutual Funds	2043083	1.54
3	Alternate Investment Funds	3470498	2.61
4	Foreign Portfolio Investors	33944978	25.52
5	Financial Institutions & Banks	23682	0.02
6	Other Bodies Corporate	2758450	2.08
7	Resident Individuals	17009990	12.77
8	Non-Resident Individuals	13892539	10.44
	Total	133027920	100.00

Dematerialization of shares and liquidity:

The shares of the Company are under compulsory demat trading. The Company has made necessary arrangements with NSDL and CDSL for demat facility. 98.03% of the Company's Shares are dematerialised as on 31st March, 2018.

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion and likely impact on equity: Nil

✦ Plant Location : Duggirala, Guntur Dist,
Andhra Pradesh - 522 330, India.
Ph: +91 8644 277294 / 277296
Fax: +91 8644 277295

: SEZ- Kuvakolli Village,
Varadaiah Palem Mandal,
Chittoor District, Andhra Pradesh

✦ Address for Correspondence & any query on Annual Report	:	The Company Secretary CCL Products (India) Ltd 7-1-24/2/D, Greendale, Ameerpet, Hyderabad - 500 016. Ph: +91 40 23732455 Fax: +91 40 23732499 E.mail : companysecretary@cclproducts.com www.cclproducts.com
✦ Registrar and Transfer Agents	:	Venture Capital and Corporate Investments Pvt Ltd 12-10-167, Bharat Nagar, Hyderabad - 500 018, T.S., India E.mail : info@vccipl.com
Contact Person	:	Mr. E. S. K. Prasad, Chief Executive Ph: +91 40 23818475 / 76 Telefax: +91 40 23868024
✦ Share Transfer System	:	The Share transfers are effected within one month from the date of lodgement for transfer, transmission, sub-division consolidation, renewal etc. Such modified share certificates are delivered to the shareholders immediately.
✦ Transfer of unpaid/unclaimed dividend amounts to Investor Education and Protection Fund	:	Members are requested to claim any unclaimed dividends, for the year 2010 - 2011 as the same will be credited to Investor Education & Protection Fund (IEPF) pursuant to Section 124(5) of the Companies Act, 2013 read with the rules prescribed thereunder
✦ Compliance Certificate	:	Certificate from P S Rao & Associates, Company Secretaries, confirming compliance with the conditions of Corporate Goverance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to the Directors' Report and forms part of this 57th Annual Report.

Secretarial Audit:

a) M/s P S Rao & Associates, Practicing Company Secretaries have conducted Secretarial Audit of the Company for the year 2017-18. Their Audit Report confirms that the Company has complied with the applicable provisions of the Companies Act and the Rules made there under, SEBI Listing Regulations and other laws applicable to the Company. The Secretarial Audit Report forms part of the Directors' Report.

b) Pursuant to Regulation 40(9) of the SEBI Listing Regulations, certificates have been issued on a half-yearly basis, by M/s P S Rao & Associates, Practicing Company Secretaries, certifying due compliance of share transfer formalities by the Company.

c) M/s P S Rao & Associates, Practicing Company Secretaries carry out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The audit confirms that the total issued/ paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

✦ Particulars about Directors proposed for appointment as well as the Directors who retire by rotation and are eligible for re-appointment indicating their shareholding in the Company have been given in the Notice of the forthcoming Annual General Meeting.

✦ Compliance under SEBI Listing Regulations pertaining to mandatory requirements and Auditors Certificate on Corporate Governance.

As required under SEBI Listing Regulations, the Auditor's Certificate on compliance of the Corporate Governance norms is attached.

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

In terms of SEBI (LODR) Regulations, 2015, I hereby confirm that all the Board members and Senior Management Personnel of the Company have affirmed compliance with the respective Code of Conduct, as applicable to them for the year ended 31st March, 2018.

For **CCL Products (India) Limited**

Sd/-
Challa Srishant
Managing Director

Place: Hyderabad
Date: 21st May, 2018

CEO/CFO Certification

We, Challa Srishant, Managing Director and K V L N Sarma, Chief Financial Officer of the Company, to the best of our knowledge and belief, certify that:

a. We have reviewed the financial statements including cash flow statement (standalone and consolidated) for the financial year ended 31st March, 2018 and to the best of our knowledge and belief :

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to address these deficiencies.

d. We have indicated to the auditors and the Audit Committee:

   i. significant changes in the internal control over financial reporting during the year;

   ii. significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii. that there are no instances of significant fraud of which they have become aware of and involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

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For **CCL Products (India) Limited**

Sd/-
Challa Srishant
Managing Director

For **CCL Products (India) Limited**

Sd/-
K V L N Sarma
Chief Financial Officer

Place: Hyderabad
Date : 21st May, 2018

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
CCL Products (India) Limited

We have examined the compliance of conditions of Corporate Governance by CCL Products (India) Limited ('the Company') for the year ended 31st March, 2018 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15 (2) of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **P.S.Rao & Associates**
Company Secretaries

Sd/-
P S Rao
M. No.: 9769
C.P No.: 3829

Place : Hyderabad
Date: 21st May, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of CCL Products (India) Limited

Report on the Audit of Standalone Ind AS Financial Statements:

We have audited the accompanying Standalone Ind AS financial statements of CCL Products (India) Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including Other Comprehensive income), the Statement of changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statement").

Management's Responsibility for the Ind AS Financial Statements:

The company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility 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 effectively design, implementation and maintenance of adequate internal financial controls, that were operating for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these standalone Ind AS 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 hereunder.

We conducted our audit of the standalone Ind AS financial statements 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 judgement, 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 financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, 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 on the standalone Ind AS financial statements.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS of the state of affairs of the Company as at 31st March, 2018, its Profit (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

Other Matters:

The comparative financial information of the company for the year ended 31st March,2017 and Transition date opening balance sheet as on 1st April, 2016 included in these Standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the then auditors as on 31st March, 2017 and 1st April, 2016 and their reports for the year ended 31st March, 2017 and 31st March, 2016 dated 22nd May, 2017 and 02nd May, 2016 respectively expressed unmodified opinion on those financial statements.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure-A" 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, 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, Statement of Profit and Loss, the statement of Changes in Equity and Statement of Cash Flow dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of written representations received from the directors as on 31st March, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act;

   (f) With respect to the adequacy of internal financial controls over financial reporting of the company and operating effectiveness of such controls, refer to our separate report in "Annexure-B"; and

   (g) With respect to 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. 2.37 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

(K SREENIVASAN)
Partner
ICAI Membership No. 206421

Place: Hyderabad
Date: 21st May, 2018

Annexure – A 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 Ind AS financial statements for the period ended 31st March 2018, 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 thereunder.

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 2018 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:

Name of the Statute	Nature of Dues	Amount ₹ in Lakhs	Period	Forum Where dispute is pending
The Income Tax Act, 1961	Income Tax	2883.28 (Amount deposited under protest)	Assessment years from 2006-07 to 2009-10	A P High Court

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

(K SREENIVASAN)
Partner
ICAI Membership No. 206421

Place: Hyderabad
Date: 21st May, 2018

Annexure - B 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, 2018 in conjunction with our audit of the Standalone Ind AS 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, 2018 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

(K SREENIVASAN)
Partner
ICAI Membership No. 206421

Place: Hyderabad
Date: 21st May, 2018

STANDALONE BALANCE SHEET AS AT 31st MARCH, 2018

(₹in Lakhs)

	Note No.	2018	2017	As at April 1, 2016
ASSETS				
Non-current assets				
Property plant and Equipment	2.1	21160.22	21482.35	20918.30
Capital Work Inprogress		21342.94	15.68	-
Intangible assets	2.2	3.11	8.32	13.53
Financial assets				
Investments	2.3	15788.51	15391.56	15097.28
Other financial assets	2.4	328.86	257.77	235.36
Other non current assets	2.5	3681.92	3673.82	3937.56
		62305.56	**40829.50**	**40202.03**
Current assets				
Inventories	2.6	14497.65	13715.15	9502.02
Financial assets				
Trade receivables	2.7	12498.06	10446.57	9149.40
Cash and cash equivalent	2.8	802.97	556.13	450.18
Other financial assets	2.4	8.27	7.29	6.74
Other current assets	2.5	8069.02	4938.94	4193.59
		35875.97	**29664.08**	**23301.93**
TOTAL ASSETS		**98181.53**	**70493.58**	**63503.96**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	2.9	2660.56	2660.56	2660.56
Other Equity	2.10	56805.20	51094.56	42814.96
		59465.76	**53755.12**	**45475.52**
Liabilities				
Non-current liabilities				
Financial Liabilities				
Borrowings	2.11	18174.91	-	-
Deferred tax liabilities (net)	2.12	3921.25	3824.13	3619.08
		22096.16	**3824.13**	**3619.08**
Current liabilities				
Financial Liabilities				
Borrowings	2.11	12661.46	9845.35	11447.34
Trade payables	2.14	795.73	621.61	712.43
Other financial liabilities	2.15	1174.12	75.98	142.19
Provisions	2.16	-	308.90	341.36
Other current liabilities	2.13	1988.30	2062.49	1766.05
		16619.61	**12914.33**	**14409.36**
TOTAL EQUITY AND LIABILITIES		**98181.53**	**70493.58**	**63503.96**

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 : 21st May, 2018

By order of the Board

Sd/-
Challa Rajendra Prasad
Executive Chairman

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

Sd/-
Sridevi Dasari
Company Secretary

Sd/-
K. Chandrahas
Director

Sd/-
Challa Srishant
Managing Director

STANDALONE PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in Lakhs)

	Note No.	2018	2017
Income			
Revenue from operations	2.17	82465.76	71406.04
Other income	2.18	401.91	117.74
Total Revenue		**82867.67**	**71523.78**
Expenses			
Cost of materials consumed	2.19	51402.48	38474.73
Changes in inventories	2.20	(1677.47)	(426.00)
Employee benefits expense	2.21	3725.54	3326.70
Finance costs	2.22	619.71	682.72
Depreciation and amortization expense	2.1 & 2.2	1122.29	1067.06
Other expenses	2.23	12549.72	13087.12
Total Expenses		**67742.28**	**56212.33**
Profit before tax		**15125.39**	**15311.45**
Tax expense			
(1) Current tax		5252.10	5208.90
(2) Deferred tax		97.12	205.05
Profit for the year		**9776.18**	**9897.50**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss		(96.06)	(25.71)
Tax on items that will not be reclassified to profit or loss		33.24	8.90
		(62.82)	**(16.81)**
Items that will be reclassified to profit or loss:			
Tax on items that may be reclassified to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
		-	**-**
Total other comprehensive income/(loss) for the year, net of tax		**(62.82)**	**(16.81)**
Total comprehensive income for the year		**9713.36**	**9880.69**
Earnings per share:			
Basic earnings per share of ₹ 2/-each		7.35	7.44
Diluted earnings per share of ₹ 2/- each		7.35	7.44

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

By order of the Board

Sd/-
Challa Rajendra Prasad
Executive Chairman

Place : Hyderabad
Date : 21st May, 2018

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

Sd/-
Sridevi Dasari
Company Secretary

Sd/-
K. Chandrahas
Director

Sd/-
Challa Srishant
Managing Director

Statement of changes in equity

Statement of changes in equity for the period ended 31.03.2018

Equity share capital	**Opening balance as at 1 Apr 2016**	**Changes in equity share capital during the year**	**Closing balance as at 31 Mar 2017**
133,027,920 Equity Shares of Rs.2 each, fully paid up	266055840	-	266055840
	266055840	-	266055840

Equity share capital	**Opening balance as at 1 Apr 2017**	**Changes in equity share capital during the year**	**Closing balance as at 31 Mar 2018**
133,027,920 Equity Shares of Rs.2 each, fully paid up	266055840	-	266055840
	266055840	**-**	**266055840**

A) Balance as on 31/03/2018

(₹.in Lakhs)

	Retained Earnings	**General Reserve**	**Capital Reserve**	**Acturial Gains or Losses(OCI)**	**Total Equity**
Balance as at 1/4/2017	22290.67	28820.70	-	(16.81)	51094.56
Profit for the year	9776.18	-	-	-	9776.18
Additions during the year	-	-	-	-	-
Dividend paid	(4002.73)	-	-	-	(4002.73)
Amount transfer to general reserve	-	-	-	-	-
Net change in fair value of FVTPL investments and others	-	-	-	-	-
Actuarial gain/(loss) on post-employment benefit obligations, net of tax benefit	-	-	-	(62.81)	(62.81)
Balance as at 31/03/2018	**28064.12**	**28820.70**	**-**	**(79.62)**	**56805.20**

B) Balance as on 31/03/2017

(₹.in Lakhs)

	Retained Earnings	General Reserve	Capital Reserve	Acturial Gains or Losses(OCI)	Total Equity
Balance as at 1/4/2016	13994.26	28820.70	-	-	42814.96
Profit for the year	9871.30	-	-	-	9871.30
Deferred Tax	25.93	-	-	-	25.93
Dividend paid (including dividend distribution and corporate dividend tax)	(1601.09)	-	-	-	(1601.09)
Amount transfer to general reserve	-	-	-	-	-
Net change in fair value of FVTPL investments and others	0.28	-	-	-	0.28
Actuarial gain/(loss) on post-employment benefit obligations, net of tax benefit	-	-	-	(16.81)	(16.81)
Balance as at 31/03/2017	**22290.67**	**28820.70**	**-**	**(16.81)**	**51094.56**

C) Balance as on 01/04/2016

	Retained Earnings	General Reserve	Capital Reserve	Acturial Gains or Losses(OCI)	Total Equity
Balance as at 1/4/2015	8997.79	28820.70	-	-	37818.49
Profit for the year	8169.65	-	-	-	8169.65
Deferred Tax	(772.54)	-	-	-	(772.54)
Dividend paid (including dividend distribution and corporate dividend tax)	(2401.64)	-	-	-	(2401.64)
Amount transfer to general reserve	-	-	-	-	-
Net change in fair value of FVTPL investments and others	0.99	-	-	-	0.99
Actuarial gain/(loss) on post-employment benefit obligations, net of tax benefit	-	-	-	-	-
Balance as at 31/03/2016	**13994.26**	**28820.70**	**-**	**-**	**42814.96**

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in Lakhs)

	2018	2017
Cash Flows from Operating Activities		
Net profit before tax	15125.39	15311.46
Adjustments for :		
Depreciation and amortization expense	1122.29	1067.06
Provision for doubtful debts/advances/ impairment	(17.34)	14.81
Bad debts written off	156.75	-
Dividend Income	(6.88)	(14.43)
(Gain)/Loss on Investments carried at fair value through profit & loss	0.94	(0.28)
Fixed Assets written off	-	70.98
Profit on sale of assets	-	(0.84)
Other Comprehensive Income	(96.06)	(25.71)
Operating profit before working capital changes	**16285.09**	**16423.05**
Movements in Working Capital		
(Increase)/Decrease in Trade Receivables	(2190.90)	(1311.98)
(Increase)/Decrease in Other financial assets	(72.07)	(22.96)
(Increase)/Decrease in Inventories	(782.50)	(4213.13)
(Increase)/Decrease in Other Current Assets	(905.84)	(202.21)
(Increase)/Decrease in Other Non Current Assets	351.15	(9.25)
Increase/(Decrease) in Trade Payables	174.12	(90.81)
Increase/(Decrease) in Other financial liabilities	90.97	6.48
Increase/(Decrease) in Other Current liabilities	(74.19)	296.44
Increase/(Decrease) in Provisions	(16.75)	2.61
Changes in Working Capital	**(3426.01)**	**(5544.82)**
Cash generated from operations	**12859.08**	**10878.23**
Direct Taxes Paid	(5655.00)	(5333.09)
Net Cash from operating activities	**7204.08**	**5545.14**
Cash flows from Investing Activities		
Dividends Received	6.88	14.43
Purchase of Fixed Assets (Including CWIP)	(22122.20)	(1719.62)
Sale of Fixed Assets	-	7.89
Creditor for Capital goods	1002.48	(32.35)
Advance for Fixed Assets	(2439.49)	(172.12)
Investment in Subsidiaries	(400.00)	(294.00)
Purchase/Sale of Investment	2.11	-
Net Cash used in Investing Activities	**(23950.22)**	**(2195.78)**
Cash flows from/(used in) Financing Activities		
Proceeds from Long term borrowings	18174.91	-
Proceeds from/(Repayment of) Short-term borrowings	2816.11	(1601.99)
Dividend paid	(3325.70)	(1330.28)
Corporate Dividend tax	(677.03)	(270.81)
Net Cash used in Financing Activities	**16988.29**	**(3203.08)**
Net Increase/(Decrease) in cash and cash equivalents	**242.15**	**146.29**
Cash and Cash equivalents at the beginning of the year	512.35	366.06
Cash and Cash equivalents at the ending of the year (Refer Note 2.8)	**754.50**	**512.35**

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 : 21st May, 2018

By order of the Board

Sd/-
Challa Rajendra Prasad
Executive Chairman

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

Sd/-
Sridevi Dasari
Company Secretary

Sd/-
K. Chandrahas
Director

Sd/-
Challa Srishant
Managing Director

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 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 and Companies (Indian Accounting Standards) Amendment Rules, 2016. For all periods up to and including the year ended 31st March 2017, 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. These are the company's first annual financial statements prepared in accordance with Indian Accounting Standards (Ind AS). The Company has adopted all applicable standards and the adoption was carried out in accordance with Ind AS 101 – 'First Time Adoption of Indian Accounting Standards'. An explanation of how the transition to Ind AS has affected the reported financial position, financial performance and cash flows of the Company are provided in Note numbers 2.25 First Time Adoption.

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 has been rounded to the nearest lakhs.

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.

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

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.

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

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 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.

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

Transition to Ind AS

The Company has elected to continue with the net carrying value of all its property, plant and equipment recognized as of 1st April, 2016 (transition date) as per the previous GAAP and use that carrying value as its deemed cost.

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 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 prorata 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 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

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 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 changes recognised 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.

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1st April 2016.

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.

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 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 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.

1.12 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 includes excise duty and is measured at the fair value of the consideration received or receivable, net of returns, sales tax and applicable trade discounts and allowances.

Revenue from export sales and other sales outside of India is recognised when the significant risks and rewards of ownership of products are transferred to the customers, which occurs upon delivery of the products to the customers unless the terms of the applicable contract provide for specific revenue generating activities to be completed, in which case revenue is recognised once all such activities are completed.

Revenue from sale of trade license (duty scripts) is recognised in when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity.

b. Other Income

(i) Interest Income

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.

(ii) Dividend

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

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.

2.1: Property, plant and equipment

(₹.in Lakhs)

Particulars	Gross carrying value				Accumulated depreciation / impairment					Net carrying value	
	As at 1st April 2017	Additions	Disposals	As at 31st March 2018	As at 1st April 2017	For the year	Impairment for the year	Disposals	As at 31st March 2018	As at 31st March 2018	As at 31st March 2017
Land	2522.71	-	-	2522.71	-	-	-	-	-	2522.71	2522.71
Buildings	2745.17	-	-	2745.17	100.42	100.44	-	-	200.86	2544.31	2644.75
Plant and equipment	16713.36	564.19	-	17277.55	874.00	901.28	-	-	1775.28	15502.27	15839.36
Lab Equipment	3.36	6.03	-	9.39	0.02	0.12	-	-	0.14	9.25	3.34
Material Handling Equipment	40.31	1.82	-	42.13	4.30	5.10	-	-	9.40	32.73	36.01
Fire fighting Expenes	0.82		-	0.82	0.06	-	-	-	0.06	0.76	0.76
Vehicles	377.48	100.24	-	477.72	48.59	65.28	-	-	113.87	363.85	328.89
Computers	59.91	38.07	-	97.98	13.14	20.01	-	-	33.15	64.83	46.77
Office Equipment	66.43	67.12	-	133.55	17.67	22.78	-	-	40.45	93.10	48.76
Furniture & Fixtures	12.79	17.47	-	30.26	1.78	2.07	-	-	3.85	26.41	11.01
Total	**22542.34**	**794.94**	**-**	**23337.28**	**1059.98**	**1117.08**	**-**	**-**	**2177.06**	**21160.22**	**21482.35**

Particulars	Gross carrying value				Accumulated depreciation / impairment					Net carrying value	
	Deemed cost As at 1st April 2016	Additions	Disposals	As at 31st March 2017	As at 1st April 2016	For the year	Impairment for the year	Disposals	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016
Land	2362.46	160.25	-	2522.71	-	-	-	-	-	2522.71	2362.46
Buildings	2738.07	7.10	-	2745.17	-	100.42	-	-	100.42	2644.75	2738.07
Plant and equipment	15451.84	1333.23	71.71	16713.36	-	874.74	-	0.74	874.00	15839.36	15451.84
Lab Equipment	3.36	-	-	3.36	-	0.02	-	-	0.02	3.34	3.36
Material Handling Equipment	20.66	19.65	-	40.31	-	4.30	-	-	4.30	36.01	20.66
Fire fighting Expenes	0.82	-	-	0.82	-	0.06	-	-	0.06	0.76	0.82
Vehicles	263.56	122.11	8.19	377.48	-	49.72	-	1.13	48.59	328.89	263.56
Computers	19.88	40.03	-	59.91	-	13.14	-	-	13.14	46.77	19.88
Office Equipment	49.39	17.04	-	66.43	-	17.67	-	-	17.67	48.76	49.39
Furniture & Fixtures	8.26	4.53	-	12.79	-	1.78	-	-	1.78	11.01	8.26
Total	**20918.30**	**1703.94**	**79.90**	**22542.34**	**-**	**1061.85**	**-**	**1.87**	**1059.98**	**21482.35**	**20918.30**

a. All fixed assets including Factory land and buildings located at Duggirala, Guntur district and proposed new manufacturing 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)

Particulars	Gross carrying value				Accumulated depreciation / impairment					Net carrying value	
	As at 1st April 2017	Additions	Disposals	As at 31st March 2018	As at 1st April 2017	For the year	Impairment for the year	Disposals	As at 31st March 2018	As at 31st March 2018	As at 31st March 2017
Computer Software	13.53	-	-	13.53	5.21	5.21	-	-	10.42	3.11	8.32
Total	**13.53**	**-**	**-**	**13.53**	**5.21**	**5.21**	**-**	**-**	**10.42**	**3.11**	**8.32**

Particulars	Gross carrying value				Accumulated depreciation / impairment					Net carrying value	
	Deemed Cost As at 1st April 2016	Additions	Disposals	As at 31st March 2017	As at 1st April 2016	For the year	Impairment for the year	Disposals	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016
Computer Software	13.53	-	-	13.53	-	5.21	-	-	5.21	8.32	13.53
Total	**13.53**	**-**	**-**	**13.53**	**-**	**5.21**	**-**	**-**	**5.21**	**8.32**	**13.53**

2.3 Investments

(₹.in Lakhs)

	2018		2017		1st April 2016	
	Current	Non Current	Current	Non Current	Current	Non Current
Investments at fair value through Profit or Loss A/c						
Investments in Quoted Equity Instruments						
Investment in Andhra bank Shares* (5,300 Equity Shares Face value of ₹10/-)	-	-	-	3.05	-	2.77
Aggregate amount of Quoted Investments	**-**	**-**	**-**	**3.05**	**-**	**2.77**
Total cost of Quoted Investments ₹1.78 Lakhs						
Investments carried at cost (Unquoted investments)						
In subsidiary companies						
Jayanti Pte Ltd (2,80,84,784 Equity Shares Face Value of S$ 1/- each)	-	11125.57	-	11125.57	-	11125.57
Ngon Coffee Company (1,47,05,60,00,000 Equity Shares Face Value of VND 1/- each)	-	3814.93	-	3814.93	-	3814.93
Continental Coffee Private Limited (70,00,000 Equity Shares Face Value of ₹10/- each)	-	700.00	-	300.00	-	6.00
Aggregate amount of unquoted Investments	**-**	**15640.50**	**-**	**15240.50**	**-**	**14946.50**
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	-	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	-	147.91
Total investments carried at Amortized cost	**-**	**148.01**	**-**	**148.01**	**-**	**148.01**
Total investments carried at cost	**-**	**15788.51**	**-**	**15388.51**	**-**	**15094.51**
Total Invetsments	**-**	**15788.51**	**-**	**15391.56**	**-**	**15097.28**

* 5300 Shares invested in Andhra Bank were sold during the year

2.4 Other Financial Assets

(₹.in Lakhs)

	2018		2017		1st April 2016	
	Current	Non Current	Current	Non Current	Current	Non Current
Rental Deposits	-	27.17	-	27.17	-	25.00
Electricity and Other Security Deposits	-	301.69	-	230.60	-	210.36
Tender Deposit	8.27	-	7.29	-	6.74	-
	8.27	**328.86**	**7.29**	**257.77**	**6.74**	**235.36**

2.5 Other Non Current Assets and Current Assets

	2018		2017		1st April 2016	
	Current	Non Current	Current	Non Current	Current	Non Current
Advance Tax (Net of Provision for tax)	155.77	798.64	371.02	790.54	-	1054.28
Deposits with Statutory authorities	-	2883.28	-	2883.28	-	2883.28
Loans to Employees	60.54	-	57.27	-	31.76	-
Prepaid Expenses	74.92	-	56.61	-	56.87	-
Input tax and other taxes receivables	1431.89	-	317.55	-	304.61	-
Advance to Creditors	60.82	-	267.93	-	126.88	-
Claims Receivable - Service Tax	-	-	22.97	-	-	-
Advances for Capital goods/services	6285.08	-	3845.59	-	3673.47	-
	8069.02	**3681.92**	**4938.94**	**3673.82**	**4193.59**	**3937.56**

2.6 Inventories

(₹in Lakhs)

	2018	2017	1st April 2016
	Current	Current	Current
Raw materials	9120.74	10814.51	7134.53
Raw materials in Transit	581.77	-	-
Work-in-progress	139.53	100.27	217.44
Finished goods	3050.73	1412.52	869.35
Stores, spares and consumables	826.41	615.57	470.72
Packing materials	778.47	772.28	809.98
	14497.65	**13715.15**	**9502.02**

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

	2018	2017	1st April 2016
	Current	Current	Current
Trade Receivables			
Unsecured,considered good	12676.76	10485.86	9173.88
Less: Allowances for credit losses	21.95	39.29	24.48
Less: Bad debts Written off	156.75	-	-
	12498.06	**10446.57**	**9149.40**

Trade Receivables hypothecated as security for availing working capital facilities

Movement of Impairment in Trade Receivables

	Amount
As at 1st April, 2016	**24.48**
Add: additional allowance of expected credit loss	14.81
As at 1st April, 2017	**39.29**
Reversal of Impairment	(17.34)
As at March 31, 2018	**21.95**

2.8 Cash and Cash Equivalents

	2018	2017	1st April 2016
a) Cash and Cash equivalents			
i) Cash on hand	2.87	4.18	4.01
ii) Balances with banks			
- Current Accounts	429.74	301.77	119.19
b) Other Bank Balances (with restricted use)			
(i) Margin Money Deposit Accounts (against Bank Guarantees)	282.16	182.16	177.82
(ii) Unclaimed Dividend Account	48.47	43.78	84.12
Interest accrued but not due on deposits	39.73	24.24	65.04
	802.97	**556.13**	**450.18**

Cash and Cash Equivalents include the following for Cash flow purpose (₹in Lakhs)

	2018	2017	1st April 2016
Cash and Cash Equivalents/ Bank Balances	802.97	556.13	450.18
Less: Unclaim dividend	48.47	43.78	84.12
Cash and Cash Equivalents/ Bank Balances	**754.50**	**512.35**	**366.06**

2.9 Share Capital

	2018	2017	1st April 2016
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	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	2660.56	2660.56

	2018		2017		1st April, 2016	
Details of shareholders holding more than 5% shares :	**No. of Shares**	**% Holding**	**No. of Shares**	**% Holding**	**No. of Shares**	**% Holding**
1. Challa Rajendra Prasad	12865400	9.67%	12775000	9.60%	12700000	9.55%
2. Challa Shantha Prasad	18250000	13.72%	18200000	13.68%	18200000	13.68%
3. Challa Srishant	13155300	9.89%	13500000	10.15%	14500000	10.90%
4. Challa Soumya	13614000	10.23%	13100000	9.85%	14100000	10.60%
5. Smallcap World Fund Inc	10642173	8.00%	10642173	8.00%	8841272	6.65%

2.9.1 Reconciliation of Number of Shares :

	2018	2017	1st April 2016
Number of Shares at the beginning of the year	133027920	133027920	133027920
Add : Shares issued during the year			
Number of Shares at the end of the year	**133027920**	**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)

	2018	2017	1st April 2016
Retained Earnings			
Opening Balance	22290.67	13994.26	8997.79
Add: Current year Transfer	9776.18	9897.50	7398.11
Less: Dividend Paid(Including Dividend distribution Tax)	(4002.73)	(1601.09)	(2401.64)
Total	**28064.12**	**22290.67**	**13994.26**
General Reserve			
Opening Balance	28820.70	28820.70	28820.70
Add: Current year Transfer	-	-	-
Less: Written Back in Current year	-	-	-
Total	**28820.70**	**28820.70**	**28820.70**
Acturial Gains or Losses (OCI)			
Opening Balance	(16.81)	-	-
Add: Current year Transfer	(62.81)	(16.81)	-
Less: Written Back in Current year	-	-	-
Total	**(79.62)**	**(16.81)**	**-**
Total Other Equity	**56805.20**	**51094.56**	**42814.96**

2.11 Borrowings

	2018		2017		1st April 2016	
	Current	Non Current	Current	Non Current	Current	Non Current
Secured Borrowings:						
Term loans from Banks						
Yes bank term loan	-	1493.55	-	-	-	-
Yes bank buyers credit for capital goods	-	420.34	-	-	-	-
Citi bank External commercial borrowings	-	16261.02	-	-	-	-
Working Capital Facilities (packing credit)	12661.46	-	9845.35	-	11447.34	-
	12661.46	**18174.91**	**9845.35**	**-**	**11447.34**	**-**

Term loan from Yes bank carrying floating interest rate of 9.4% repayable in twelve equal quarterly installments at the end of each quarter commencing from 25th April, 2019 after a moratorium period of tweleve from the date of disbursement.

Buyers credit from Yes bank for import of capital goods which is subject to bullet repayment after 12 months from drawdown.

External commercial borrowings from Citi bank is secured by first ranking exclusive charge over all the fixed assets including the land, buildinglocated at Duggirala, Guntur district and proposed new manufacturing unit located at kuvvakoli village,chittoor district.The coupon for external commercial borrowings is linked to libor plus applicable spread.

Working Capital Facilities(Packing credit) from State Bank of India, 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. The coupon rate is linked to Marginal Cost Fund based lending rates. (MCLR).

2.12 Deffered Tax Liabilities (₹ in Lakhs)

	2018	2017	1st April 2016
Opening Balance	3824.13	3619.08	2432.43
Add : On account of IND AS Adjustment	-	(25.93)	772.54
Add : On account of depreciation	93.13	230.98	414.11
Add : On account of deferment of Processing Charges	3.99	-	-
Closing Balance	**3921.25**	**3824.13**	**3619.08**

2.13 Other Non Current Liabilities & Current liabilities

	2018		2017		1st April 2016	
	Current	Non Current	Current	Non Current	Current	Non Current
Others (Directors Remuneration Payable)	1664.19	-	1447.57	-	202.14	-
Salaries and employee benefits	215.22	-	190.12	-	1081.16	-
Withholding and other taxes payable	38.63	-	37.31	-	23.75	-
Advance from customers	70.26	-	387.49	-	459.00	-
	1988.30	**-**	**2062.49**	**-**	**1766.05**	**-**

2.14 Trade Payables

	2018	2017	1st April 2016
	Current	Current	Current
Due to Micro & Small Enterprises	-	-	-
Dues to others			
For Raw material	117.58	39.91	8.01
For Packing material	221.93	157.05	258.53
For Stores and Consumables	187.12	114.28	111.12
For Services	269.10	310.37	334.77
	795.73	**621.61**	**712.43**

2.15 Other financial liabilities

	2018	2017	1st April 2016
	Current	Current	Current
Creditors For Capital goods	1028.20	25.72	58.07
Unpaid dividends	48.47	43.78	84.12
Interest accrued but not due on borrowings	97.45	6.48	-
	1174.12	**75.98**	**142.19**

2.16 Provisions

(₹in Lakhs)

	2018	2017	1st April 2016
Leave Encashment	-	16.75	14.14
Provision for tax	-	292.15	327.22
	-	**308.90**	**341.36**

2.17 Revenue from operations

	2018	2017
Revenue from :		
Sale of Products - Coffee	78708.33	69212.43
Sale of Trade Licences	3735.01	2095.91
Service Tax Refund	22.42	97.70
Revenue from operations	**82465.76**	**71406.04**

2.18 Other income

	2018	2017
Interest on Deposits	111.01	93.41
Dividend Income on long-term investments	6.88	14.43
Profit on sale of assets	-	0.84
Scrap sales	-	8.78
Fair Value measurement on Financial Instruments through profit or loss	-	0.28
Miscellaneous Income	284.02	-
	401.91	**117.74**

2.19 Cost of materials consumed

	2018	2017
Raw Material		
Purchases	49708.71	42154.71
Add: Opening Stock	10814.51	7134.53
	60523.22	49289.24
Less: Closing Stock	9120.74	10814.51
	51402.48	**38474.73**

2.20 Changes in inventories

	2018	2017
Work-in-progress		
Opening	100.27	217.44
Closing	139.53	100.27
	(39.26)	117.17
Finished goods		
Opening	1412.52	869.35
Closing	3050.73	1412.52
	(1638.21)	(543.17)
	(1677.47)	**(426.00)**

2.21 Employee benefits expense

(₹ in Lakhs)

	2018	2017
Salaries, Wages and Bonus	1909.29	1769.70
Directors' Remuneration	1470.00	1223.00
Contribution to provident and other funds	250.90	235.86
Staff welfare	95.35	98.14
	3725.54	**3326.70**

2.22 Finance costs

	2018	2017
Interest Expense	373.52	260.26
Other borrowing costs	246.19	422.46
	619.71	**682.72**

2.23 Other expenses

	2018	2017
Packing material consumed	3716.23	3480.82
Stores and Consumable consumed	476.89	446.09
Power and fuel	3216.98	2772.54
Repairs and Maintenance to Buildings	31.27	48.39
Repairs and Maintenance to Machinery	911.66	2037.18
Repairs and Maintenance to Other assets	33.94	30.40
Transportation, Ocean Freight, Clearing and Forwarding	1477.59	1259.22
Insurance	70.51	66.14
Rent	51.79	47.36
Rates and Taxes	157.70	98.25
Directors' Sitting Fee	15.70	14.55
Non-whole time Directors' Commission	70.00	152.00
Selling Expenses	596.14	596.05
Commission on Sales	338.44	316.41
Travelling and Conveyance	124.23	125.63
Communication Expenses	54.60	58.29
Printing and Stationery	11.05	9.92
Office Maintenance	234.77	221.26
Donations	27.10	180.85
Corporate Social Responsibility (CSR) Expenditure	282.82	234.72
Professional Fees & Expenses	126.13	59.38
Subscription and Membership fee	5.88	2.35
Auditor's Remuneration	15.05	15.23
Foreign Exchange Loss (Net)	229.40	61.43
Fixed Assets Written off	-	70.98
Miscellaneous expenses	0.14	0.19
Allowance for credit losses	(17.34)	14.81
Loss on sale of Investments	0.94	-
Excise duty	133.37	666.68
Bad debts written off	156.75	-
	12549.72	**13087.12**

2.24 Corporate Social Responsibility (CSR) Expenditure

a) Gross amount required to be spent by the company is ₹ 282.82 Lakhs during FY 2017-18 and ₹ 232.47 Lakhs during FY 2016-17

	2018	2017
1. Construction/acquisition of assets	85.57	102.29
2. Purposes other than (1) above	197.25	132.43
	282.82	**234.72**

2.25 First-time adoption of Ind AS

These financial statements, for the year ended 31st March 2018, are the first set of financial statements the Company has prepared in accordance with Indian Accounting Standards (Ind ASs). For periods up to and including the year ended 31st March 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March 2018, together with the comparative period data as at and for the year ended 31st March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April 2016, i.e., the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April 2016 and the financial statements as at and for the year ended 31st March 2017.

Exemptions Applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

The Company adopted not to measure any item of property, plant and equipment at its fair value at the Transition Date. Accordingly, on the transition date, the net carrying value of the property, plant and equipment and intangible assets shall be considered as deemed cost for Ind AS purposes.

Ind AS 21 "The Effects of Changes in Foreign Exchange Rates" Cumulative currency translation differences for all foreign operations are deemed to be zero as at 1st April 2016.

The Company adopted to measure investments in subsidiaries at cost i.e., carrying value of the investments on the date of transition shall be considered as deemed cost for Ind AS purposes.

Estimates

The estimates at 1st April 2016 and at 31st March 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

FVTPL – Quoted equity shares

Impairment of financial assets based on expected credit loss model ("ECL model")

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1st April 2016, the date of transition to Ind AS and as of 31st March 2017.

Reconciliation of equity as previously reported under Previous GAAP and that computed under Ind AS

(₹ in Lakhs)

	Equity as at 31st March 2017	Equity as at 1st April 2016
Particulars	**(Audited)**	**(Audited)**
Equity as per Previous GAAP	**54539.74**	**44670.45**
De recognition of liability for proposed dividend for the year ended 31st March, 2016	-	1,601.09
Impact of fair valuation of investments in Equity Shares	1.28	0.99
Impact on account of deferred tax	(746.61)	(772.54)
Impairment of trade receivables due to ECL model	(39.29)	(24.48)
Equity as per IND AS	**53755.12**	**45475.52**

Reconciliation between financial results as previously reported under Previous GAAP and Ind AS for the year ended 31st March 2017

(₹ in Lakhs)

	Year ended 31st March 2017
Particulars	**(Audited)**
Net profit as per Previous GAAP	**9869.29**
a) Impact on account of measuring investments at fair value through profit and loss	0.28
b) Impairment of trade receivables due to ECL model	(14.81)
c) Items that are classified under OCI and tax impact	16.81
d) Impact on account of deferred tax	25.93
Net profit as per IND AS	**9897.50**
Other comprehensive Income (Net of Tax)	(16.81)
Total Comprehensive Income under IND AS	**9880.69**

Proposed dividend

Under Indian GAAP, proposed dividends including dividend distribution tax are recognized as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, proposed dividend is recognized as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid. Therefore, the liability of ₹ 1601.09 Lakhs for the year ended on 31st March 2016 recorded for dividend has been derecognized against retained earnings on 1st April 2016.

FVTPL Financial assets

Under Indian GAAP, the Company accounted for long term investments in quoted equity shares as investment measured at cost less provision for diminution other than temporary diminution in the value of investments, if any. Under Ind AS, the Company has designated such investments as FVTPL investments. Ind AS requires FVTPL investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognized as a separate component of equity, in the retained earnings.

Deferred tax

Indian GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

Trade receivables

Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL). Due to ECL model, the company impaired its trade receivable by ₹ 24.48 Lakhs on 1st April 2016 which has been eliminated against retained earnings. The company impaired its trade receivable by ₹ 39.29 Lakhs on 31st March 2017, such increase in impairment has been recognized in the profit the loss account for the year ended 31st Match 2017.

Sale of goods

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is included as part of sales in the face of statement of profit and loss. Thus sale of goods under Ind AS for the year ended 31st March, 2017 has increased by ₹ 666.68 Lakhs with a corresponding increase in other expenses.

Defined benefit liabilities

Both under Indian GAAP and Ind AS, the Company recognized costs related to its post-employment defined benefit plan using projected unit credit method. Under Indian GAAP, the entire cost, including actuarial gains and losses, is charged to profit or loss. Under Ind AS, remeasurement [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI). Thus, the employee benefit cost is reduced by ₹ 16.81. Lakhs and remeasurement gains/ losses on defined benefit plans has been recognized in the OCI, net of tax.

2.26 Auditors Remuneration

(₹ in Lakhs)

Particulars	**For the year ended 31st March, 2018**	**For the year ended 31st March, 2017**
a) Audit fees	9.50	9.50
b) Other charges		
Taxation matters	2.50	2.50
Certification fee	2.40	2.90
c) Reimbursement of out of pocket expenses	0.65	0.33
TOTAL	**15.05**	**15.23**

2.27 Earnings per Share

Particulars	**For the year ended 31st March, 2018**	**For the year ended 31st March, 2017**
Earnings		
Profit attributable to equity holders	**9776.18**	**9897.50**
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 (₹)	7.35	7.44
Earnings per share of par value ₹ 2/- – Diluted (₹)	7.35	7.44

2.28 Related Parties

List of Subsidiaries:

Subsidiaries including step down
M/s. Jayanti Pte Ltd., Singapore
M/s. Continental Coffee Pvt Ltd., India
M/s. Grandsaugreen SA, Switzerland (Subsidiary of Jayanti Pte. Ltd., Singapore),
M/s. Ngon Coffee Company Ltd., Vietnam (Subsidiary of Jayanti Pte. Ltd., Singapore)

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

The following is a summary of significant related party transactions:

(₹ in Lakhs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
a) Key managerial personnel		
Remuneration & Commission		
Mr. Challa Rajendra Prasad	735.00	765.00
Mr. Challa Srishant	440.00	458.00
Mr. B.Mohan Krishna	295.00	-
Mr. K.V.L.N.Sarma	76.94	69.35
Mrs. Sridevi Dasari	14.23	11.22
Rent		
Mr.Challa Srishant	26.50	22.02
b) Non-whole time Directors		
Sitting Fee		
Mr. I.J.Rao	0.90	1.95
Mr. Vipin K.Singal	2.05	1.95
Mr. K.Chandrahas	2.05	0.90
Mr. J.Rambabu	2.05	1.95
Mr. B.Mohan Krishna	-	1.45
Mr. K.K.Sarma	2.05	1.95
Mr. G.V.Krishna Rau	2.05	1.95
Mrs. Kulsoom Noor Saifullah	1.90	1.45
Mrs. Challa Shantha Prasad	1.10	0.50
Dr. Lanka Krishnanand	1.55	0.50

(₹ in Lakhs)

Commission		
Mr. I.J.Rao	7.00	6.00
Mr. Vipin K.Singal	7.00	6.00
Mr. K.Chandrahas	7.00	6.00
Mr. J.Rambabu	7.00	6.00
Mr. B.Mohan Krishna	-	98.00
Mr. K.K.Sarma	7.00	6.00
Mr. G.V.Krishna Rau	7.00	6.00
Mrs. Kulsoom Noor Saifullah	7.00	6.00
Mrs. Challa Shantha Prasad	7.00	6.00
Dr. Lanka Krishnanand	7.00	6.00
Mr. Kode Durga Prasad	7.00	-
Rent		
Mrs. Challa Shantha Prasad	19.36	12.95
c) Relatives of Key Managerial Personnel		
Rent		
Mrs. Challa Shantha Prasad	-	4.31
Mrs. Challa Soumya	4.94	2.84
TOTAL	**1697.67**	**1512.24**

Transactions with Subsidiaries:

Particulars	**For the year ended 31st March 2018**	**For the year ended 31st March 2017**
Grandsaugreen SA, Switzerland		
Sale of Instant Coffee	6674.34	1747.38
Trade Receivable	204.46	596.75
Continental Coffee Private Limited, India		
Sale of Instant Coffee	1770.86	260.78
Trade Receivable	1306.74	181.97
Equity Investment	400.00	294.00
TOTAL	**10356.41**	**3080.87**

2.29 Earnings/expenditure in foreign currency:

Expenditure in Foreign currency:

Particulars	**For the year ended 31st March 2018**	**For the year ended 31st March 2017**
Travel Expenses	13.52	35.43
Professional Fees	15.16	79.85
Purchase of Raw Materials	42189.31	35201.99
Purchase of Stores & Spares	231.84	748.32
Other expenses	17.81	7.63
Total	**42467.64**	**36073.12**

Earnings in Foreign currency:

(₹ in Lakhs)

Particulars	**For the year ended 31st March 2018**	**For the year ended 31st March 2017**
FOB Value of Exports	73795.59	63908.60
Dividend	6.88	14.40
Total	**73802.47**	**63923.00**

2.30 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.

2.31 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 2018 and 2017 consist of the following:

Particulars	**For the Years ended 31st March**	
	2018	**2017**
Current service cost	25.54	11.13
Interest cost on net defined benefit liability/(asset)	16.77	14.61
Gratuity cost recognized in statement of profit and loss	**42.31**	**25.74**

Details of the employee benefits obligations and plan assets are provided below:

Particulars	**As of 31st March**	
	2018	**2017**
Present value of funded obligations	343.90	213.82
Fair value of plan assets	399.89	268.57
Net defined benefit liability/(asset)	**(55.99)**	**(54.75)**

Details of changes in the present value of defined benefit obligations are as follows: (₹ in Lakhs)

Particulars	As of 31st March	
	2018	2017
Defined benefit obligations at the beginning of the year	213.82	182.67
Current service cost	25.55	11.13
Interest cost on defined obligations	16.77	14.61
Re-measurements due to:		
Actuarial loss/(gain) due to change in financial assumptions	96.26	25.71
Actuarial loss/(gain) due to demographic assumptions	-	-
Actuarial loss/(gain) due to experience changes	-	-
Benefits paid	(8.50)	(20.30)
Defined benefit obligations at the end of the year	343.90	213.82

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

Particulars	As of 31st March	
	2018	2017
Fair value of plan assets at the beginning of the year	268.58	207.94
Employer contributions	118.47	62.85
Actuarial loss/(gain) on plan assets	0.20	-
Re-measurements due to:		
Return on plan assets excluding interest on plan assets	21.15	18.09
Benefits paid	(8.50)	(20.30)
Plan assets at the end of the year	399.89	268.58

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	
	2018	2017
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 ₹ 124.85 Lakhs and ₹ 104.40 Lakhs to the provident fund plan during the years ended 31st March 2018 and 2017, 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 ₹ 222.12 Lakhs and ₹ 157.17 Lakhs to the superannuation Schemes during the years ended 31st March 2018 and 2017, respectively.

2.32 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:

(₹ in Lakhs)

Particulars	**For the Year Ended 31st March**	
	2018	**2017**
Current taxes expense		
Domestic	5252.10	5208.90
Deferred taxes expense/(benefit)		
Domestic	97.12	205.05
Total income tax expense/(benefit) recognized in the statement of profit and loss	**5349.22**	**5413.95**

b) **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**	
	2018	**2017**
Tax effect on actuarial gains/losses on defined benefit obligations	33.24	8.90
Total income tax expense/(benefit) recognized in the equity	**33.24**	**8.90**

c) **Reconciliation of Effective tax rate**

Particulars	**For the Year Ended 31st March**	
	2018	**2017**
Profit before income taxes	**15125.39**	**15311.46**
Enacted tax rate in India	34.61%	34.61%
Computed expected tax benefit/(expense)	**5234.59**	**5298.99**
Effect of:		
Expenses not deductible for Tax purposes	531.41	553.76
Expenses deductible for Tax purposes	(571.39)	(651.52)
Taxable at Special Rates	1.19	2.50
Others	23.04	(4.86)
Income tax benefit/(expense)	**5218.84**	**5199.18**
Effective tax rate	34.50%	33.96%

The Company's average effective tax rate for the years ended 31st March, 2018 and 2017 were 34.50% and 33.96%, respectively.

d) 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:

(₹ in Lakhs)

Particulars	For the Year Ended 31st March	
	2018	2017
Deferred tax assets/(liabilities):		
Property, plant and equipment	(3917.26)	(3824.13)
Others	(3.99)	-
Net deferred tax assets/(liabilities)	**(3921.25)**	**(3824.13)**

e) Movement in deferred tax assets and liabilities during the year ended 31st March 2018 & 2017

Particulars	As at 1 April 2017	Recognized in statement of profit and loss	Recognized in equity	As at 31 March 2018
Deferred tax assets/(liabilities)				
Property, plant and equipment	(3619.08)	(205.05)	-	(3824.13)
Net deferred tax assets/(liabilities)	**(3619.08)**	**(205.05)**	**-**	**(3824.13)**

[Continued from above table, first column(s) repeated]

Particulars	As at 1 April 2017	Gain recognized directly in equity	Gain recognized directly in profit and loss account	As at 31 March 2018
Deferred tax assets/(liabilities)				
Property, plant and equipment	(3824.13)	(93.13)	-	(3917.26)
Others	-	(3.99)	-	(3.99)
Net deferred tax assets/(liabilities)	**(3824.13)**	**(97.12)**	**-**	**(3921.25)**

2.33 Investments:

Investments consist of investments in equity shares of Andhra Bank measured at Fair value through Profit & Loss Account, Investment in subsidiaries measured at cost and investment in unquoted preference shares measured at amortised cost:

The details of such Investments in Andhra Bank Shares as of 31st March 2017 are as follows:

Particulars Cost Gain recognized directly in equity Gain recognized directly in profit and loss account Fair value

Particulars	Cost	Gain recognized directly in equity	Gain recognized directly in profit and loss account	Fair Value
Non-current Investments				
Investment in Equity shares of Andhra Bank	1.78	0.99	0.28	3.05
Total	**1.78**	**0.99**	**0.28**	**3.05**

The details of such investments in Andhra Bank shares as of 31st March, 2018 are as follows:

(₹ in Lakhs)

Particulars	Cost	Gain recognized directly in equity	Gain recognized directly in profit and loss account	Fair Value
Non-current Investments				
Investment in Equity shares of Andhra Bank	1.78	0.99	(1.29)	-
Total	**1.78**	**0.99**	**(1.29)**	**-**

2.34 Financial Instruments:

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments, other than those with carrying amounts that are reasonable approximations of fair values

	GAAP			Ind AS		
	Mar-18	**Mar-17**	**Apr-16**	**Mar-18**	**Mar-17**	**Apr-16**
Financial assets						
Cash and cash equivalents	802.97	556.13	450.18	802.97	556.13	450.18
Investments	15788.51	15390.29	15096.29	15788.51	15391.56	15097.28
Trade receivables	12520.01	10485.86	9173.88	12498.06	10446.57	9149.40
Other financial assets	337.13	265.05	242.10	337.13	265.05	242.10
Total	**29448.62**	**26697.33**	**24962.45**	**29426.68**	**26659.31**	**24938.86**
Financial liabilities						
Borrowings	30842.82	9845.35	11447.34	30836.37	9845.35	11447.34
Trade payables	795.73	621.61	712.43	795.73	621.61	712.43
Other financial liabilities	1174.12	75.98	142.19	1174.12	75.98	142.19
Total	**32812.67**	**10542.94**	**12301.96**	**32806.22**	**10542.94**	**12301.96**

2.35 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.

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 is provided ₹ 21.95 lakhs as at 31st March, 2018 and ₹ 39.29 lakhs at 31st March, 2017.

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

Particulars	As of 31st March	
Period (in days)	**2018**	**2017**
1 – 90	11091.61	9559.19
90 – 180	1347.00	794.68
More than 180	81.40	131.99
Total	**12520.01**	**10485.86**

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, 2018

Reconciliation of allowance for credit losses

The details of changes in allowance for credit losses during the year ended 31st March, 2018 and 31st March, 2017 are as follows:

Particulars	For the Year Ended 31st March	
	2018	**2017**
Balance at the beginning of the year	39.29	24.48
Impairment of Trade receivables	(17.34)	14.81
Balance at the end of the year	**21.95**	**39.29**

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, 2018 and 2017, the Company had not utilized any credit limits from banks.

As of 31st March, 2018, the Company had working capital (current assets less current liabilities) of ₹ 19367.59 Lakhs including cash and cash equivalents of ₹ 802.97 Lakhs. As of 31st March, 2017, the Company had working capital of ₹ 16479.75 Lakhs, including cash and cash equivalents of ₹ 556.13 Lakhs and investments in FVTPL financial assets of ₹ 3.05 Lakhs

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31st March 2018:

(₹ in Lakhs)

Particulars	2019	2020	2021	2022	Thereafter	Total
Trade payables	795.73	-	-	-	-	**795.73**
Long term borrowings	-	2949.13	4563.54	4564.36	6097.88	**18174.91**
Bank overdraft, short-term loans and borrowings*	12661.46	-	-	-	-	**12661.46**
Other liabilities*	3162.43	-	-	-	-	**3162.43**

*Note: 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

Generally The Company exposure to Market risk for commodity prices can result in changes in its Cost of Production. The company mitigates this risk by entering into fixed price contracts for purchase of it's raw materials on back to back basis for each of it's sale contract of its finished products.

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 both of which are in same currency viz USD.

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.

2.36 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	2018	2017
Total Debt	38715.77	16738.46
Total Equity	59465.76	53755.12
Debt Equity Ratio	0.65:1	0.31:1

2.37 Contingent Liabilities and Commitments:

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

Particulars	2018	2017
Contingent Liabilities		
a) Claims against the company/disputed liabilities not acknowledged as debts		
Income Tax	2883.28	2883.28
b) Guarantees		
Bank Guarantees	1522.91	1722.86
	4406.19	**4606.14**
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	4936.29	10861.71
	4936.29	**10861.71**

* 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 : 21st May, 2018

By order of the Board

Sd/-
Challa Rajendra Prasad
Executive Chairman

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

Sd/-
Sridevi Dasari
Company Secretary

Sd/-
K. Chandrahas
Director

Sd/-
Challa Srishant
Managing Director

Independent Auditor's Report

To the Members of CCL Products (India) Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of CCL Products (India) Limited (hereinafter referred to as "the Holding Company") and its subsidiaries Jayanti Pte Ltd, Singapore; Grandsaugreen SA, Les Verrieres; Ngon Coffee Company Limited, Vietnam and Continental Coffee Private Limited, Hyderabad (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), The Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs, consolidated profit/loss (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the 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 thereunder.

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 consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by 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 consolidated state of affairs of the Group as at 31st March, 2018, its consolidated profit/loss (including other comprehensive income), its consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Other Matters

(i) The comparative financial information of the company for the year ended 31st March,2017 and Transition date opening balance sheet as on 1st April, 2016 included in these Consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the then auditors as on 31st March, 2017 and 1st April, 2016 and their reports for the year ended 31st March, 2017 and 31st March, 2016 dated 22nd May, 2017 and 02nd May, 2016 respectively expressed unmodified opinion on those consolidated financial statements.

(ii) We did not audit the financial statements of the subsidiaries, Jayanti Pte Ltd, Singapore; Grandsaugreen SA, Les Verrieres; Ngon Coffee Company Limited, Vietnam and Continental Coffee Private Limited, Hyderabad, whose financial statements reflect total assets of ₹ 46,327.88 lakhs Lakhs, as at 31st March, 2018, total revenues of ₹ 39,862.46 Lakhs, and net cash flows amounting to ₹ 2494.66 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited/reviewed 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 respect of these subsidiaries and our report in terms of sub-sections (3) and (11) 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, 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 and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 Ind AS financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

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

   (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2018 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 Group and the operating effectiveness of such controls, refer to our separate report in “Annexure A”

(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 Auditor’s) 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 disclosed the impact of pending litigations on the consolidated Ind AS financial position of the Group – Refer Note 2.35 to the consolidated financial statements.

ii. Provision has been made in the Consolidated Ind AS financial statements, as required under the applicable law or Ind AS, 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 Holding Company and its subsidiary company incorporated in India during the year ended 31st March, 2018.

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

(K SREENIVASAN)
Partner
ICAI Membership No. 206421

Place: Hyderabad
Date: 21st May, 2018

Annexure - A to the 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")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March 2018, we have audited the internal financial controls over financial reporting of CCL Products (India) Limited ("the Holding Company") and its subsidiary company, which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, 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 ("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 Act.

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") issued by ICAI 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 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 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.

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 Holding Company and its subsidiary companies, which are companies incorporated in India, have, 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, 2018, 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 ICAI.

Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to standalone financial statements of one subsidiary, which is a company incorporated in India, is based on the corresponding report of the auditor of such company.

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

(K SREENIVASAN)
Partner
ICAI Membership No. 206421

Place: Hyderabad
Date: 21st May, 2018

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2018

(₹ in Lakhs)

	Note No.	2018	2017	As at April 1, 2016
ASSETS				
Non-current assets				
Property plant and Equipment	2.1	37108.78	39320.07	41717.25
Capital Work Inprogress		22638.66	15.68	-
Intangible assets	2.2	3.79	8.40	13.61
Financial assets				
Investments	2.3	148.01	151.06	150.78
Other financial assets	2.4	328.86	260.31	237.96
Other non current assets	2.5	3688.04	3679.66	3943.73
		63916.14	**43435.18**	**46063.33**
Current assets				
Inventories	2.6	18315.64	18276.40	14860.19
Financial assets				
Trade receivables	2.7	18203.21	16274.09	12781.58
Cash and cash equivalent	2.8	4420.65	1679.14	1933.00
Other financial assets	2.4	8.27	7.29	6.74
Other current assets	2.5	8490.99	5145.61	4450.75
		49438.76	**41382.53**	**34032.26**
TOTAL ASSETS		**113354.90**	**84817.71**	**80095.59**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	2.9	2660.56	2660.56	2660.56
Other Equity	2.10	71333.00	60169.83	49116.83
		73993.56	**62830.39**	**51777.39**
Liabilities				
Non-current liabilities				
Financial Liabilities				
Borrowings	2.11	18174.91	256.22	4432.16
Deferred tax liabilities (net)	2.12	3915.48	3823.74	3619.08
		22090.39	**4079.96**	**8051.24**
Current liabilities				
Financial Liabilities				
Borrowings	2.11	12661.46	9845.35	11447.34
Trade payables	2.14	1033.13	1223.65	1150.05
Other financial liabilities	2.15	1436.10	4229.65	5420.61
Liabilities for current tax (net)				
Provisions	2.16	-	308.91	341.36
Other current liabilities	2.13	2140.26	2299.79	1907.60
		17270.95	**17907.35**	**20266.96**
TOTAL EQUITY AND LIABILITIES		**113354.90**	**84817.71**	**80095.59**

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

As per our report of even date
For RAMANATHAM & RAO
Chartered Accountants
Sd/-
K.SREENIVASAN
Partner
M.No.206421
Place : Hyderabad
Date : 21st May, 2018

By order of the Board

Sd/-
Challa Rajendra Prasad
Executive Chairman

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

Sd/-
Sridevi Dasari
Company Secretary

Sd/-
K.Chandrahas
Director

Sd/-
Challa Srishant
Managing Director

CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in Lakhs)

	Note No.	2018	2017
Income			
Revenue from operations	2.17	113800.05	98315.98
Other income	2.18	484.86	122.75
Total Revenue		**114284.91**	**98438.73**
Expenses			
Cost of materials consumed	2.19	71950.78	54406.41
Changes in inventories	2.20	(2893.55)	786.02
Employee benefits expense	2.21	4749.31	4012.71
Finance costs	2.22	782.79	1117.32
Depreciation and amortization expense	2.1 & 2.2	3408.51	3325.13
Other expenses	2.23	16104.42	15899.97
Total Expenses		**94102.26**	**79547.55**
Profit before tax		**20182.65**	**18891.18**
Tax expense			
(1) Current tax		5277.78	5230.22
(2) Deferred tax		91.73	204.66
Profit for the year		**14813.14**	**13456.30**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss		(96.06)	(25.71)
Tax on items that will not be reclassified to profit or loss		33.24	8.90
		(62.81)	**(16.81)**
Items that will be reclassified to profit or loss:			
Tax on items that may be reclassified to profit or loss		415.56	(785.38)
Items that may be reclassified subsequently to profit or loss		-	-
		415.56	**(785.38)**
Total other comprehensive income/(loss) for the year, net of tax		**352.75**	**(802.19)**
Total comprehensive income for the year		**15165.88**	**12654.10**
Earnings per share:			
Basic earnings per share of ₹ 2/-each		11.14	10.12
Diluted earnings per share of ₹ 2/- each		11.14	10.12

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

As per our report of even date
For RAMANATHAM & RAO
Chartered Accountants
Sd/-
K.SREENIVASAN
Partner
M.No.206421
Place : Hyderabad
Date : 21st May, 2018

By order of the Board

Sd/-
Challa Rajendra Prasad
Executive Chairman

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

Sd/-
Sridevi Dasari
Company Secretary

Sd/-
K.Chandrahas
Director

Sd/-
Challa Srishant
Managing Director

Statement of changes in equity

Equity share capital	Opening balance as at 1st Apr 2016	Changes in equity share capital during the year	Closing balance as at 31st Mar 2017
133,027,920 Equity Shares of ₹ 2 each, fully paid up	266055840	-	266055840
	266055840	-	266055840

Equity share capital	Opening balance as at 1st Apr 2017	Changes in equity share capital during the year	Closing balance as at 31st Mar 2018
133,027,920 Equity Shares of ₹ .2 each, fully paid up	266055840	-	266055840
	266055840	**-**	**266055840**

A) Balance as on 31/03/2018

(₹.in Lakhs)

	Retained Earnings	General Reserve	Foreign Currency Translation Reserve	Capital Reserve	Acturial Gains or Losses(OCI)	Total Equity
Balance as at 1/4/2017	30062.00	28820.70	1303.95	-	(16.81)	60169.83
Profit for the year	14813.14	-	-	-	-	14813.14
Exchange fluctuations of foreign operations in OCI	-	-	415.56	-	-	415.56
Dividend paid	(4002.73)	-	-	-	-	(4002.73)
Amount transfer to general reserve	-	-	-	-	-	-
Net change in fair value of FVTPL investments and others	-	-	-	-	-	-
Actuarial gain/(loss) on post-employment benefit obligations, net of tax benefit	-	-	-	-	(62.81)	(62.81)
Balance as at 31/03/2018	**40872.41**	**28820.70**	**1719.51**	**-**	**(79.62)**	**71333.00**

B) Balance as on 31/03/2017

(₹.in Lakhs)

	Retained Earnings	General Reserve	Foreign Currency Translation Reserve	Capital Reserve	Acturial Gains or Losses(OCI)	Total Equity
Balance as at 1/4/2016	18206.80	28820.70	2089.33	-	-	49116.83
Profit for the year	13429.70	-	-	-	-	13429.70
Deferred Tax	26.32	-	-	-	-	26.32
Exchange fluctuations of foreign operations in OCI	-	-	(785.38)	-	-	(785.38)
Dividend paid	(1601.09)	-	-	-	-	(1601.09)
Amount transfer to general reserve	-	-	-	-	-	-
Net change in fair value of FVTPL investments and others	0.28	-	-	-	-	0.28
Actuarial gain/(loss) on post-employment benefit obligations, net of tax benefit	-	-	-	-	(16.81)	(16.81)
Balance as at 31/03/2017	**30062.00**	**28820.70**	**1303.95**	**-**	**(16.81)**	**60169.83**

C) Balance as on 31/03/2016

	Retained Earnings	General Reserve	Foreign Currency Translation Reserve	Capital Reserve	Acturial Gains or Losses(OCI)	Total Equity
Balance as at 1/4/2015	9200.04	28820.70	1476.08	-	-	39496.82
Profit for the year	12179.95	-	-	-	-	12179.95
Deferred Tax	(772.54)	-	-	-	-	(772.54)
Exchange fluctuations of foreign operations in OCI	-	-	613.25	-	-	613.25
Dividend paid	(2401.64)	-	-	-	-	(2401.64)
Amount transfer to general reserve	-	-	-	-	-	-
Net change in fair value of FVTPL investments and others	0.99	-	-	-	-	0.99
Actuarial gain/(loss) on post-employment benefit obligations, net of tax benefit	-	-	-	-	-	-
Balance as at 31/03/2016	**18206.80**	**28820.70**	**2089.33**	**-**	**-**	**49116.83**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in Lakhs)

	2018	2017
Cash Flows from Operating Activities		
Net profit before tax	20182.65	18891.18
Adjustments for :		
Depreciation and amortization expense	3408.51	3325.13
Provision for doubtful debts/advances/ impairment	(26.08)	18.58
Bad debts written off	156.75	-
Dividend Income	(6.88)	(14.43)
Gain on Investments carried at fair value through profit & loss	0.94	(0.28)
Fixed Assets written off	-	70.98
Profit on sale of assets	-	(0.84)
Foreign currency Translation	(120.14)	23.96
Other Comprehensive Income (net of tax)	(96.06)	(25.71)
Operating profit before working capital changes	**23499.69**	**22288.57**
Movements in Working Capital		
(Increase)/Decrease in Trade Receivables	(2059.79)	(3511.09)
(Increase)/Decrease in Other financial assets	(69.53)	(22.90)
(Increase)/Decrease in Inventories	(39.24)	(3416.21)
(Increase)/Decrease in Other Current Assets	(1157.59)	(199.95)
(Increase)/Decrease in Other non current assets	325.19	(30.25)
Increase/(Decrease) in Trade Payables	(190.52)	73.60
Increase/(Decrease) in Other financial liabilities	37.89	(65.04)
Increase/(Decrease) in Other Current liabilities	(159.53)	392.19
Increase/(Decrease) in Provisions	(16.76)	2.62
Changes in Working Capital	(3329.88)	(6777.03)
Cash generated from operations	**20169.81**	**15511.54**
Direct Taxes Paid	(5655.00)	(5333.09)
Net Cash from operating activities (A)	**14514.81**	**10178.45**
Cash flows from Investing Activities		
Dividends Received	6.88	14.43
Purchase of Fixed Assets (Including CWIP)	(23279.89)	(1825.79)
Sale of Fixed Assets	-	7.89
Advance for Fixed Assets	(2403.04)	(123.89)
Creditors for capital goods	1002.48	(32.35)
Purchase/Sale of Investment	2.11	-
Net Cash used in Investing Activities	**(24671.46)**	**(1959.72)**
Cash flows from/(used in) Financing Activities		
Repayment from Long term borrowings	(4094.83)	(5229.17)
Proceeds from Long term borrowings	18174.91	-
Proceeds from/(Repayment of) Short-term borrowings	2816.11	(1601.99)
Dividend paid	(3325.70)	(1330.28)
Corporate Dividend tax	(677.03)	(270.81)
Net Cash used in Financing Activities	**12893.46**	**(8432.25)**
Net Increase/(Decrease) in cash and cash equivalents	**2736.81**	**(213.52)**
Cash and Cash equivalents at the beginning of the year	1635.37	1848.88
Cash and Cash equivalents at the ending of the year (Refer Note 2.8)	**4372.18**	**1635.36**

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 : 21st May, 2018

By order of the Board

Sd/-
Challa Rajendra Prasad
Executive Chairman

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

Sd/-
Sridevi Dasari
Company Secretary

Sd/-
K.Chandrahas
Director

Sd/-
Challa Srishant
Managing Director

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 ofthe 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. For all periods up to and including the year ended 31st March, 2017, the Group 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. These financial statements for the year ended 31st March, 2018 are the first the Group has prepared in accordance with Ind AS.The Group has adopted all applicable standards and the adoption was carried out in accordance with Ind AS 101 – ‘First Time Adoption of Indian Accounting Standards’. An explanation of how the transition to Ind AS has affected the reported financial position, financial performance and cash flows of the Group are provided in Note number 2.24 First Time Adoption.

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, lessActuarial 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.

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%
Grandsaugreen SA	Switzerland	Manufacturing of Instant Coffee	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 onthe 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 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

a. 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.

b. 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:

i. Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

ii. Income and expenses for each Statement of Profit and Loss are translated at date of transaction exchange rates and

iii. All resulting exchange differences are recognized in Foreign Currency Translation Reserve

iv. 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

Transition to Ind AS

The Group has elected to continue with the net carrying value of all its property, plant and equipment recognized as of 1st April, 2016 (transition date) as per the previous GAAP and use that carrying value as its deemed cost.

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 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 prorata 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 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.

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 changes recognised 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 included 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.

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1st April, 2016.

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

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.

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 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.

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 31st March.

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

a. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liabilit 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 consolidated 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 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

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.

1.17 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 includes excise duty and is measured at the fair value of the consideration received or receivable, net of returns, sales tax and applicable trade discounts and allowances.

Revenue from export sales and other sales outside of India is recognised when the significant risks and rewards of ownership of products are transferred to the customers, which occurs upon delivery of the products to the customers unless the terms of the applicable contract provide for specific revenue generating activities to be completed, in which case revenue is recognised once all such activities are completed.

Revenue from sale of trade license (duty scripts) is recognised in when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity.

b. Other Income

i. Interest Income

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.

ii. Dividend

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

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. 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.

1.19 Tax Expenses

Tax expense consists of current and deferred tax.

a. 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.

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 recognised in the statement of changes in equity as part of the associated dividend payment.

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.

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.

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 trademarkacquired 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.

2.1: Property, plant and equipment

(₹.in Lakhs)

Particulars	Gross carrying value					Accumulated depreciation / impairment						Net carrying value	
	As at 1st April, 2017	Additions	Disposals	Foreign Exchange Fluction	As at 31st March, 2018	As at 1st April, 2017	For the year	Impairment for the year	Disposals	Foreign Exchange Fluctutation	As at 3st March, 2018	As at 31st March 2018	As at 31st March, 2017
Land	3425.33	-	-	43.35	3468.68	-	-	-	-		-	3468.68	3425.33
Buildings	9131.39	64.68	-	197.77	9393.84	355.12	432.38	-	-	54.98	842.48	8551.36	8776.27
Plant and equipment	29017.56	672.88	356.39	325.42	29659.47	2406.28	2831.10	-	-	(23.79)	5213.59	24445.88	26611.28
Lab Equipment	20.65	6.03	-	-	26.68	0.02	5.10	-	-	-	5.12	21.56	20.63
Material Handling Equipment	23.02	1.82	-	-	24.84	4.30	0.12	-	-	-	4.42	20.42	18.72
Fire fighting Expenes	0.83	-	-	-	0.83	0.06	-	-	-	-	0.06	0.77	0.77
Vehicles	392.65	126.55	-	1.05	520.25	41.90	79.01	-	-	0.71	121.62	398.63	350.75
Computers	59.90	44.48	-	-	104.38	13.14	21.16	-	-	-	34.30	70.08	46.76
Office Equipment	87.56	77.30	-	0.57	165.43	30.20	32.03	-	-	0.56	62.79	102.64	57.36
Furniture & Fixtures	18.67	18.96	-	2.87	40.50	6.47	2.40	-	-	2.87	11.74	28.76	12.20
Total	**42177.56**	**1012.70**	**356.39**	**571.03**	**43404.90**	**2857.49**	**3403.30**	**-**	**-**	**35.33**	**6296.12**	**37108.78**	**39320.07**

Particulars	Gross carrying value					Accumulated depreciation / impairment						Net carrying value	
	As at 1st April, 2016	Additions	Disposals	Foreign Exchange Fluction	As at 31st March, 2017	As at 1st April, 2016	For the year	Impairment for the year	Disposals	Foreign Exchange Fluctutation	As at 31stMarch, 2017	As at 31st March 2017	As at 31st March, 2016
Land	3315.49	160.25	-	(50.41)	3425.33	-	-	-	-		-	3425.33	3315.49
Buildings	9484.31	7.10	-	(360.02)	9131.39	-	431.66	-	-	(76.54)	355.12	8776.27	9484.31
Plant and equipment	28491.89	1433.30	124.63	(783.00)	29017.56	-	2769.17	-	53.65	(309.24)	2406.28	26611.28	28491.89
Lab Equipment	20.65	-	-	-	20.65	-	0.02	-	-	-	0.02	20.63	20.65
Material Handling Equipment	3.37	19.65	-	-	23.02	-	4.30	-	-	-	4.30	18.72	3.37
Fire fighting Expenes	0.83	-	-	-	0.83	-	0.06	-	-	-	0.06	0.77	0.83
Vehicles	295.94	123.07	23.81	(2.55)	392.65	-	60.16	-	16.76	(1.50)	41.90	350.75	295.94
Computers	19.87	40.03	-	-	59.90	-	13.14	-	-	-	13.14	46.76	19.87
Office Equipment	68.11	21.50	-	(2.05)	87.56	-	31.81	-	-	(1.61)	30.20	57.36	68.11
Furniture & Fixtures	16.79	5.21	-	(3.33)	18.67	-	9.60	-	-	(3.13)	6.47	12.20	16.79
Total	**41717.25**	**1810.11**	**148.44**	**(1201.36)**	**42177.56**	**-**	**3319.92**	**-**	**70.41**	**(392.02)**	**2857.49**	**39320.07**	**41717.25**

a. All fixed assets including Factory land and buildings located at Duggirala, Guntur district and proposed new manufacturing 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)

Particulars	Gross carrying value				Accumulated depreciation / impairment					Net carrying value	
	As at 1st April, 2017	Additions	Disposals	As at 31st March, 2018	As at 1st April, 2017	For the year	Impairment for the year	Disposals	As at 31st March, 2018	As at 31 March 2018	As at 31st March, 2017
Computer Software	13.61	0.60	-	14.21	5.21	5.21	-	-	10.42	3.79	8.40
Total	**13.61**	**0.60**	**-**	**14.21**	**5.21**	**5.21**	**-**	**-**	**10.42**	**3.79**	**8.40**

Particulars	Gross carrying value				Accumulated depreciation / impairment					Net carrying value	
	Deemed Cost As at 1st April ,2016	Additions	Disposals	As at 31st March, 2017	As at 1st April, 2016	For the year	Impairment for the year	Disposals	As at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
Computer Software	13.61	-	-	13.61	-	5.21	-	-	5.21	8.40	13.61
Total	**13.61**	**-**	**-**	**13.61**	**-**	**5.21**	**-**	**-**	**5.21**	**8.40**	**13.61**

2.3 Investments

(₹.in Lakhs)

	2018		2017		1st April 2016	
	Current	Non Current	Current	Non Current	Current	Non Current
Investments at fair value through Profit or Loss A/c						
Investments in Quoted Equity Instruments						
Investment in Andhra bank Shares* (5,300 Equity Shares Face value of ₹ 10/-)	-	-	-	3.05	-	2.77
Aggregate amount of Quoted Investments	**-**	**-**	**-**	**3.05**	**-**	**2.77**
Total cost of Quoted Investments ₹ 1.78 Lakhs						
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	-	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	-	147.91
Total investments carried at Amortized cost	**-**	**148.01**	**-**	**148.01**	**-**	**148.01**
Total Invetsments	**-**	**148.01**	**-**	**151.06**	**-**	**150.78**

* 5300 Shares invested in Andhra Bank were sold during the year

2.4 Other Financial Assets

(₹.in Lakhs)

	2018		2017		1st April, 2016	
	Current	Non Current	Current	Non Current	Current	Non Current
Rental Deposits	-	27.17	-	27.17	-	25.00
Electricity and Other Security Deposits	-	301.69	-	233.14	-	212.96
Tender Deposit	8.27	-	7.29	-	6.74	-
	8.27	**328.86**	**7.29**	**260.31**	**6.74**	**237.96**

2.5 Other Non Current Assets and Current Assets

	2018		2017		1st April, 2016	
	Current	Non Current	Current	Non Current	Current	Non Current
Advance Tax (Net of Provision for tax)	155.77	798.64	371.02	790.54	-	1109.99
Deposits with Statutory authorities	-	2889.40	-	2889.12	-	2833.74
Loans & Advances to Employees	60.68	-	57.37	-	31.76	-
Prepaid Expenses	113.54	-	71.74	-	78.47	-
Input tax and other taxes receivables	1547.10	-	320.58	-	305.23	-
Advance to Creditors	211.06	-	399.62	-	258.40	-
Other advances	101.60	-	4.11	-	2.58	-
Claims Receivable - Service Tax	-	-	22.97	-	-	-
Advances for Capital goods/services	6301.24	-	3898.20	-	3774.31	-
	8490.99	**3688.04**	**5145.61**	**3679.66**	**4450.75**	**3943.73**

2.6 Inventories

(₹in Lakhs)

	2018 Current	2017 Current	1st April, 2016 Current
Raw materials	9703.03	13303.19	9240.72
Raw materials in Transit	581.77	-	-
Work-in-progress	154.90	295.41	462.98
Finished goods	5685.87	2651.80	3270.25
Stores, spares and consumables	1371.13	1197.95	1027.15
Packing materials	818.94	828.05	859.09
	18315.64	**18276.40**	**14860.19**

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

	2018	2017	1st April, 2016
(Unsecured, considered good)	**Current**	**Current**	**Current**
Trade Receivables			
Outstanding for a period exceeding six months from the date they are due for payment	278.82	131.99	-
Others	18105.76	16192.80	12813.70
Less: Allowances for credit losses	24.62	50.70	32.12
Less: Bad debts written off	156.75	-	-
	18203.21	**16274.09**	**12781.58**

Trade Receivables hypothecated as security for availing working capital facilities

Movement of Impairment in Trade Receivables

	Amount
As at 1st April, 2016	**32.12**
Add: additional allowance of expected credit loss	18.58
As at 1st April, 2017	**50.70**
Reversal of Impairment	(26.08)
As at March 31, 2018	**24.62**

2.8 Cash and Cash Equivalents

	2018	2017	1st April, 2016
a) Cash and Cash equivalents			
i) Cash on hand	13.41	15.12	10.66
ii) Balances with banks			
- Current Accounts	4036.88	1413.84	1595.36
b) Other Bank Balances (with resricted use)			
(i) Margin Money Deposit Accounts (against Bank Guarantees)	282.16	182.16	177.82
(ii) Unclaimed Dividend Account	48.47	43.78	84.12
Interest accrued but not due on deposits	39.73	24.24	65.04
	4420.65	**1679.14**	**1933.00**

Cash and Cash Equivalents include the following for Cash flow purpose (₹in Lakhs)

	2018	2017	1st April 2016
Cash and Cash Equivalents/ Bank Balances	4420.65	1679.14	1933.00
Less: Unclaim dividend	48.47	43.78	84.12
Cash and Cash Equivalents/ Bank Balances	**4372.18**	**1635.36**	**1848.88**

2.9 Share Capital

	2018	2017	1st April 2016
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	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	**2660.56**	**2660.56**

	2018		2017		1st April, 2016	
Details of shareholders holding more than 5% shares :	**No. of Shares**	**% Holding**	**No. of Shares**	**% Holding**	**No. of Shares**	**% Holding**
1. Challa Rajendra Prasad	12865400	9.67%	12775000	9.60%	12700000	9.55%
2. Challa Shantha Prasad	18250000	13.72%	18200000	13.68%	18200000	13.68%
3. Challa Srishant	13155300	9.89%	13500000	10.15%	14500000	10.90%
4. Challa Soumya	13614000	10.23%	13100000	9.85%	14100000	10.60%
5. Smallcap World Fund Inc	10642173	8.00%	10642173	8.00%	8841272	6.65%

2.9.1 Reconciliation of Number of Shares :

	2018	2017	1st April 2016
Number of Shares at the beginning of the year	133027920	133027920	133027920
Add : Shares issued during the year	-	-	-
Number of Shares at the end of the year	**133027920**	**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)

	2018	2017	1st April 2016
Retained Earnings			
Opening Balance	30062.00	18206.80	9200.04
Add: Current year Transfer	14813.14	13456.29	11408.40
Less: Dividend Paid(Including Dividend distribution Tax)	(4002.73)	(1601.09)	(2401.64)
Total	**40872.41**	**30062.00**	**18206.80**
General Reserve			
Opening Balance	28820.70	28820.70	28820.70
Add: Current year Transfer	-	-	-
Less: Written Back in Current year	-	-	-
Total	**28820.70**	**28820.70**	**28820.70**
Foreign Currency Translation Reserve			
Opening Balance	1303.95	2089.33	1476.08
Add: Current year Transfer	415.56	-	613.25
Less: Written Back in Current year	-	(785.38)	-
Total	**1719.51**	**1303.95**	**2089.33**
Acturial Gains or Losses (OCI)			
Opening Balance	(16.81)	-	-
Add: Current year Transfer	(62.81)	(16.81)	-
Less: Written Back in Current year	-	-	-
Total	**(79.62)**	**(16.81)**	**-**
Total Other Equity	**71333.00**	**60169.83**	**49116.83**

2.11 Borrowings

	2018		2017		1st April 2016	
	Current	Non Current	Current	Non Current	Current	Non Current
Secured Borrowings:						
Term loans from Banks	-	-	-	256.22	-	4432.16
Yes bank term loan	-	1493.55	-	-	-	-
Yes bank buyers credit for capital goods	-	420.34	-	-	-	-
Citi bank External commercial borrowings	-	16261.02	-	-	-	-
Working Capital Facilities (packing credit)	12661.46		9845.35		11447.34	-
	12661.46	**18174.91**	**9845.35**	**256.22**	**11447.34**	**4432.16**

Term loan from Yes bank carrying floating interest rate of 9.4% repayable in twelve equal quarterly installments at the end of each quarter commencing from 25th April, 2019 after a moratorium period of tweleve from the date of disbursement.

Buyers credit from Yes bank for import of capital goods which is subject to bullet repayment after 12 months from drawdown.

External commercial borrowings from Citi bank is secured by first ranking exclusive charge over all the fixed assets including the land, buildinglocated at Duggirala, Guntur district and proposed new manufacturing unit located at kuvvakoli village,chittoor district.The coupon for external commercial borrowings is linked to libor plus applicable spread.

Working Capital Facilities(Packing credit) from State Bank of India, 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. The coupon rate is linked to Marginal Cost Fund based lending rates. (MCLR).

2.12 Deffered Tax Liabilities (₹ in Lakhs)

	2018	2017	1st April 2016
Opening Balance	3823.74	3619.08	2432.43
Add : On account of IND AS Adjustment	3.99	(25.93)	772.54
Add : additions during the year	92.73	230.98	414.11
Less: deferred tax asset on account of Inter company profits	4.99	0.39	-
Closing Balance	**3915.48**	**3823.74**	**3619.08**

2.13 Other Non Current Liabilities & Current liabilities

	2018		2017		1st April 2016	
	Current	Non Current	Current	Non Current	Current	Non Current
Salaries and employee benefits	220.00	-	190.89	-	1081.16	-
Withholding and other taxes payable	145.71	-	228.11	-	126.47	-
Advance from customers	70.26	-	388.61	-	459.00	-
Others	1704.29	-	1492.18	-	240.97	-
	2140.26	**-**	**2299.79**	**-**	**1907.60**	**-**

2.14 Trade Payables

	2018	2017	1st April 2016
	Current	Current	Current
Due to Micro & Small Enterprises	-	-	-
Dues to others			
For Raw material	354.98	640.96	372.97
For Packing material	221.93	157.05	260.26
For Stores and Consumables	187.12	114.28	132.81
For Services	269.10	311.36	384.01
	1033.13	**1223.65**	**1150.05**

2.15 Other financial liabilities

	2018	2017	1st April 2016
	Current	Current	Current
Creditors For Capital goods	1028.20	25.72	58.07
Unpaid dividends	48.47	43.78	84.12
Interest accrued but not due on borrowings	100.19	62.30	127.34
Current maturities of long term debt	259.24	4097.85	5151.08
	1436.10	**4229.65**	**5420.61**

2.16 Provisions (₹ in Lakhs)

	2018	2017	1st April 2016
Leave Encashment	-	16.76	14.14
Provision for tax	-	292.15	327.22
	-	**308.91**	**341.36**

2.17 Revenue from operations

	2018	2017
Revenue from :		
Sale of Products - Coffee	110042.62	96122.37
Sale of Trade Licences	3735.01	2095.91
Service Tax Refund	22.42	97.70
Revenue from operations	**113800.05**	**98315.98**

2.18 Other income

	2018	2017
Interest on Deposits	127.59	97.13
Dividend Income on long-term investments	6.88	14.43
Profit on sale of assets	-	0.84
Scrap sales	-	8.78
Fair Value measurement on Financial Instruments through profit or loss	-	0.28
Miscellaneous Income	350.39	1.29
	484.86	**122.75**

2.19 Cost of materials consumed

	2018	2017
Raw Material		
Purchases	68350.62	58468.88
Add: Opening Stock	13303.19	9240.72
	81653.81	67709.60
Less: Closing Stock	9703.03	13303.19
	71950.78	**54406.41**

2.20 Changes in inventories

	2018	2017
Work-in-progress		
Opening	295.41	462.98
Closing	154.90	295.41
	140.51	167.57
Finished goods		
Opening	2651.80	3270.25
Closing	5685.86	2651.80
	(3034.06)	618.45
	(2893.55)	**786.02**

2.21 Employee benefits expense

(₹ in Lakhs)

	2018	2017
Salaries, Wages and Bonus	2732.42	2281.45
Directors' Remuneration	1497.41	1252.85
Contribution to provident and other funds	273.47	242.10
Staff welfare	246.01	236.31
	4749.31	**4012.71**

2.22 Finance costs

	2018	2017
Interest Expense	503.05	648.08
Other borrowing costs	279.74	469.24
	782.79	**1117.32**

2.23 Other expenses

	2018	2017
Packing material consumed	4097.66	3811.69
Stores and Consumable consumed	794.32	730.49
Power and fuel	4325.52	3571.87
Repairs and Maintenance to Buildings	41.87	50.86
Repairs and Maintenance to Machinery	948.06	2081.96
Repairs and Maintenance to Other assets	43.04	68.82
Transportation, Ocean Freight, Clearing and Forwarding	2217.46	1855.36
Insurance	147.02	115.63
Rent	55.92	50.15
Rates and Taxes	191.86	131.40
Directors' Sitting Fee	15.70	14.55
Non-whole time Directors' Commission	70.00	152.00
Selling Expenses	1147.72	863.93
Commission on Sales	406.87	379.33
Travelling and Conveyance	218.54	170.12
Communication Expenses	68.57	75.25
Printing and Stationery	18.60	30.87
Office Maintenance	247.15	229.92
Donations	27.10	180.85
Corporate Social Responsibility (CSR) Expenditure	282.82	234.72
Professional Fees & Expenses	174.23	83.90
Subscription and Membership fee	7.41	3.02
Auditor's Remuneration	29.06	28.57
Foreign Exchange Loss (Net)	196.13	133.37
Fixed Assets Written off	-	70.98
Miscellaneous expenses	66.81	95.10
Allowance for credit losses	(26.08)	18.58
Loss on sale of Investments	0.94	-
Excise duty	133.37	666.68
Bad debts written off	156.75	-
	16104.42	**15899.97**

2.24 First-time adoption of Ind AS

These financial statements, for the year ended 31st March 2018, are the first set the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March 2018, together with the comparative period data as at and for the year ended 31st March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April 2016,i.e the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April 2016 and the financial statements as at and for the year ended 31st March 2017.

Exemptions Applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

The Company adopted not to measure any item of property, plant and equipment at its fair value at the Transition Date. Accordingly, on the transition date, the net carrying value of the property, plant and equipment and intangible assets shall be considered as deemed cost for Ind AS purposes.

Ind AS 21 "The Effects of Changes in Foreign Exchange Rates" Cumulative currency translation differences for all foreign operations are deemed to be zero as at 1st April 2016.

The Company adopted to measure investments in subsidiaries at cost i.e., carrying value of the investments on the date of transition shall be considered as deemed cost for Ind AS purposes.

Estimates

The estimates at 1st April 2016 and at 31st March 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- FVTPL – Quoted equity shares
- Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1st April 2016, the date of transition to Ind AS and as of 31st March 2017.

Reconciliation of equity as previously reported under Previous GAAP and that computed under Ind AS

(₹ in Lakhs)

	Equity as at 31st March, 2017	**Equity as at 1st April, 2016**
Particulars	**(Audited)**	**(Audited)**
Equity as per Previous GAAP	**63626.04**	**50979.97**
De-recognition of liability for proposed dividend for the year ended 31st March 2016	-	1,601.09
Impact of Fair Valuation of investments in Equity shares	1.28	0.99
Impact on account of deferred tax	(746.22)	(772.54)
Impairment of trade receivables due to ECL model	(50.70)	(32.12)
Equity as per IND AS	**62830.39**	**51777.39**

Reconciliation between financial results as previously reported under Previous GAAP and Ind AS for the year ended 31st March 2017

(₹ in Lakhs)

	Year ended 31st March, 2017
Particulars	**(Audited)**
Net profit as per Previous GAAP	**13431.46**
a) Impact on account of measuring investments at fair value through profit and loss	0.28
b) Impairment of trade receivables due to ECL model	(18.58)
c) Items that are classified under OCI and tax impact	16.81
d) Impact on account of deferred tax	26.32
Net profit as per IND AS	**13456.30**
Other comprehensive Income (Net of Tax)	(802.19)
Total Comprehensive Income under IND AS	**12654.10**

Proposed dividend

Under Indian GAAP, proposed dividends including dividend distribution tax are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid. Therefore, the liability of ₹ 1601.09 Lakhs for the year ended on 31st March, 2016 recorded for dividend has been derecognized against retained earnings on 1st April, 2016.

FVTPL Financial assets

Under Indian GAAP, the Company accounted for long term investments in quoted equity shares as investment measured at cost less provision for diminution other than temporary diminution in the value of investments, if any. Under Ind AS, the Company has designated such investments as FVTPL investments. Ind AS requires FVTPL investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised as a separate component of equity, in the retained earnings.

Deferred tax

Indian GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, adjustments regarding temporary differences such as recognition of deferred tax impact on unrealised intra-group profits. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings.

Trade receivables

Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL). Due to ECL model, the company impaired its trade receivable by ₹ 32.12 Lakhs on 1st April, 2016 which has been eliminated against retained earnings. The company impaired its trade receivable by ₹ 50.70 Lakhs on 31st March, 2017, such increase in impairment has been recognised in the profit the loss account for the year ended 31st March, 2017.

Sale of goods

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is included as part of sales in the face of statement of profit and loss. Thus sale of goods under Ind AS for the year ended 31st March, 2017 has increased by ₹ 666.68 lakhs with a corresponding increase in other expenses.

Defined benefit liabilities

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan using projected unit credit method. Under Indian GAAP, the entire cost, including actuarial gains and losses, is charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability]are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is reduced by ₹ 16.81 Lakhs and Remeasurement gains/ losses on defined benefit plans has been recognized in the OCI net of tax.

2.25 Auditors Remuneration

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
a) Audit fees	23.51	22.84
b) Other charges		
Taxation matters	2.50	2.50
Certification fee	2.40	2.90
c) Reimbursement of out of pocket expenses	0.65	0.33
TOTAL	**29.06**	**28.57**

2.26 Earnings per Share

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Earnings		
Profit attributable to equity holders	**14813.14**	**13456.30**
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 (₹)	11.14	10.12
Earnings per share of par value ₹ 2/- – Diluted (₹)	11.14	10.12

2.27 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 Management Personnel. List of Key Management Personnel of the Company is as below:

Mr. Challa Rajendra Prasad, Whole time Director

Mr. Challa Srishant, Managing Director

Mr. B.Mohan Krishna, Director-Operations

Mr. K.V.L.N.Sarma, Chief Financial Officer

Mrs. Sridevi Dasari, Company Secretary

The following is a summary of significant related party transactions of Parent Company (₹ in Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
a) Key managerial personnel		
Remuneration & Commission		
Mr. Challa Rajendra Prasad	735.00	765.00
Mr. Challa Srishant	440.00	458.00
Mr. B.Mohan Krishna	295.00	-
Mr. K.V.L.N.Sarma	76.94	69.35
Mrs. Sridevi Dasari	14.23	11.22
Rent		
Mr. Challa Srishant	26.50	22.02
b) Non-whole time Directors		
Sitting Fee		
Mr. I.J.Rao	0.90	1.95
Mr. Vipin K.Singal	2.05	1.95
Mr. K.Chandrahas	2.05	0.90
Mr. J.Rambabu	2.05	1.95
Mr. B.Mohan Krishna	-	1.45
Mr. K.K.Sarma	2.05	1.95
Mr. G.V.Krishna Rau	2.05	1.95
Mrs. Kulsoom Noor Saifullah	1.90	1.45
Mrs. Challa Shantha Prasad	1.10	0.50
Dr. Lanka Krishnanand	1.55	0.50
Commission		
Mr. I.J.Rao	7.00	6.00
Mr. Vipin K.Singal	7.00	6.00
Mr. K.Chandrahas	7.00	6.00
Mr. J.Rambabu	7.00	6.00
Mr. B.Mohan Krishna	-	98.00

(₹ in Lakhs)

Mr.K.K.Sarma	7.00	6.00
Mr.G.V.Krishna Rau	7.00	6.00
Mrs.Kulsoom Noor Saifullah	7.00	6.00
Mrs.Challa Shantha Prasad	7.00	6.00
Dr. Lanka Krishnanand	7.00	6.00
Mr.Kode Durga Prasad	7.00	-
Rent		
Mrs.Challa Shantha Prasad	19.36	12.95
c) Relatives of Key Managerial Personnel		
Rent		
Mrs.Challa Shantha Prasad	-	4.31
Mrs.Challa Soumya	4.94	2.84
TOTAL	**1697.67**	**1512.24**

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, 2018 and 2017 consist of the following:

Particulars	**For the Years ended 31st March**	
	2018	**2017**
Current service cost	25.54	11.13
Interest cost on net defined benefit liability/(asset)	16.77	14.61
Gratuity cost recognized in statement of profit and loss	**42.31**	**25.74**

Details of the employee benefits obligations and plan assets are provided below:

Particulars	**As of 31st March**	
	2018	**2017**
Present value of funded obligations	343.90	213.82
Fair value of plan assets	399.89	268.57
Net defined benefit liability/(asset)	**(55.99)**	**(54.75)**

Details of changes in the present value of defined benefit obligations are as follows: (₹ in Lakhs)

Particulars	As of 31st March	
	2018	**2017**
Defined benefit obligations at the beginning of the year	213.82	182.67
Current service cost	25.55	11.13
Interest cost on defined obligations	16.77	14.61
Re-measurements due to:		
Actuarial loss/(gain) due to change in financial assumptions	96.26	25.71
Actuarial loss/(gain) due to demographic assumptions	-	-
Actuarial loss/(gain) due to experience changes	-	-
Benefits paid	(8.50)	(20.30)
Defined benefit obligations at the end of the year	**343.90**	**213.82**

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

Particulars	As of 31st March	
	2018	**2017**
Fair value of plan assets at the beginning of the year	268.58	207.94
Employer contributions	118.47	62.85
Actuarial loss/(gain) on plan assets	0.20	-
Re-measurements due to:		
Return on plan assets excluding interest on plan assets	21.15	18.09
Benefits paid	(8.50)	(20.30)
Plan assets at the end of the year	399.89	268.58

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	
	2018	**2017**
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 ₹ 143.60 Lakhs and ₹ 110.64 Lakhs to the provident fund plan during the years ended 31st March, 2018 and 2017, 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 ₹ 225.94 Lakhs and ₹ 157.17 Lakhs to the superannuation Schemes during the years ended 31st March, 2018 and 2017, respectively.

2.30 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:

(₹ in Lakhs)

Particulars	For the Year Ended 31st March	
	2018	**2017**
Current taxes expense		
Domestic	5218.85	5208.90
Foreign	25.68	21.32
Deferred taxes expense/(benefit)		
Domestic	91.73	204.66
Total income tax expense/(benefit) recognized in the statement of profit and loss	**5369.51**	**5434.88**

b) **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	
	2018	**2017**
Tax effect on actuarial gains/losses on defined benefit obligations	33.24	8.90
Total income tax expense/(benefit) recognized in the equity	**33.24**	**8.90**

c) **Reconciliation of Effective tax rate:**

Particulars	For the Year Ended 31st March	
	2018	**2017**
Profit before income taxes	**20182.65**	**18891.18**
Enacted tax rate in India	34.61%	34.61%
Computed expected tax benefit/(expense)	6984.81	6537.86
Effect of:		
Expenses not deductible for Tax purposes	531.41	553.76
Expenses deductible for Tax purposes	(570.79)	(651.52)
Taxable at Special Rates	1.19	2.50
Others	22.45	(3.73)
Foreign Taxes	25.68	21.32
Tax effect due to non taxable for Indian Tax Purpose	(1953.33)	(1367.67)
Tax effect due to loss in Indian Subsidiary	203.12	128.80
Income tax benefit/(expense)	**5244.54**	**5221.32**

d) 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:

(₹ in Lakhs)

Particulars	For the Year Ended 31st March	
	2018	**2017**
Deferred tax assets/(liabilities):		
Property, plant and equipment	(3916.86)	(3824.13)
Others	1.38	0.39
Net deferred tax assets/(liabilities)	**(3915.48)**	**(3823.74)**

e) Movement in deferred tax assets and liabilities during the year ended 31st March 2018 & 2017:

Particulars	As at 1st April 2016	Recognized in statement of profit and loss	Recognized in equity	As at 31st March 2017
Deferred tax assets/(liabilities)				
Property, plant and equipment	(3619.08)	(205.05)	-	(3824.13)
Others	-	0.39	-	0.39
Net deferred tax assets/(liabilities)	(3619.08)	(205.44)	-	(3823.74)

[Continued from above table, first column(s) repeated]

Particulars	As at 1st April 2017	Gain recognized directly in equity	Gain recognized directly in profit and loss account	As at 31st March 2018
Deferred tax assets/(liabilities)				
Property, plant and equipment	(3824.13)	(92.73)	-	(3916.86)
Others	0.39	0.99	-	1.38
Net deferred tax assets/(liabilities)	(3823.74)	(93.73)	-	(3915.48)

2.31 Investments:

Investments consist of investments in equity shares of Andhra Bank measured at Fair value through Profit & Loss Account, Investment in subsidiaries measured at cost and investment in unquoted preference shares measured at amortised cost:

The details of such Investments in Andhra Bank Shares as of 31st March, 2017 are as follows:

Particulars	Cost	Gain recognized directly in equity	Gain recognized directly in profit and loss account	Fair Value
Non-current Investments				
Investment in Equity shares of Andhra Bank	1.78	0.99	0.28	3.05
Total	**1.78**	**0.99**	**0.28**	**3.05**

The details of such investments in Andhra Bank shares as of 31st March, 2018 are as follows: (₹ in Lakhs)

Particulars	Cost	Gain recognized directly in equity	Gain recognized directly in profit and loss account	Fair Value
Non-current Investments				
Investment in Equity shares of Andhra Bank	1.78	0.99	(1.29)	-
Total	**1.78**	**0.99**	**(1.29)**	**-**

2.32 Financial Instruments:

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments, other than those with carrying amounts that are reasonable approximations of fair values

	GAAP			Ind AS		
	Mar-18	**Mar-17**	**Apr-16**	**Mar-18**	**Mar-17**	**Apr-16**
Financial assets						
Cash and cash equivalents	4420.65	1679.14	1933.00	4420.65	1679.14	1933.00
Investments	148.01	149.79	149.79	148.01	151.06	150.78
Trade receivables	18227.83	16324.79	12813.70	18203.21	16274.09	12781.58
Other financial assets	337.13	267.60	244.70	337.13	267.60	244.70
Total	**23133.62**	**18421.32**	**15141.19**	**23109.00**	**18371.89**	**15110.05**
Financial liabilities						
Borrowings	30842.82	10101.57	15879.50	30836.37	10101.57	15879.50
Trade payables	1033.13	1223.65	1150.05	1033.13	1223.65	1150.05
Other financial liabilities	1436.10	4229.65	5420.61	1436.10	4229.65	5420.61
Total	**33312.05**	**15554.87**	**22450.16**	**33305.60**	**15554.87**	**22450.16**

2.33 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.

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 ₹ 24.62 Lakhs as at 31st March, 2018 and ₹ 50.70 Lakhs at 31st March, 2017.

(₹ in Lakhs)

Particulars	As of 31st March	
Period (in days)	**2018**	**2017**
1 – 90	17234.09	15587.65
90 – 180	871.66	605.14
More than 180	122.08	131.99
Total	**18227.83**	**16324.78**

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, 2018.

Reconciliation of allowance for credit losses

The details of changes in allowance for credit losses during the year ended 31st March 2018 and 31st March 2017 are as follows:

Particulars	For the Year Ended 31st March	
	2018	**2017**
Balance at the beginning of the year	50.70	32.12
Impairment of Trade receivables	(26.08)	18.58
Balance at the end of the year	**24.62**	**50.70**

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, 2018 and 2017, the Company had not utilized any credit limits from banks.

As of 31st March, 2018, the Company had working capital (current assets less current liabilities) of ₹ 32279.04 Lakhs including cash and cash equivalents of ₹ 4420.65 Lakhs. As of 31st March, 2017, the Company had working capital of ₹ 23475.18 Lakhs, including cash and cash equivalents of ₹ 1679.14 Lakhs and investments in FVTPL financial assets of ₹ 3.05 Lakhs

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31st March 2018: (₹ in Lakhs)

Particulars	2019	2020	2021	2022	Thereafter	Total
Trade payables	1033.13	-	-	-	-	1033.13
Long term borrowings	-	2949.13	4563.54	4564.36	6097.88	18174.91
Bank overdraft, short-term loans and borrowings	12661.46	-	-	-	-	12661.46
Other liabilities	3576.36	-	-	-	-	3576.36

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 theCompany'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 yieldare rainfall, temperature, light intensity and relative humidity.

Commodity Price Risk

Generally The Company exposure to Market risk for commodity prices can result in changes in its Cost of Production. The company mitigates this risk by entering into fixed price contracts for purchase of it's raw materials on back to back basis for each of it's sale contract of its finished products.

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 both of which are in same currency viz USD.

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.

2.34 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 strategicinvestment plans. The funding requirement are met through equity, borrowings and operating cash flows required.

The Company's Debt Equity ratio is as follows:

Particulars	2018	2017
Total Debt	39361.34	21987.31
Total Equity	73993.56	62830.39
Debt Equity Ratio	**0.53:1**	**0.35:1**

2.35 Contingent Liabilities and Commitments:

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

Particulars	2018	2017
Contingent Liabilities		
a) Claims against the company/disputed liabilities not acknowledged as debts		
Income Tax*	2883.28	2883.28
b) Guarantees		
Bank Guarantees	1522.91	1722.86
	4406.19	**4606.14**
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	4936.29	10861.71
	4936.29	**10861.71**

* 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 : 21st May, 2018

By order of the Board

Sd/-
Challa Rajendra Prasad
Executive Chairman

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

Sd/-
Sridevi Dasari
Company Secretary

Sd/-
K. Chandrahas
Director

Sd/-
Challa Srishant
Managing Director

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: info@cclproducts.com Website: www.cclproducts.com

ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING
(to be surrendered at the venue of the meeting)

I certify that I am a registered shareholder/proxy/representative for the registered shareholder(s) of CCL Products (India) Limited.

I hereby record my presence at the 57th Annual General Meeting of the shareholders of CCL Products (India) Limited on 14th July, 2018 at the Registered office of the Company at Duggirala Mandal, Guntur Dist. – 522 330, Andhra Pradesh.

DP ID*	Reg. Folio No.
Client ID*	No. of Shares

* Applicable if shares are held in electronic form

Name & Address of Member

Signature of Shareholder/Proxy/
Representative(Please Specify)

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: info@cclproducts.com Website: www.cclproducts.com

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

CIN	:	L15110AP1961PLC000874		
Name of the company	:	CCL PRODUCTS (INDIA) LIMITED		
Registered office	:	Duggirala Mandal, Guntur Dist. – 522 330, Andhra Pradesh		
Name of the member(s)	:			
Registered Address	:			
Email Id	:			
Folio No / Client ID	:		DP ID :	

I /We, being the member(s) of____________ shares of 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 (on a poll) for me / us and on my / our behalf at the 57th Annual General Meeting of the company, to be held on 14th July, 2018 at Duggirala Mandal, Guntur Dist. – 522 330, Andhra Pradesh and at any adjournment thereof in respect of such resolutions as are indicated below :

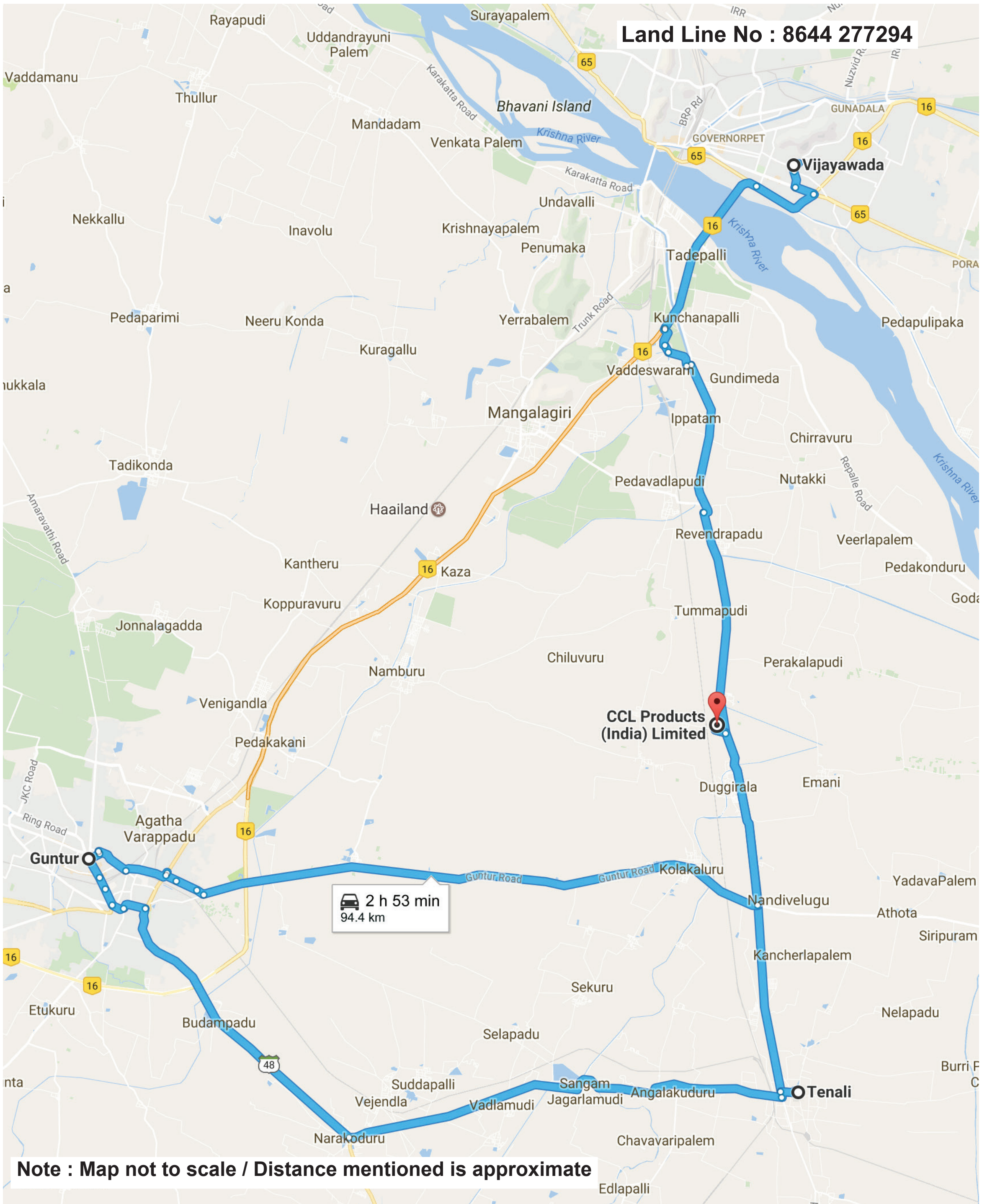
	Resolutions	For	Against
1.	Consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors		
2.	Declaration of Final Dividend on Equity Shares		
3.	Re-appointment of Dr. Lanka Krishnanand as Director, who retires by rotation		
4.	Re-appointment of Ms. Kulsoom Noor Saifullah as Director, who retires by rotation		
5.	Appointment of Mr. Kode Durga Prasad as an Independent Director		
6.	Approval of the Remuneration of the Cost Auditors		

Signed this ………… day of ……………… 2018.

Affix Revenue Stamp

Signature of shareholder : ___________________Signature of Proxy holder(s) : __________

Note: 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.



BUS ROUTES -

From Vijayawada - Take the buses going towards Tenali or Repalle from the Vijayawada (Pandit Nehru) bus station and disembark at Manchikalapudi or CCL Products (India) Limited.

From Guntur - Take the buses going to Mangalagiri bus station from the Guntur (NTR) bus station. Disembark at the Mangalagiri bus station and take the bus going towards Tenali and disembark at Manchikalapudi or CCL Products (India) Limited.

TRAIN ROUTE - Trains have to be taken to the Vijayawada or Guntur railway stations, from those stations only passenger trains going towards Tenali halt at the Duggirala railway station where you have to disembark to reach CCL Products (India) Limited.

In case you choose to take a bus from the railway station to CCL Products (India) Limited, please follow the bus routes as mentioned above.

1931-2017

The Company notes with deep regret the sad demise of Sri Icchapurapu Jagannadha Rao, IRS (Retd.). He was a member of the Board of Directors of the Company from 2000 until his demise on 13th December, 2017.

Sri Rao was a Gold Medalist in M.A. (Economics) from Andhra University. He had a distinguished career and retired as Vice-President of Customs, Excise, Gold (Control) Appellate Tribunal (CEGAT), New Delhi in 1991.

Sri Rao has authored numerous articles on finance, revenue and taxation, which were published in leading newspapers like the Statesmen (Kolkata), Economic Times (Bombay), Business Standard (Kolkata), Excise Law Times (Delhi), etc. He has authored hundreds of short stories, several novels, radio plays and was awarded with Prathiba Puraskaram for 1998 for his short story/novel, by Potti Sriramulu Telugu University, Hyderabad. He remained modest, affable, soft spoken and extremely humane all his life. His gentleness was as impressive as his wisdom and vision. He brought to bear his rich experience to the deliberations of the Board of Directors and the Company. His guidance proved invaluable and most beneficial to the Company during his tenure. It is a matter of great pride that such an eminent person was a member of the Board of Directors of the Company. The Company cherishes his time spent with the Company with fondness and respect.

Registered Office:
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