CONTINENTAL COFFEE ®

# Brewing Happiness

ANNUAL REPORT
2023-24

STRONG
COFFEE
CONTINENTAL
Xtra
INSTANT SOUTH BLEND
INSTANT COFFEE - CHICORY MIXTURE
www.continental.coffee
continentalcoffeeindia
officialcontinentalcoffee

## 63RD ANNUAL GENERAL MEETING

Friday, September 20, 2024
at 11:00 A.M.
through Video Conferencing (VC)/
Other Audio-Visual Means (OAVM)

**CONTENTS**

## Company Information

### Board of Directors

**Sri Challa Rajendra Prasad,** Chairman
(Executive Director)

**Smt. Challa Shantha Prasad**
(Non-Executive Director)

**Sri Vipin K. Singal**
(Independent Non-Executive Director - upto 24.01.2024)

**Sri Kata Chandrahas,** IRS (Retd.)
(Independent Non-Executive Director - upto 22.05.2024)

**Sri K. K. Sarma**
(Non-Executive Director)

**Sri G. V. Krishna Rau,** IAS (Retd.)
(Independent Non-Executive Director)

**Sri K. V. Chowdary,** IRS (Retd.)
(Independent Non-Executive Director)

**Sri Durga Prasad Kode,** IPS (Retd.)
(Independent Non-Executive Director)

**Smt. Kulsoom Noor Saifullah**
(Independent Non-Executive Director)

**Dr. Krishnanand Lanka**
(Independent Non-Executive Director)

**Sri S. V. Ramachandra Rao**
(Non-Executive Director - w.e.f. 14.07.2023)

**Sri Sudhakar Ambati**
(Independent Non-Executive Director - w.e.f. 29.09.2023)

**Sri B. Mohan Krishna**
(Executive Director)

**Sri Challa Srishant,** Managing Director
(Executive Director)

### Key Managerial Personnel (KMP)

**Chief Executive Officer**
Sri Praveen Jaipuriar

**Chief Financial Officer**
Sri V. Lakshmi Narayana

**Company Secretary & Compliance Officer**
Smt. Sridevi Dasari

**Statutory Auditors**

M/s.Ramanatham & Rao
Chartered Accountants
Ft.No.302, Kala Mansion,
Sarojini Devi Road,
Secunderabad-500 003, Telangana, India.

**Internal Auditors**

M/s. Ramesh & Co. (FY 2023-24)
Chartered Accountants
H.No: 6-3-661/B/1,
Sangeeth Nagar, Somajiguda,
Hyderabad-500 082, Telangana, India.

M/s. Brahmayya & Co. (FY 2024-25)
Chartered Accountants
Khivraj Mansions, 10/2 Kasturba Road,
Bangalore-560 001, Karnataka, India

**Registered Office**

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

**CIN :** L15110AP1961PLC000874

**Corporate Office**

7-1-24/2/D, Greendale, Ameerpet,
Hyderabad - 500 016, Telangana, India.
Ph : +91 40 2373 0855
E.mail: investors@continental.coffee

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

M/s. Venture Capital & Corporate Investments Pvt. Ltd.
“AURUM” Door No: 4-50/P-II/57/4F & 5F,
Plot No.:57, Jayabheri Enclave, Phase:II,
Gachibowli, Hyderabad-500 032, Telangana, India.
Phone : +91 40 2381 8475 / 35164940
Fax : +91 40 2386 8024
E.mail : investor.relations@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, Telangana, India

**Cost Auditors**

M/s. M P R & Associates
Cost Accountants
H. No.6-3-349/15/17 Flat No. 301,
Sri Sai Brundavan Apartments,
Beside. Sai Baba Temple,
Dwarakapuri Colony, Punjagutta,
Hyderabad-500 082, Telangana, India

**Bankers**

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

## Composition of Committees as on the date of this report

### Audit Committee

| Sl. No. | Name of the Member | Designation |
|---|---|---|
| 1 | Sri K. V. Chowdary | Chairman (Independent Director) |
| 3 | Sri K. K. Sarma | Member (Non-Executive Director) |
| 4 | Sri G. V. Krishna Rau | Member (Independent Director) |
| 5 | Smt. Kulsoom Noor Saifullah | Member (Independent Director) |
| 6 | Dr. Krishnanand Lanka | Member (Independent Director) |
| 7 | Sri Durga Prasad Kode | Member (Independent Director) |
| 8 | Sri S. V. Ramachandra Rao | Member (Non-Executive Director) |
| 9 | Sri Sudhakar Ambati | Member (Independent Director) |

### Nomination and Remuneration Committee

| Sl. No. | Name of the Member | Designation |
|---|---|---|
| 1 | Sri Sudhakar Ambati | Chairman (Independent Director) |
| 2 | Sri K. V. Chowdary | Member (Independent Director) |
| 3 | Sri Durga Prasad Kode | Member (Independent Director) |
| 4 | Sri S. V. Ramachandra Rao | Member (Non-Executive Director) |

### Stakeholders Relationship Committee

| Sl. No. | Name of the Member | Designation |
|---|---|---|
| 1 | Dr. Krishnanand Lanka | Chairman (Independent Director) |
| 3 | Sri G. V. Krishna Rau | Member (Independent Director) |
| 4 | Sri S. V. Ramachandra Rao | Member (Non-Executive Director) |

### Risk Management Committee

| Sl. No. | Name of the Member | Designation |
|---|---|---|
| 1 | Dr. Krishnanand Lanka | Chairman (Independent Director) |
| 2 | Sri S. V. Ramachandra Rao | Member (Non-Executive Director) |
| 3 | Sri Sudhakar Ambati | Member (Independent Director) |
| 4 | Sri B. Mohan Krishna | Member (Executive Director) |
| 5 | Sri Challa Srishant | Member (Managing Director) |
| 6 | Sri Praveen Jaipuriar | Member (Chief Executive Officer) |
| 7 | Sri V. Lakshmi Narayana | Member (Chief Financial Officer) |

### Corporate Social Responsibility Committee

| Sl. No. | Name of the Member | Designation |
|---|---|---|
| 1 | Sri Durga Prasad Kode | Chairman (Independent Director) |
| 2 | Smt. Challa Shantha Prasad | Member (Non-Executive Director) |
| 3 | Smt. Kulsoom Noor Saifullah | Member (Independent Director) |
| 4 | Sri Sudhakar Ambati | Member (Independent Director) |

## NOTICE

Notice is hereby given that the 63rd Annual General Meeting of the Members of CCL Products (India) Limited will be held on Friday, September 20, 2024 at 11:00 A.M. through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) to transact the following items of business:

**Ordinary Business:**

1. To receive, consider and adopt (a) the audited Financial Statement of the Company for the financial year ended March 31, 2024 and the Report of the Board of Directors and Auditors thereon; and (b) the audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2024 and the Report of Auditors thereon and, in this regard, to consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:

   a) **"RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2024 and the reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby received, considered and adopted."

   b) **"RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended March 31, 2024 and the report of Auditors thereon, as circulated to the Members, be and are hereby received, considered and adopted."

2. To confirm the interim dividend on equity shares for the financial year 2023-24, and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   **"RESOLVED THAT** the interim dividend of ₹ 2.50 per Equity Share (nominal value ₹ 2 each) to the shareholders of the Company, declared by the Board of Directors in their meeting held on February 05, 2024 for the financial year 2023-24 be and is hereby confirmed."

3. To declare final dividend on equity shares for the financial year ended March 31, 2024 and, in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   **"RESOLVED THAT** a final dividend of ₹ 2.00 per Equity Share (nominal value ₹ 2 each) to the shareholders of the Company, as recommended by the Board of Directors, be and is hereby declared for the financial year ended March 31, 2024."

4. To appoint Smt. Challa Shantha Prasad (DIN: 00746477), who retires by rotation as a Director and, in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   **"RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Smt. Challa Shantha Prasad (DIN: 00746477), who retires by rotation at this meeting, be and is hereby re-appointed as a Director of the Company, whose period of office shall be liable to retire by rotation."

5. To appoint Sri B. Mohan Krishna (DIN: 03053172), who retires by rotation as a Director and, in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary resolution.

   **"RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Sri B. Mohan Krishna (DIN: 03053172), who retires by rotation at this meeting, be and is hereby re-appointed as a Director of the Company, whose period of office shall be liable to retire by rotation."

**Special Business:**

6. **Ratification of Remuneration to Cost Auditors (FY 2024-25)**

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

**"RESOLVED THAT** pursuant to the provisions of Section 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 to M/s. M P R & Associates, Cost Accountants, (Registration No. 000413), 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 March 31, 2025, amounting to ₹ 2,00,000 (Rupees Two Lakhs only) excluding taxes as may be applicable, in addition to reimbursement of all out of pocket expenses, be and is hereby ratified."

7. **Amendment of Article 82 of the Articles of Association of the Company**

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

**"RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions, if any, contained in the Companies Act, 2013 read with Section 5 and Table F of Schedule I thereto, the existing Articles of Association of the Company be and are hereby altered by replacing the existing Article No.82 by new Article which shall read as follows:

82. Unless otherwise determined by a General Meeting, the number of Directors shall not be less than 3 (three) and not more than 15 (fifteen).

One-third of the total directors of the company, whose office is liable to retire by rotation, shall retire at every Annual General Meeting.

Subject to the provisions of Section 152 of the Act, the Managing Director of the Company shall not be liable to retirement by rotation".

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

Sd/-
**Sridevi Dasari**
Company Secretary & Compliance Officer
Membership No. A29897

Place: Hyderabad
Date: August 26, 2024

**NOTES FOR MEMBERS:**

1. Pursuant to the General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013", General Circular Nos. 20/2020 dated May 5, 2020, 10/2022 dated December 28, 2022 and subsequent circulars issued in this regard, the latest being 09/2023 dated September 25, 2023 in relation to "Clarification on holding of Annual General Meeting ('AGM') through Video Conferencing (VC) or Other Audio Visual Means (OAVM)", (collectively referred to as "MCA Circulars") the Company is convening the 63rd AGM through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM'), without the physical presence of the Members at a common venue. Further, the Securities and Exchange Board of India ('SEBI'), vide its Circulars dated May 12, 2020, January 15, 2021, May 13, 2022, January 5, 2023 and October 7, 2023 ('SEBI Circulars') and other applicable circulars issued in this regard, has provided relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). In compliance with the provisions of the Companies Act, 2013 ('the Act'), the Listing Regulations and MCA Circulars, the 63rd AGM of the Company is being held through VC/OAVM on September 20, 2024 at 11:00 A.M. IST. The deemed venue for the AGM will be the Registered Office of the Company.

2. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being proposed to be held pursuant to the said MCA Circulars through VC / OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and the Attendance Slip are not attached to this Notice.

3. As per the provisions of clause 3.A.II. of the General Circular No. 20/2020 dated May 5, 2020, issued by the MCA, the matters of Special Business as appearing at Item No. 6 and 7 of the accompanying Notice, is considered to be unavoidable by the Board and hence, form part of this Notice.

4. The Explanatory Statement pursuant to Section 102 of the Act, in respect of Special Business under item No.6 and 7 is annexed hereto and forms part of the Notice.

5. Pursuant to the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the Listing Regulations (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

6. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of first come first served basis.

7. Members may note that the Board, at its meeting held on May 11, 2024, has recommended a final dividend of ₹ 2 per share. The record date for the purpose of final dividend for the financial year is fixed as September 13, 2024. The final dividend, once approved by the members in the ensuing AGM, will be paid on or before September 30, 2024 electronically through various online transfer modes to those

members who have updated their bank account details. For members who have not updated their bank account details, dividend warrants / demand drafts will be sent to their registered addresses. To avoid delay in receiving dividend, members are requested to update their KYC with their depositories (where shares are held in dematerialized mode) and with the Company's Registrar and Transfer Agent (RTA) (where shares are held in physical mode) to receive dividend directly into their bank account on the payout date.

Members may note that the Income-tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividend paid or distributed by a company on or after April 01, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of final dividend. To enable us to determine the appropriate TDS rate as applicable, members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.

**For resident shareholders,** taxes shall be deducted at source under Section 194 of the IT Act as follows:

| | |
|---|---|
| Members having valid Permanent Account Number (PAN) | 10%* or as notified by the Government of India |
| Members not having PAN / valid PAN | 20% or as notified by the Government of India |

* As per the Finance Act, 2021, Section 206AB has been inserted effective July 01, 2021, wherein higher rate of tax (twice the specified rate) would be applicable on payment made to a shareholder who is classified as 'Specified Person' as defined under the provisions of the aforesaid Section.

However, no tax shall be deducted on the dividend payable to resident individual shareholders if the total dividend to be received by them during financial year 2023-24 does not exceed ₹5,000, and also in cases where members provide Form 15G / Form 15H (Form 15H is applicable to resident individual shareholders aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / nil withholding of tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

**For non-resident shareholders,** taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20%** (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA), read with Multilateral Instrument (MLI) between India and the country of tax residence of the shareholders, if they are more beneficial to them. For this purpose, i.e., to avail the benefits under the DTAA read with MLI, non-resident shareholders will have to provide the following:

• Copy of the PAN card allotted by the Indian income tax authorities duly attested by the shareholders or details as prescribed under rule 37BC of the Income-tax Rules, 1962

• Copy of the Tax Residency Certificate for financial year 2023-24 obtained from the revenue or tax authorities of the country of tax residence, duly attested by shareholders

• Self-declaration in Form 10F

• Self-declaration by the shareholders of having no permanent establishment in India in accordance with the applicable tax treaty

• Self-declaration of beneficial ownership by the non-resident shareholder

• Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by the shareholders

In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act at the rate of 20%** (plus applicable surcharge and cess) or the rate provided in relevant DTAA, read with MLI, whichever is more beneficial, subject to the submission of the above documents, if applicable.

** As per the Finance Act, 2021, Section 206AB has been inserted effective July 01, 2021, wherein higher rate of tax (twice the specified rate) would be applicable on payment made to a shareholder who is classified as 'Specified Person' as defined under the provisions of the aforesaid section. However, in case a non-resident shareholder or a non-resident Foreign Portfolio Investor (FPI) / Foreign Institutional Investor (FII), higher rate of tax as mentioned in Section 206AB shall not apply if such non-resident does not have a permanent establishment in India.

Shareholders may write to investor.relations@vccipl.com for any clarifications on this subject. Shareholders can also check their tax credit in Form 26AS from the e-filing account at https://www.incometax.gov.in/iec/foportal or "View Your Tax Credit" on https://www.tdscpc.gov.in.

8. In case you are holding the Company's shares in dematerialized form, please contact your depository participant and kindly 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 etc.

9. In case you are holding Company's shares in physical form, please contact the Company's RTA viz. M/s. Venture Capital and Corporate Investments Pvt. Ltd., AURUM, Door No.4-50/P-II/57/4F & 5F, Plot No.57, 4th & 5th Floors, Jayabheri Enclave Phase -II, Gachibowli, Hyderabad 500 032, Telangana and update your bank account details by enclosing a photocopy of blank cancelled cheque of your bank account.

10. As per Regulation 40 of the Listing Regulations, as amended from time to time, securities of listed companies can be transferred only in dematerialized form with effect from April 01, 2019. Even the transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form with effect from January, 24, 2022. In view of this and to eliminate all the risks associated with physical shares and for the ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. All communications in respect of share transfers, dematerialization and change in the address of the members may be communicated to the RTA.

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

12. Institutional Members/Corporate Members (i.e., other than individuals, HUFs, NRIs, etc.,) are required to send a scanned copy of their respective Board or governing body Resolution, Authorization, etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-Voting. The said Resolution / Authorization shall be sent to the Scrutinizer by e-mail to csmbsunil@gmail.com with a copy marked to investors@continental.coffee. Institutional Members/ Corporate Members can also upload their Board Resolution/Power of Attorney/Authority Letter, by clicking on "Upload Board Resolution/Authority letter", etc., displayed under 'e-Voting' tab in their Login.

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

14. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the website of the Registrar and Transfer Agent ('RTA') at www.vccipl.com. Members are requested to submit the said details to their DPs in case the shares are held by them in dematerialized form and to the Company's RTA in case the shares are held by them in physical form, quoting their folio number.

    SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/ OIAE/OIAE_IAD-1/P/ CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ('ODR Portal') for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA / Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal at https://smartodr.in/login.

15. 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 Act 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.

16. The Members/Claimants whose shares and/or 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 and on the website of the Company www.cclproducts.com along with requisite fee as decided by it from time to time.

    Members who have not yet encashed the dividend warrants within stipulated time are requested to forward their claims to the Company's Registrar and Share Transfer Agents without any further delay. It is in the 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 and in respect of the year ended on March 31, 2016 have already been transferred to the 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.

17. Members seeking any information or clarification on the accounts are requested to send their queries to the Company, in writing, at least one week before the date of the meeting. Replies will be provided in respect of such written queries at the meeting.

18. Pursuant to the directions/notifications of SEBI and Depositories, the demat account holders can operate their accounts if they had already provided Income Tax Permanent Account Number either at the time of opening of the account or at any time subsequently. In case they have not furnished the Income Tax Permanent Account Number to the Depository Participants, such demat account holders are requested to contact their DPs with a photocopy of the PAN Card (with original PAN Card for verification), so that the frozen demat accounts would be available for operation and further consequences of non-compliance with the aforesaid directives would be obviated. SEBI, vide Circular ref.no. MRD/DOP/CIR-05/2009 dated May 20, 2009 made it mandatory to have PAN particulars for registration of physical share transfer requests. Based on the directive contained in the said circular, all share transfer requests are therefore to be accompanied with PAN details. Members holding shares in physical form can submit their PAN details to the Company / RTA.

19. SEBI vide its Circular dated November 3, 2021, December 15, 2021 and March 16, 2023, has mandated the submission of PAN, KYC details and nomination by holders of physical securities by September 30, 2023. Members are requested to submit their PAN, KYC and nomination details to the RTA of the Company Venture Capital and Corporate Investments Pvt. Ltd. The format of mandatory KYC documents is available on the Company's Website www.cclproducts.com.

20. Members holding shares in electronic form are, requested to submit their PAN to their depository participant(s). In case a holder of physical securities fails to furnish these details or link their PAN with Aadhaar before the due date, our registrars are obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the registrar/the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and/ or the Prevention of Money Laundering Act, 2002.

21. Members may also note that the Notice of the 63rd Annual General Meeting is available on the Company's website: www.cclproducts.com. All documents referred to in the accompanying Notice and the Statement pursuant to Section 102(1) of the Act shall be open for inspection by the Members by writing an e-mail to the Company at investors@continental.coffee.

22. In compliance with the MCA Circulars and SEBI Circular dated January, 05, 2023, Notice of the AGM along with Annual Report 2023-24 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company / Depository Participants. Members may note that the Notice and the Annual Report 2023-24 will also be available on the Company's website at www.cclproducts.com, on the website of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL www.evotingindia.com.

23. To support 'Green Initiative', members who have not registered their email addresses are requested to register the same with the Company's RTA/ their Depository Participants in respect of shares held in physical/electronic mode, respectively.

24. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to the Notice.

25. Additional information pursuant to Regulation 36 of the Listing Regulations and pursuant to Secretarial Standards on general meetings, information in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting is furnished in the annexure and forms part of the notice. The Directors have furnished the requisite consent / declaration for their appointment / re-appointment.

26. Retirement of Directors by rotation: Smt. Challa Shantha Prasad, Non-Executive Director and Sri B. Mohan Krishna, Executive Director of the Company, retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment. The Board of directors recommend their re-appointment.

**THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

(i) The voting period begins on September 17, 2024 at 09:00 A.M. and ends on September 19, 2024 at 05.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., September 13, 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Board of Directors have appointed Mr. M.B. Suneel, Practising Company Secretary, to act as Scrutinizer to conduct and scrutinize the electronic voting process in connection with the ensuing 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.

(iii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iv) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020 under Regulation 44 of the Listing Regulations isted entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Option 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(v) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in demat mode CDSL/NSDL is given below:**

| Type of Shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in Demat mode with **CDSL Depository** | 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.<br><br>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.<br><br>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration.<br><br>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile and Email as recorded in the demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |

| | |
|---|---|
| Individual Shareholders holding securities in demat mode with **NSDL Depository** | 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.<br><br>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br><br>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e., your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting |
| Individual Shareholders (holding securities in demat mode) login through their Depository **Participants (DP)** | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL depository site after successful authentication, wherein you can see e-Voting feature. Click on the company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through depository i.e., CDSL and NSDL**

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in Demat mode with **CDSL** | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 |
| Individual Shareholders holding securities in Demat mode with **NSDL** | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

**Option 2** : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(vi) Login method for e-Voting and joining virtual meetings for **physical shareholders and shareholders other than individual holding in Demat form:**

1) The shareholders should log on to the e-voting website www.evotingindia.com.
2) Click on "Shareholders" module.
3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4) Next enter the Image Verification as displayed and Click on Login.
5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6) If you are a first-time user follow the steps given below:

| | **For Physical shareholders and other than individual shareholders holding shares in Demat.** |
|---|---|
| **PAN** | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/ RTA. |
| **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.<br>• 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. |

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

(viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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 shareholders 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 a print of the votes cast by clicking on “Click here to print” option on the Voting page.

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

(xvii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xviii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.

- 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 linked in the login will be mapped automatically and can be delink in case of any wrong mapping.

- It is Mandatory that, 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.

- Alternatively, non-individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investors@continental.coffee, if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting and e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.

2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.

3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.

4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.

5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at investors@continental.coffee. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting mentioning** their name, demat account number/folio number, email id, mobile number at investors@continental.coffee. These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting on first come first serve basis in the order of their registration.

9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through AVC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.

2. For Demat shareholders - Please update your email id and mobile no. with your respective Depository Participant (DP)

3. For Individual Demat shareholders – Please update your email id and mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting and joining virtual meetings through Depository.

   If you have any queries or issues regarding attending AGM and e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

   All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

**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 September 13, 2024.

ii. The scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM, thereafter unlock the votes through e-voting in the presence of at least two witnesses, not in the employment of the Company and make, not later than 48 hours from the conclusion of the Meeting, a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.cclproducts.com and on the website of CDSL www.cdslindia.com. The results shall simultaneously be communicated to the Stock Exchanges. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e., September 20, 2024.

iii. The voting result will be announced by the Chairman or any other person authorized by him within two days of the AGM. A copy the same shall be submitted to BSE & NSE and also placed on the web site of the Company.

## EXPLANATORY STATEMENT

### (PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

**Item No. 6**

Pursuant to the recommendation of the Audit Committee, the Board of Directors at its meeting held on May 11, 2024, reappointed M/s. M P R & Associates, Cost Accountants, (Registration No. 000413) to the office of Cost Auditors of the Company for the FY 2024-25 at a remuneration of ₹ 2,00,000 subject to the approval of members of the Company.

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 the resolution at No. 6 in the Notice attached herewith is put up for the consideration of the shareholders.

The resolution is recommended for your consideration and approval.

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

**Item No. 7**

The members may note that by virtue of the existing Articles of Association of the Company, the Executive Chairman and the Managing Director of the Company are not liable to retire by rotation and hence are “non rotational.” (Article 82 of the Articles of Association of the Company). Pursuant to the provisions of Section 152 of the Companies Act, 2013, a Company shall not have more than 1/3$^{rd}$ of its total Directors as non-rotational (i.e., not liable to retire by rotation). Presently, the composition of our Board of Directors is in compliance with the said provisions of the Act. However, keeping in view, the present composition of the Board and the likely changes therein, that may arise on account of vacation of office of any Director of the Company or otherwise, we have been advised that office of Executive Chairman of the Company be made liable to retire by rotation, as a precautionary measure of compliance with the provisions of the Act in this regard.

In the said backdrop, the existing Article 82 of the Articles of Association of the Company needs to be altered suitably by deleting the words “Executive Chairman” in the third clause.

Pursuant to the provisions of Section 14 of the Companies Act, 2013 any such alteration to the Articles of Association of the Company needs to be approved by the members of the Company by passing a Special Resolution in their General Meeting.

Hence, the said resolution, forming part of Notice hereto is commended for your consideration and approval.

Sri Challa Rajendra Prasad, Executive Chairman, Smt. Challa Shantha Prasad, Non-Executive Director of the Company, Sri Challa Srishant, Managing Director and Sri B. Mohan Krishna, Executive Director and their relatives who are shareholders in the Company may be deemed to be interested parties.

Save and except the said, none of the other Directors, the Key Managerial Personnel or their respective relatives is concerned or interested, financial or otherwise, in the resolutions set out at Item No. 7 in the Notice attached herewith.

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

Place: Hyderabad
Date : August 26, 2024

Sd/-
**Sridevi Dasari**
Company Secretary & Compliance Officer
Membership No. A29897

**Information in respect of Director seeking appointment as required under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with Secretarial Standards on General Meetings issued by ICSI.**

**Detailed Profile of Smt. Challa Shantha Prasad is available and can be accessed at www.cclproducts.com**

| | |
|---|---|
| **Name of the Director** | Smt. Challa Shantha Prasad (DIN: 00746477) |
| **Date of Appointment including terms and conditions of appointment** | She was appointed as a Non-Executive Director in the Annual General Meeting of the Company held on 22.08.2023.<br><br>There are no specific terms and conditions of appointment. |
| **Date of first appointment on the Board** | 29.07.2016 |
| **Date of Birth** | 09.12.1953 (Age: 70 years) |
| **Expertise in Specific Functional areas and Experience** | She has been actively involved with various social causes and has been part of many philanthropic efforts both on a personal level and as part of the Pranic Healing Foundation. |
| **Educational Qualification** | Masters in Anthropology from Delhi University |
| **Directorships in other Companies (Other than CCL Products (India) Limited)** | Nil |
| **Listed entities from which the appointee director has resigned in the past three years** | • Healthy Investments Ltd<br>• Unijolly Investments Company Ltd |
| **Membership / Chairmanship of committees of other Boards (other than CCL Products (India) Limited)** | Nil |
| **Details of Remuneration sought to be paid and the remuneration last drawn by such person** | Being a Non-Executive Director, she is entitled to sitting fee for each Meeting of Board / Committee attended by him. Further, she is also entitled to profit based commission, as decided by the Board from time to time. For last drawn remuneration, please refer remuneration details provided in the Report on Corporate Governance.<br><br>Currently, proposed for reappointment by virtue of retirement by rotation. |
| **Shareholding in the Company as on 31.03.2024** | 3,20,38,520 equity shares |
| **Relationship between Directors inter-se/ Manager and KMPs** | Smt. Challa Shantha Prasad - Spouse of Sri Challa Rajendra Prasad, Executive Chairman; Mother of Sri Challa Srishant, Managing Director and Mother-in-law of Sri B. Mohan Krishna, Executive Director of the Company. |
| **Number of Meetings of the Board attended during the year** | 5 of 5 |

**Annexure**

**Information in respect of Director seeking appointment as required under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with Secretarial Standards on General Meetings issued by ICSI.**

**Detailed Profile of Sri B. Mohan Krishna is available and can be accessed at www.cclproducts.com**

| | |
|---|---|
| **Name of the Director** | Sri B. Mohan Krishna (DIN: 03053172) |
| **Date of Appointment including terms and conditions of appointment** | He served as Executive Director of the Company for a term of 5 years till February 13, 2024 and was re-appointed to the office of Executive Director for another term of 5 years w.e.f 14.02.2024 at a monthly remuneration of ₹ 28,00,000 and commission not exceeding 2.5% of the net profits of the Company computed in terms of Section 197 & 198 of the Companies Act, 2013 |
| **Date of first appointment on the Board** | 03.07.2013 |
| **Date of Birth** | 21.01.1981 (Age: 43 years) |
| **Expertise in Specific Functional areas and Experience** | He has around 20 years of varied experience in the field of implementation of Civil, Mechanical and Electrical Projects.<br>He is acquainted with the latest technological innovations in the field of Civil Engineering and implementation of Plants.<br>He has hands on experience dealing with various issues involved in obtaining of approvals from various Government Departments and overseeing implementation of the projects on turnkey basis. |
| **Educational Qualification** | Civil Engineering from JNTU, Hyderabad. |
| **Directorships in other Companies (Other than CCL Products (India) Limited)** | • Continental Coffee Private Limited<br>• CCL Food and Beverages Private Limited |
| **Listed entities from which the appointee director has resigned in the past three years** | Tierra Agrotech Limited |
| **Membership / Chairmanship of committees of Other Boards (other than CCL Products (India) Limited)** | Nil |
| **Details of Remuneration sought to be paid and the remuneration last drawn by such person** | N.A. (Since proposed for re-appointment by virtue of retirement by rotation) |
| **Shareholding in the Company as on 31.03.2024** | 10,00,000 shares |
| **Relationship between Directors inter-se/ Manager and KMPs** | Sri B. Mohan Krishna - Son-in-law of Sri Challa Rajendra Prasad, Executive Chairman and Smt. Challa Shantha Prasad, Non-Executive Director and Brother-in law of Sri Challa Srishant, Managing Director of the Company |
| **Number of Meetings of the Board attended during the year** | 5 of 5 |

## DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2023-24

Board of Directors is pleased to present your Company's report on business and operations along with audited financial statements (standalone and consolidated) for the financial year ended March 31, 2024.

### Financial Performance

The financial performance of your Company for the year ended on March 31, 2024 on Standalone and Consolidated basis is summarized below:

### Standalone basis

**(₹ in Lakhs)**

| Particulars | 2023-2024 | 2022-2023 (Refer Note below) |
|---|---|---|
| Revenue from operations | 1,45,617 | 1,35,613 |
| Profit for the year (before Interest, Depreciation & Tax) | 21,717 | 25,925 |
| Less: | | |
| Interest | 4,518 | 2,659 |
| Depreciation | 5,181 | 3,639 |
| Provision for Taxation (including deferred tax) | 2,486 | 2,091 |
| Net Profit | 9,531 | 17,536 |

For the financial year 2023-24, your Company recorded a turnover of ₹1,45,617 Lakhs and earned a net profit of ₹ 9,531 Lakhs as compared to the previous year's turnover of ₹ 1,35,613 Lakhs and net profit of ₹ 17,536 Lakhs. For the financial year 2022-23, profit includes dividend of ₹ 3,724 Lakhs received from M/s. Ngon Coffee Company Limited, wholly owned subsidiary of your Company. No such dividend has been received for the current FY 2023-24.

### Consolidated basis

**( ₹ in Lakhs)**

| Particulars | 2023-2024 | 2022-2023 (Refer Note below) |
|---|---|---|
| Revenue from operations | 2,65,370 | 2,07,122 |
| Profit for the year | | |
| (before Interest, Depreciation & Tax) | 45,612 | 40,311 |
| Less: | | |
| Interest | 7,771 | 3,440 |
| Depreciation | 9,767 | 6,370 |
| Provision for Taxation (including deferred tax) | 2,616 | 2,103 |
| Net Profit | 25,008 | 28,396 |

For the financial year 2023-24, on a consolidated basis, your Company recorded a turnover of ₹ 2,65,370 Lakhs and net profit of ₹ 25,008 Lakhs as compared to previous year's turnover of ₹ 2,07,122 Lakhs and net profit of ₹ 28,396 Lakhs.

**Note: On October 18, 2023, the Hon'ble National Company Law Tribunal (NCLT) approved the Scheme of Arrangement between CCL Products (India) Limited (the Resulting Company) and Continental Coffee Private Limited (the Demerged Company) and their respective shareholders and creditors under Section 230 to 232* *and other applicable provisions of the Companies Act, 2013, whereby the Marketing and Distribution of Coffee and FMCG Products division (Coffee division) of the Demerged Company would be demerged and transferred to the Resulting Company, on a going concern basis effective 01.10.2022, being the Appointed Date. Following the guidance available under Appendix C of Ind AS 101, the financial information in the financial statements in respect of prior periods has been restated from that date. Consequently, the financial information for the FY 2022-23 has been restated to give effect to this Demerger.*

**Transfer of amount to General Reserve**

No amount has been transferred to reserves during the year.

**Capex**

Your Company has spent an amount of ₹ 66.78 Crores towards its capital expenditure requirements.

**Business Review**

FY 2023-24 was marked by significant challenges such as rising green coffee prices, intense competition, geopolitical crises causing supply chain disruptions, etc. Inspite of these obstacles, your Company demonstrated commendable resilience, maintaining its volume growth trajectory and profitability on a per kilo basis. The Company is on track to complete all the capacity expansion plans in its subsidiaries. Apart from enhancing capacity there has been dedicated efforts to increase the share of premium and value added products to strengthen the position in the market and laying foundation for future growth

In the Indian domestic market, your Company's branded business continues a satisfactory healthy growth, attracting new customers and solidifying its position as the third-largest instant coffee brand in India*. Furthermore, your brands have gained recognition as the preferred choice among consumers on prominent e-commerce and direct-to-consumer platforms nationwide. This growing consumer appreciation for the brand signals a promising increase in market share moving forward.

**Source - NielsenIQ*

**Global Coffee Scenario**

The global green coffee market is facing a fourth consecutive year of shortage of crop. As a result, the global coffee market has experienced unprecedented challenges, with green coffee prices soaring to historic highs. This surge has been driven primarily by a sharp decline in crop outputs from Vietnam and Indonesia, exacerbated by droughts and shifting weather patterns. Brazil and Africa have partially offset these declines with increased production, but overall global supply has struggled to meet demand for nearly two years. Consequently, carryover stocks are minimal, intensifying upward pressure on coffee prices.

According to Mordor Intelligence, the global coffee market was valued at $132.13 billion in 2024 and is projected to reach $166.39 billion by 2029, growing at a compound annual growth rate (CAGR) of 4.72% during the forecast period (2024-2029).

**Dividend**

As you are aware, an interim dividend of ₹ 2.50 per equity share of nominal value ₹ 2 each was paid during the FY 2023-2024. Further, your Board of Directors have recommended a final dividend of ₹ 2 per equity share of nominal value of ₹ 2 each in their meeting held on May 11, 2024, subject to the approval of the members in the forthcoming Annual General Meeting. If approved, the total dividend for the FY 2023-24 will be ₹ 4.50 per equity share or 225% of face value.

The record date for the purpose of payment of final dividend for the financial year ended March 31, 2024 has been fixed as September 13, 2024.The dividend will be disbursed subject to deduction of Income tax at applicable rates as per provisions of the Income Tax Act.

As per Regulation 43A of the Listing Regulations, your Company has framed a Dividend Distribution Policy, which may be accessed at https://www.cclproducts.com/wp-content/uploads/2021/07/Dividend-Distribution-Policy.pdf .

**Scheme of Arrangement (Demerger)**

As you are aware, and as notified to you from time to time, a scheme of arrangement was entered into between CCL Products (India) Limited (the Resulting Company) and Continental Coffee Private Limited (the Demerged Company) and their respective shareholders and creditors under Section 230 to 232 and other applicable provisions of the Act, whereby the Marketing and Distribution of Coffee and FMCG Products division (Coffee division) of the Demerged Company were demerged and transferred to the Resulting Company, on a going concern basis effective 01.10.2022, being the Appointed Date. The said Scheme, subsequent upon approval by the Stock Exchanges and other authorities has been sanctioned by the Hon'ble NCLT, Hyderabad Bench and Hon'ble NCLT Amaravati Bench vide their orders dated 18.10.2023.

The certified copies of the orders were filed with the respective Registrar of Companies of Telangana and that of Andhra Pradesh. The demerger process stands completed as on date of this Report.

**Material Changes and Commitments**

Save as and except as discussed and stated in this Report, there are no material changes and commitments affecting the financial position of your Company that have occurred between the end of the Financial Year 2023-24 and the date of this report.

**Share Capital**

During the year under review, your Company issued and allotted 5,00,000 equity shares of ₹ 2 each to CCL Employees Trust pursuant to the CCL Employee Stock Option Scheme – 2022, which was approved by the shareholders vide there meeting dated August 30, 2022 and pursuant to the Scheme of Arrangement between CCPL & CCL vide NCLT order dated October 18, 2023. The Listing / Trading approvals have been granted by both the Stock Exchanges (effective 02.04.2024). Consequent upon the said allotment, the paid-up Equity Share Capital of your Company as on March 31, 2024 stood at ₹ 2,670.56 Lakhs, comprising of 13,35,27,920 equity shares of ₹ 2 each.

During the year under review, your Company has neither issued any shares with differential voting rights nor sweat equity.

**Employee Stock Options**

Share based employee benefits are an effective mode aimed at promoting the culture of employee ownership, creating long term wealth in their hands which also helps your Company to attract, motivate and retain the employees in the competitive environment and to reduce the employee retention rate in the organization.

With the said objective, and as already informed, your Company, has adopted a Scheme under the name and style "CCL Employee Stock Option Scheme – 2022" (the CCL Scheme 2022/ the Scheme) for the benefit of its employees and the employees of its subsidiaries. The said Scheme is in force. Further, a Trust under the name and style "CCL Employees Trust" has been formed in this regard, inter alia, for the purpose of administration of the Scheme. Your Company, pursuant to the said Scheme may grant upto a maximum of 4 Lakhs options convertible into equal number of Equity shares of ₹ 2 each, in one or more tranches. Upon exercise and payment of the exercise price, the option holder will be entitled to one Equity Share per employee stock option.

During the year under review, the Nomination and Remuneration Committee (Compensation Committee) of the Company, pursuant to the resolution passed by it, converted the options granted under Continental Coffee Private Limited Employee Stock Option Plan, 2021 (CCPL ESOP Plan) into 1,00,000 options under CCL Employee Stock Option Scheme – 2022 ( CCL ESOP Scheme) as contemplated in the Scheme of Arrangement between Continental Coffee Private Limited, Demerged Company and CCL Products (India) Limited, Resulting Company. Subsequent to this addition of 1,00,000 Options, the total pool of Options in CCL ESOP Scheme increased to 5,00,000. Accordingly the Company has allotted 5,00,000 (Five Lakh) equity shares of ₹ 2 each at a price of ₹ 2 to M/s "CCL Employees Trust", to be eventually transferred to the employees pursuant to the said ESOP Plan.

Information pursuant to Part F of Schedule – I of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 is available on Company's website and may be accessed at https://www.cclproducts.com/wp-content/uploads/2023/07/ESOP-disclosure-pursuant-to-SEBI-SBEB-Regulations-2021.pdf . The statutory disclosures as per the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as specified in Schedule I of the said Regulations may be accessed at: https://www.cclproducts.com/wp-content/uploads/2024/08/Disclosures-on-ESOPs.pdf.

It is confirmed that the Scheme is in compliance with the SEBI (Share Base Employee Benefits and Sweat Equity) Regulations, 2021 and during the year under review no material changes were made to the Scheme.

Certificate has been obtained from M/s. P.S. Rao & Associates, Company Secretaries, confirming that the Scheme has been implemented in accordance with the SEBI Regulations and it will be placed at the forthcoming Annual General Meeting of your Company for inspection by the members.

**Subsidiaries**

The subsidiary companies situated in India and outside India continue to contribute to the business and overall performance of your Company. As of March 31, 2024, your Company has the following wholly owned subsidiaries:

1. Jayanti Pte Limited (Singapore)
2. Continental Coffee SA (Switzerland)
3. Ngon Coffee Company Limited (Vietnam)
4. Continental Coffee Private Limited (India)
5. CCL Food and Beverages Private Limited (India)

**Performance and contribution of each of the Subsidiaries**

As per Rule 8 of Companies (Accounts) Rules, 2014, a report on the financial performance of the subsidiary companies for the financial year ended March 31, 2024, is summarized below:

**i. Jayanti Pte Limited (Singapore)**

Jayanti Pte Limited is a wholly owned subsidiary of your Company incorporated in Singapore to act as an investment vehicle for your Company, hence no operational performance is reported.

**ii. Continental Coffee SA (Switzerland)**

Continental Coffee SA is a wholly owned subsidiary of your Company incorporated in Switzerland. It has an agglomeration and packing unit. Operational performance of the Company, in brief is as hereunder:

**(₹ in Lakhs)**

| Particulars | 2023-2024 | 2022-2023 |
|---|---|---|
| Revenue from operations | 28,234 | 29,642 |
| Profit for the year (before Interest, Depreciation & Tax) | 1,736 | 1,461 |
| Less: | | |
| Interest | 172 | 110 |
| Depreciation | 113 | 105 |
| Provision for Taxation | 197 | 38 |
| Net Profit | 1,255 | 1,208 |

**iii. Ngon Coffee Company Limited (Vietnam)**

Ngon Coffee Company Limited is a wholly owned subsidiary of your Company incorporated in Vietnam. It has an instant coffee manufacturing unit. The installed capacity of this Company has been substantially enhanced during the year at a capital cost of $ 30 million and commenced the operations. Further, the Company is also implementing a new project to manufacture Freeze Dried Instant coffee and the capital work in progress as at the end of the year is ₹19,939.98 Lakhs The operational performance of the Company, in brief, is hereunder:

**(₹ in Lakhs)**

| **Particulars** | **2023-2024** | **2022-2023** |
|---|---|---|
| Revenue from operations | 114,682 | 64,724 |
| Profit for the year (before Interest, Depreciation & Tax) | 21,942 | 17,655 |
| Less: | | |
| Interest | 3,042 | 547 |
| Depreciation | 4,440 | 2,498 |
| Provision for Taxation | - | - |
| Net Profit | 14,460 | 14,610 |

**iv. Continental Coffee Private Limited**

Continental Coffee Private Limited is a wholly owned subsidiary of your Company, incorporated in India, established with an objective of promoting instant coffee brands of your Company in the domestic market. It had two divisions viz, Marketing and Distribution of Coffee and FMCG Products division (Coffee division) and the Food and Beverage Kiosks including 'Coffee on Wheels' (F & B division). As stated elsewhere in this Report, its Coffee marketing and distribution division has been demerged into your Company. The operational performance of the Company, in brief, taking into account the demerger is hereunder:

**(₹ in Lakhs)**

| **Particulars** | **2023-2024** | **2022-2023** |
|---|---|---|
| Revenue from operations | 296.95 | 190.10 |
| Profit for the year (before Interest, Depreciation & Tax) | (200.50) | (106.25) |
| Less: | | |
| Interest | 37.58 | 0.06 |
| Depreciation | 31.69 | 9.88 |
| Provision for Taxation | 2.71 | - |
| Net Profit/Loss | (272.48) | (116.19) |

**v. CCL Food and Beverages Private Limited**

CCL Food and Beverages Private Limited is a wholly owned subsidiary of your Company, which is into the business of spray dried instant coffee manufacturing. During the year under review, the Company commenced commercial operations on March 16, 2024. The performance of the Company, in brief, is hereunder:

**(₹ in Lakhs)**

| **Particulars** | **2023-2024** | **2022-2023** |
|---|---|---|
| Revenue from operations | 6.93 | - |
| Profit for the year (before Interest, Depreciation & Tax) | (17.36) | (11.08) |
| Less: | | |
| Interest | 2.19 | 0.56 |
| Depreciation and other write offs | 1.22 | - |
| Provision for Taxation | - | - |
| Net Profit/Loss | (20.76) | (11.64) |

The statement containing the salient features of the financial statement of subsidiaries as per sub-section (3) of Section 129 of the Act in Form AOC-1 is annexed as ***Annexure I*** to this report.

**Consolidated Financial Statements**

The Consolidated Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Act3.

The Consolidated Financial Statements for the financial year ended March 31, 2024, form part of the Annual Report.

Pursuant to the provisions of Section 136 of the Act, the standalone financial statements of your Company, the consolidated financial statements along with relevant documents and audited financial statements in respect of subsidiaries, are available on the website of your Company at www.cclproducts.com.

The annual accounts of the subsidiary companies and the related detailed information shall be kept open for inspection by any shareholder at the Registered office of the Company during business hours and shall be made available to the shareholders seeking such information at any point in time.

The policy for determining material subsidiaries is available on the website of your Company which may be accessed at https://www.cclproducts.com/wp-content/uploads/2024/06/Policy-for-determining-'Material-Subsidiaries.pdf. According to this policy, Continental Coffee SA, Ngon Coffee Company Limited are material subsidiaries. However, Continental Coffee Private Limited ceased to be material subsidiary for FY 25, as its Coffee division got demerged into CCL Products (India) Limited, Holding Company during the year under review.

**Companies which have become or ceased to be the subsidiaries, joint ventures or associate companies during the year:**

The Company does not have any associate or joint venture Company falling within the definition under the Act 2013. Further, during the year under review, there was no instance of any existing wholly owned subsidiaries of the Company ceasing to be as such, or any company becoming its subsidiary. Thus, there was no change in the list of wholly woned subsidiaries of the Company.

**Listing of Equity Shares**

Your Company's equity shares are listed on the following Stock Exchanges:

(i) BSE Limited, Phiroze JeeJeebhoy Towers, Dalal Street, Mumbai- 400001, Maharashtra, India. It is traded with the code 519600 and

(ii) National Stock Exchange of India Limited, Exchange Plaza, Floor 5, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400051, Maharashtra, India. It is traded with the code CCL

Your Company has paid the Annual Listing Fees to the said Stock Exchanges for the Financial Year 2024-25.

**Corporate Social Responsibility**

Your Company, as part of its Corporate Social Responsibility (CSR), undertook and supported activities like contributions to old age homes, orphanages, promotion of education and health care activities, facilitating infrastructural and rural development of identified rural areas around the factories situated at Guntur District and Tirupati District of Andhra Pradesh including setting up of R.O plants for providing safe drinking water and also women empowerment and skill development programs in rural areas around Hyderabad and Tirupati.

Your Company has a Policy on Corporate Social Responsibility (CSR). The Annual Report on CSR activities as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as ***Annexure***

***II*** to this report. The CSR Policy is posted on the website of your Company and the web link is https://www.cclproducts.com/wp-content/uploads/2021/07/csr-policy.pdf

Further, pursuant to the provisions of Section 135 of the Act your Company was required to spend an amount of ₹ 398.69 Lakhs towards CSR Activities. However, during the financial year, your Company has spent a total amount of ₹ 491.08 Lakhs towards various CSR activities and hence the excess amount of ₹ 92.39 Lakhs is available for set-off against the amount required to be spent upto immediate succeeding three (3) financial years.

**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 your 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. The Board has ensured that there are adequate Internal Financial Controls commensurate with the size, nature of operations and requirements.

**Statutory Auditors & their Report**

M/s. Ramanatham & Rao, Chartered Accountants (FRN: 2934S) appointed as the Statutory Auditors of your Company at the 61st Annual General Meeting held on August 30, 2022 for a period of 5 years shall hold their office till the conclusion of 66th Annual General Meeting. The Statutory Auditors have confirmed their independence and that they are not disqualified from continuing as Auditors of your Company.

The standalone and the consolidated financial statements of your Company have been prepared in accordance with Ind AS notified under Section 133 of the Act. The Statutory Auditor's reports do not contain any qualifications, reservations, adverse remarks, matters of emphasis or disclaimers.

The Statutory Auditors were present in the last AGM held on August 22, 2023.

**Internal Auditors**

M/s. Ramesh & Co., Chartered Accountants, Hyderabad were appointed as the Internal Auditors for FY 2023-24. The internal audit reports and the suggestions made on a quarterly basis by the auditors, during the year under review, were duly noted by the Board and acted upon.

The Board of Directors, based on the recommendation of the Audit Committee have appointed M/s. Brahmayya & Co., Chartered Accountants, Bangalore, as the Internal Auditors of your Company for the FY 2024-25.

**Cost Auditors**

In accordance with 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, the Board of Directors, upon the recommendation of Audit Committee has appointed M/s. M P R & Associates, Cost Accountants, Hyderabad as the Cost Auditors of your Company to carry out the cost audit of the products manufactured by your Company during the financial year 2024-25 at a remuneration of ₹ 2,00,000. 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. M P R & Associates, Cost Accountants, is included in the Notice convening the Annual General Meeting. Your Company is maintaining cost records as specified by the Central Government under Section 148(1) of the Act The Cost auditors have audited and expressed satisfaction about the maintenance of cost audit records, internal controls and issued an unqualified report.

A Certificate from M/s. M P R & Associates, Cost Accountants, has been received to the effect that their appointment as Cost Auditor of your Company is in accordance with the limits specified under Section 141 of the Companies Act, 2013 and the Rules framed thereunder.

**Reporting of Frauds**

During the year under review, there was no instance of fraud, misappropriation which required the Statutory Auditors to report to the Audit Committee and/or Board under Section 143(12) of the Companies Act, 2013 and the rules made thereunder.

**Secretarial Audit**

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company appointed M/s. P.S. Rao & Associates, Company Secretaries (Peer Review Number: P2001TL078000) to undertake the Secretarial Audit of your Company for the FY 2023-24. The Secretarial Audit Report issued by M/s. P.S. Rao & Associates for the FY 2023-24 is enclosed as ***Annexure III*** to this Report.

Further, the Secretarial Audit Report of the material unlisted subsidiary of your Company, i.e., Continental Coffee Private Limited, as per Regulation 24(A) of the Listing Regulations is enclosed as ***Annexure IIIA*** to this Report. However, as disclosed elsewhere, Continental Coffee Private Limited ceases to be a material subsidiary for the FY 2023-24.

**Compliance with Secretarial Standards**

Your Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and are operating effectively. During the year under review, your Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India.

**Directors & Key Managerial Personnel**

The Board of directors of your Company has an optimum combination of Executive, Non-Executive and Independent Directors including Woman Directors.

**i. Retirement by rotation**

In accordance with the provisions of Section 152 of the Act Sri K. K. Sarma and Smt. Challa Shantha Prasad, Non-Executive Directors of your Company retired by rotation in the 62nd AGM and were re-appointed thereat.

Further, Smt. Challa Shantha Prasad and Sri B. Mohan Krishna, Non-Executive Directors of your Company retire by rotation in the ensuing AGM and being eligible, have offered themselves for re-appointment. The Board of Directors recommend their re-appointment.

**ii. Appointment / Re-appointment (Non-Executive / Independent Directors)**

As reported last year, your Board of Directors draw your kind attention to the following appointments / re-appointments that took place in the office of Non-Executive / Independent Directors of your Company:

- Sri Durga Prasad Kode (DIN 07946821) was appointed as an Additional and Non-Executive Independent Director by the Board with effect from July 14, 2023. Subsequently, at the 62nd AGM, the members approved his appointment as an Independent Director of the Company for a period of 5 years i.e., from July 14, 2023 to July 13, 2028.

- Dr. Krishnanand Lanka (DIN 07576368) was appointed as an Additional and Non-Executive Independent Director by the Board with effect from July 14, 2023. Subsequently, at the 62nd AGM, the members approved his appointment as an Independent Director of the Company for a period of 5 years i.e., from July 14, 2023 to July 13, 2028.

- Sri S. V. Ramachandra Rao (DIN: 01869061) was appointed as an Additional and Non-Executive Director by the Board with effect from July 14, 2023. Subsequently, at the 62nd AGM, the members approved his appointment as Non-Executive Director of the Company, whose office is liable to retire by rotation.

- Smt. Kulsoom Noor Saifullah (DIN: 02544686) was re-appointed as Non-Executive Independent Director of the Company at its 62nd AGM, for another term of 5 years i.e., from February 14, 2024 to February 13, 2029.

- Sri K. V. Chowdary (DIN 08485334) was re-appointed as Non-Executive Independent Director of the Company at its 62nd AGM, for another term of 5 years i.e., from June 25, 2024 to June 24, 2029.

- Sri Sudhakar Ambati (DIN: 01080550) was appointed as Non-Executive Independent Director of the Company for a term of 5 years from September 29, 2023 to September 28, 2028 with the approval of members through the process of Postal ballot.

**iii. Re-appointment (Whole Time Directors)**

- Sri Challa Srishant (DIN: 00016035) was re-appointed to the office of Managing Director by the Board with effect from February 14, 2024. Subsequently, at the 62nd AGM, the members approved his re-appointment as Managing Director of the Company for another term of 5 years i.e., from February 14, 2024 to February 14, 2029.

- Sri B. Mohan Krishna (DIN: 03053172) was re-appointed to the office of Executive Director by the Board with effect from February 14, 2024. Subsequently, at the 62nd AGM, the members approved his re-appointment as Executive Director of the Company for another term of 5 years i.e., from February 14, 2024 to February 14, 2029.

**iv. Independent Directors**

In terms of Section 149 of the Act and the Listing Regulations, Sri G. V. Krishna Rau, Sri K. V. Chowdary, Sri. Durga Prasad Kode, Smt. Kulsoom Noor Saifullah, Dr. Krishnanand Lanka, Sri Sudhakar Ambati are the Independent Directors of the Company as on the date of this Report.

All Independent Directors of the Company have given declarations under Section 149(7) of the Act, that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulation. In terms of Regulation 25(8) of the Listing Regulations the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective, independent judgement and without any external influence.

In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, all the Independent Directors have got their names included in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are persons of high integrity and repute. They fulfil the conditions specified in the Act as well as the Rules made thereunder and are independent of the Management.

During the Financial year under review, Sri Vipin K Singal resigned as Independent Director of the Company on attaining the age of 75 years, being the maximum age prescribed under the provisions of the Listing Regulations.

Subsequent upon close of Financial Year under review, Sri Kata Chandrahas, vacated his office of Non-Executive Independent Director of the Company on completion of two terms in the said office, as prescribed under the provisions of the Act and the Listing Regulations.

**iv. Key Managerial Personnel**

In terms of Section 203 of the Act, the Key Managerial Personnel ('KMPs') of the Company during the year under review are:

Sri Challa Srishant, Managing Director
Sri B. Mohan Krishna, Executive Director
Sri Praveen Jaipuriar, Chief Executive Officer
Sri V. Lakshmi Narayana, Chief Financial Officer
Smt. Sridevi Dasari, Company Secretary

**v. Directors and Officers Insurance ('D&O')**

As per the requirements of Regulation 25(10) of the SEBI Listing Regulations, your Company has taken a policy of insurance for all the Directors & Officers - Senior Management of the Company.

**Meetings of the Board**

Five 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 forms part of this Annual Report.

Your Company has also adopted Governance Guidelines on Board Effectiveness which comprises the aspects relating to composition of board and committees, tenure of office of directors, nomination, appointment, development of directors, code of conduct, effectiveness of board and committees, review and their mandates.

**Committees**

**i. Audit Committee**

The Board has in place a duly constituted Audit Committee as per the provisions of Section 177 of the Act and the Listing Regulations. The composition, attendance, powers and role of the Audit Committee are included in the Corporate Governance Report which forms part of this Annual Report. All the recommendations made by the Audit Committee were accepted by the Board of Directors.

**ii. Other Committees**

Apart from the Audit Committee, the Board has also constituted the following committees, in accordance with the provisions of of the Act and the Listing Regulations as applicable, which are in place and discharging their functions as per terms of reference entrusted by the Board:

- Nomination and Remuneration Committee / Compensation Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

The composition, attendance, powers and role of the Committees are included in the Corporate Governance Report which forms part of this Annual Report.

**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 in compliance with Regulation 19 of the Listing Regulations and pursuant to Section 178 of the Act. 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 your 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) makes appropriate recommendations to the Board 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 Act and the Listing Regulations which is enclosed as ***Annexure IV*** and the same is available on the website of your Company which may be accessed at https://www.cclproducts.com/wp-content/uploads/2023/07/Remuneration-Policy.pdf

The remuneration determined for Executive/Non-Executive 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 Commission as approved by the shareholders and it is within the limits laid down by the Companies Act, 2013. The Non-Executive Directors are entitled to sitting fees for attending meetings of the Board and the Committees. The remuneration paid to Directors, Key Managerial Personnel and all other employees is in accordance with the Remuneration Policy of your Company.

The Managing Director and Executive Director of your Company being directors of Ngon Coffee Company Limited, Vietnam, wholly owned subsidiary, are eligible for profit based commission of 3% and 2.5% respectively for the FY 2023-24, which is permissible under Section 197(14) of the Act.

Except as mentioned above, neither the Managing Director nor any Whole Time Director of your Company received any remuneration or commission from any other Subsidiaries.

Brief terms of 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) Familiarization/ Orientation program for Independent Directors:**

A formal familiarization program was conducted about the amendments in the Companies Act, Rules prescribed thereunder, Listing Regulations and all other applicable laws to your Company and all the directors were also apprised about the business activities of the Company.

A lecture was organized on Business Responsibility and Sustainability Report, its nine principles of reporting, GRI Framework and SEBI circular on BRSR Core for all the Directors of the Company.

It is the general practice of your Company to notify the changes in all the applicable laws to the Board of Directors, from time to time. The objective of these programs is to familiarize Independent Directors with the business of your Company, industry in which your Company operates, business model, challenges etc. through various programs such as interaction with subject matter experts, meetings with business leads and functional heads on a regular basis.

The details of such familiarization programs for Independent Directors are posted on the website of your Company and web link is https://www.cclproducts.com/wp-content/uploads/2021/07/Familiarization-programme-for-Independent-Directors.pdf

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

Pursuant to the provisions of the Act and the Listing Regulations, 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, Nomination and Remuneration and all 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 judgment, safeguarding the interest of your Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Independent Director being evaluated.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, the Board as a whole and the Chairman of your Company was evaluated, taking into account the views of the Executive Director and Non-Executive Directors who also reviewed the performance of the Secretarial Department. The Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

The Directors expressed their satisfaction with the evaluation process.

**Particulars of Loans, Guarantees and Investments**

Details of Loans, Guarantees and Investments made during the Financial Year ended March 31, 2024, covered under the provisions of Section 186 of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014, are given in the notes to the Financial Statements.

**Fixed Deposits**

Your Company has neither accepted nor renewed any fixed deposits from the public within the meaning of Section 73 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 and as such, no principal or interest was outstanding as on the date of the Balance sheet. Further, your Company has not accepted any loans/advances from any of its Directors during the year under review.

**Directors' Responsibility Statement**

Pursuant to Section 134 (5) of the Act 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 judgements and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of your Company at the end of the financial year 2023-24 and of the profit or loss of your 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 your company and for preventing and detecting fraud and other irregularities;

iv) The annual accounts for the year 2023-24 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 Vigil Mechanism as envisaged in the Act, the Rules prescribed thereunder and the Listing Regulations is implemented through your Company's Whistle Blower Policy, to deal with instance of fraud and mismanagement, if any in the Group. The Policy provides for adequate safeguards against victimization of employees who avail the mechanism and also provides for direct access to the Chairman of the Audit Committee. The details of the Policy are explained in the Corporate Governance Report and also posted on the website of your Company and the web link is www.cclproducts.com/wp-content/uploads/2024/06/Whistle-Blower-Policy.pdf

The Whistle Blower Policy aims to conduct the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. All the employees of your Company are covered under the Whistle Blower Policy.

**Risk Management**

Your Company has constituted a Risk Management Committee and formulated a policy on the Risk Management in accordance with the Act and Regulation 21 of the Listing Regulations to frame, implement and monitor the risk management plan for your Company. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. Furthermore, your Company has set up a robust internal audit function which reviews and ensures sustained effectiveness of internal financial controls by adopting a systematic approach to its work. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of this Annual Report. The Risk Management Policy of your Company is posted on the website of your Company and the web link is https://www.cclproducts.com/wp-content/uploads/2021/07/risk-management-policy.pdf.

**Related Party Transactions and particulars of contracts or arrangements with related parties**

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 your Company with Promoters, Directors, Key Managerial Personnel or other related parties which may have a potential conflict with the interest of your Company at large.

All related party transactions are placed before the Audit Committee and also before the Board for approval. Prior omnibus approval of the Audit Committee is obtained as per the Listing Regulations for the transactions which are foreseeable and repetitive in nature. Your 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 Act. However, as a matter of disclosure, particulars of contracts or arrangements with related parties are provided in ***Annexure V*** in Form AOC-2 pursuant to section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 and forms part of this report.

The policy on materiality of Related Party Transactions and dealings in related party transactions, as approved by the Board is uploaded on the website of your Company and the web link is https://www.cclproducts.com/wp-content/uploads/2024/06/Policy-on-dealing-with-Related-Party-Transactions.pdf.

**Disclosure under Regulation 34(3) read with Schedule V of the Listing Regulations**

**Related Party disclosures as per Schedule V of the Listing Regulations**

| S.No | In the accounts of | Particulars | Amount at the year ended 2023-24 (₹) | Maximum amount of Loans/Advances/ Investments outstanding during the year 2023-24 (₹) |
|---|---|---|---|---|
| 1 | CCL Products (India) Limited (Holding Company) | (i) Loans/advances to subsidiaries<br>- CCL Food and Beverages Private Limited (Wholly owned subsidiary)<br>- Continental Coffee Pvt. Ltd (Wholly owned subsidiary)<br>(ii) Loans/advances to associates<br>(iii) Loans/advances to firms/ companies in which Directors are interested | *84.49 Crores<br>6.27 Crores<br>NIL<br>NIL | 138.44 Crores<br>6.27 Crores<br>NIL<br>NIL |
| 2 | CCL Products (India) Limited (Holding Company) | Investment by the Loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan | NA | NA |

**Inclusive of ₹ 1 crore towards investment in equity shares and ₹ 79 crores towards investment in Optionally Convertible Debentures.*

**Policy on Material Subsidiaries**

The Policy on Material Subsidiaries as per the Listing Regulations as approved by the Board is uploaded on the website of your Company and the web link is https://www.cclproducts.com/wp-content/uploads/2021/07/policy-on-material-subsidiary.pdf.

**Annual Return**

In accordance with Section 134 (3) (a) of the Act a copy of Annual Return in the prescribed format i.e., Form MGT-7 is placed on the website of your Company and may be accessed at: https://www.cclproducts.com/wp-content/uploads/2024/08/MGT-7-2023-24.pdf

**Management Discussion & Analysis**

Pursuant to the provisions of Regulation 34(2) of the Listing Regulations a report on Management Discussion & Analysis is herewith annexed as ***Annexure VI*** to this report.

**Change in the nature of business**

There has been no change in the nature of business of your Company during the year under review.

**Transfer of amounts to Investor Education and Protection Fund**

Pursuant to the provisions of Section 124 (5) of the Act an amount of ₹ 8,24,547 from unpaid dividend account (interim dividend FY 2015-16) and amount of ₹ 4,06,369 from unpaid dividend account (Final dividend FY 2015-16) which remained unclaimed for a period of seven years had been transferred by your Company to the Investor Education and Protection Fund established by the Central Government during the financial year 2023-24.

**Transfer of unclaimed shares to Investor Education and Protection Fund**

Pursuant to the provisions of Section 124 of the Act, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more upto and including the financial year 2015-16 were transferred by your Company in the name of Investor Education and Protection Fund during the financial year 2023-24 and the statement containing such details as may be prescribed is placed on the website of your Company. Information in respect of unclaimed dividend and due dates for transfer to the IEPF are given below:

| SI | For the Financial year | Dividend | Date of Declaration | Due date for transfer unclaimed amounts to IEPF |
|---|---|---|---|---|
| 1 | 2016-17 (Final dividend) | 125% | 11.07.2017 | 14.09.2024 |
| 2 | 2017-18 (Final dividend) | 125% | 14.07.2018 | 17.09.2025 |
| 3 | 2018-19 (Interim dividend) | 87.5% | 23.03.2019 | 27.05.2026 |
| 4 | 2018-19 (Final dividend) | 87.5% | 07.08.2019 | 11.10.2026 |
| 5 | 2019-20 (First interim dividend) | 100% | 27.01.2020 | 31.03.2027 |
| 6 | 2019-20 (Second interim dividend) | 150% | 26.02.2020 | 30.04.2027 |
| 7 | 2020-21 (Interim dividend) | 100% | 20.10.2020 | 24.12.2027 |
| 8 | 2020-21 (Final dividend) | 100% | 26.08.2021 | 30.10.2028 |
| 9 | 2021-22 (Interim dividend) | 150% | 19.01.2022 | 23.03.2029 |
| 10 | 2021-22 (Final dividend) | 100% | 30.08.2022 | 03.10.2029 |
| 11 | 2022-23 (Interim dividend) | 150% | 18.01.2023 | 22.03.2030 |
| 12 | 2022-23 (Final dividend) | 125% | 22.08.2023 | 26.10.2030 |
| 13 | 2023-24 (Interim dividend) | 125% | 05.02.2024 | 11.04.2031 |

**Insurance**

All properties and insurable interests of your Company have been fully insured.

**Particulars of Employees and Remuneration**

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 your Company is herewith annexed as ***Annexure VII*** to this report.

**Corporate Governance**

Your Company has been making every endeavor to bring more transparency in the conduct of its business. As per the requirements of Regulation 34 (3) of the Listing Regulations, a report on Corporate Governance for the year 2023-24 and a Certificate from M/s. P S Rao & Associates, Company Secretaries are furnished which forms 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 the work environment propels them to achieve higher levels of performance. The unflinching commitment of the employees is the driving force behind your Company's vision. Your Company appreciates the spirit of its dedicated employees.

**Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace:**

Your Company strongly supports the rights of all its employees to work in an environment, free from all forms of harassment. Your 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. Your Company has also constituted an Internal Complaint Committee, known as Anti Sexual Harassment Committee, to address the concerns and complaints of sexual harassment and to recommend appropriate action.

Your Company has not received any complaint of 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 Act read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as ***Annexure VIII*** to this report.

**Business Responsibility and Sustainability Report**

Pursuant to the amended Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility and Sustainability Report (BRSR) of your Company for the financial year ended March 31, 2024, forms part of this Annual Report and is annexed herewith as ***Annexure IX***.

**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 your Company and its future operations.

**Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year:**

No application was made or any proceedings pending under the IBC, 2016 during the year ended on March 31, 2024.

**Details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof:**

Not Applicable

**Green initiative in Corporate Governance**

The Ministry of Corporate Affairs (MCA) has taken a green initiative in Corporate Governance by allowing paperless compliances by the Companies and permitted the service of Annual Reports and documents to the shareholders through electronic mode subject to certain conditions and your Company continues to send Annual Reports and other communications in electronic mode to the members who have registered their email addresses with your Company/RTA.

**Acknowledgments**

Your Directors take this opportunity to express their sincere appreciation to the employees, 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.

**For and on behalf of the Board**

| | |
|---|---|
| Sd/- | Sd/- |
| **Challa Srishant** | **B. Mohan Krishna** |
| Managing Director | Executive Director |
| DIN: 00016035 | DIN: 03053172 |

Place: Hyderabad
Date : August 07, 2024

**Annexure I**

## Form AOC-1

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

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

**Part "A": Subsidiaries**

**SUBSIDIARY COMPANIES FINANCIAL HIGHLIGHTS – FY 2023-24**

**(₹ in Lakhs)**

| Sl No | Particulars | Continental Coffee Private Limited | CCL Food & Beverages Private Limited | Jayanti Pte. Limited | Continental Coffee SA | Ngon Coffee Company Limited |
|---|---|---|---|---|---|---|
| 1 | Capital | 700.00 | 8001.00 | 122.84 | 10251.85 | 17755.00 |
| 2 | Reserves | (1181.05) | (32.40) | 15.10 | 467.69 | 43654.52 |
| 3 | Total Assets | 174.19 | 33510.95 | 151.87 | 26948.18 | 119847.84 |
| 4 | Total Liabilities | 174.19 | 33510.95 | 151.87 | 26948.18 | 119847.84 |
| 5 | Turnover | 296.95 | 6.93 | - | 28234.04 | 114682.45 |
| 6 | Profit/(Loss) before Taxation | (269.77) | (20.76) | (6.89) | 1451.47 | 14460.22 |
| 7 | Provision for Taxation | 2.71 | - | - | 196.53 | - |
| 8 | Profit/(Loss) after Taxation | (272.48) | (20.76) | (6.89) | 1254.94 | 14460.22 |
| 9 | Dividend | - | - | | - | - |
| 10 | Investment | - | - | | - | - |
| | Reporting Currency | INR | INR | USD | CHF | VND |
| | Exchange Rate used for Conversion : | | | | | |
| | - Average Yearly Rates for Profit and Loss Account Items | - | - | 82.8803 | 91.0865 | 0.003425 |
| | - Year end rates for Balance Sheet Items | - | - | 83.3739 | 92.3590 | 0.003350 |

**Part "B": Associates and Joint Ventures -** NA

**For and on behalf of the Board**

Sd/-
**Challa Rajendra Prasad**
Executive Chairman
DIN : 00702292

Sd/-
**Challa Srishant**
Managing Director
DIN : 00016035

Sd/-
**Kata Chandrahas**
Director
DIN : 02994302

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

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

Sd/-
**Praveen Jaipuriar**
Chief Executive Officer

Place: Hyderabad
Date : May 11, 2024

## Annexure II
## Annual Report on CSR Activities
***[Pursuant to Section 135 of the Companies Act, 2013 and the Companies(Corporate Social Responsibility Policy) Rules, 2014]***

**1. A brief Outline of the Company's CSR Policy:**

As an integral part of our Commitment to good Corporate Citizenship, we at CCL Products (India) Limited believe in actively assisting in improvement of the quality of life of people in communities, giving preference to local areas around our business operations. CSR at the Company shall be underpinned by 'More from Less for More People' Philosophy which implies striving to achieve greater impacts, outcomes and outputs of our CSR Projects and programmes by judicious investment and utililsation of financial and human resources engaging in like-minded stakeholder partnerships for higher out-reach benefiting more lives.

**2. Composition of CSR Committee, meetings held and attendance thereat:**

As of the date of this report, the Committee is composed of 4 members, all of whom are Non-Executive Directors. Of these, 3 are Independent Directors. The Committee met once during the previous year on May 16, 2023 and the requisite quorum was present for the meeting.

| S.No | Name of the Director | Designation and Nature of Directorship | Number of meetings entitled during the year | Number of meetings attended during the year |
|---|---|---|---|---|
| 1 | Durga Prasad Kode$ | Chairperson (Independent Non-Executive Director) | 1 | 1 |
| 2 | Kata Chandrahas* | Member (Independent Non-Executive Director) | 1 | 1 |
| 3 | K K Sarma* | Member (Non-Executive Director) | 1 | 1 |
| 4 | B Mohan Krishna* | Member (Executive Director) | 1 | 1 |
| 5 | Challa Srishant* | Member (Executive Director) | 1 | 1 |
| 6 | G V Krishna Rau* | Member (Independent Non-Executive Director) | 1 | 1 |
| 7 | Kulsoom Noor Saifullah | Member (Independent Non-Executive Director) | 1 | 1 |
| 8 | Challa Shantha Prasad | Member (Non-Executive Director) | 1 | 1 |
| 9 | Dr. Krishnanand Lanka@ | Member (Independent Non-Executive Director) | 1 | 1 |
| 10 | Vipin K Singal$ | Chairperson (Independent Non-Executive Director) | 1 | 1 |
| 11 | Sudhakar Ambati# | Member (Independent Non-Executive Director) | NA | NA |

*$ Sri Durga Prasad Kode was appointed as the Chairperson of the Committee in place of Sri Vipin K Singal with effect from November 03, 2023*
** Ceased to be member of the Corporate Social Responsibility Committee with effect from November 03, 2023*
*@ Ceased to be member of the Corporate Social Responsibility Committee with effect from July 13, 2023*
*# Appointed as member of the Corporate Social Responsibility Committee with effect from November 03, 2023*

3. The web-link where composition of CSR Committee, CSR policy and CSR projects approved by the Board are disclosed on the website of the Company.

weblink: https://www.cclproducts.com/wp-content/uploads/2021/07/csr-policy.pdf

4. Details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable – Not applicable

5. Details of the amount available for set-off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any : Not applicable

6. Average Net Profit of the Company as per Section 135 (5) of the Act : ₹ 19,934.64 Lakhs

7. (a) Two percent of average net profit of the Company as per Section 135(5) of the Act : ₹ 398.69 Lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil

(c) Amount required to be set-off for the financial year, if any : No

(d) Total CSR obligation for the financial year (7a +7b -7c) : ₹ 398.69 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

| Total amount spent for the Financial Year | Amount unspent (in ₹) | | | | |
|---|---|---|---|---|---|
| | Total amount transferred to unspent CSR Account as per section 135 (6) | | Amount transferred to any fund specified under schedule vii as per the second provision of Section 135 (5) | | |
| | Amount | Date of Transfer | Name of the Fund | Amount | Date of Transfer |
| ₹ 4,91,08,563 | - | - | - | - | - |

(b) Details of CSR amount spent against ongoing projects for the Financial year: Nil

(c) Details of CSR amount spent against other than ongoing projects for the Financial Year: ₹ 4,91,08,563

| S No | Name of the Project | Item from the List of Activities in ScheduleVII | Local Area (Yes /No) | Location of the Project | | Amount Spent for the project (in ₹) | Mode of implementation- Direct / agency. | Mode of implementation- Through implementing Authority |
|---|---|---|---|---|---|---|---|---|
| | | | | State | District | | | |
| 1. | Elderly care and orphanages | Contribution to old age homes and orphanages | Yes | Andhra Pradesh | Guntur | 4,50,000 | Direct | - |
| 2. | Promotion of Education | Promoting Education | Yes | Andhra Pradesh, Telangana | Guntur, Hyderabad | 1,08,11,330 | Direct | - |
| 3 | Promotion of Health care activities | Health and Hygiene | Yes | Andhra Pradesh, Telangana | Guntur, Hyderabad | 1,51,79,347 | Direct | - |
| 4. | Setting Up of R.O Plant for providing safe drinking water | Making available safe drinking water | Yes | Andhra Pradesh | Tirupati | 2,50,774 | Direct | - |
| 5. | Rural Infrastructure Development | Rural development projects | Yes | Andhra Pradesh | Guntur, Tirupati | 1,88,17,112 | Direct | - |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 6. | Housing to economically weaker sections | Reducing inequalities faced by socially and economically backward groups | Yes | Andhra Pradesh | Anantapur | 11,00,000 | Direct | - |
| 7. | Skill development and women empowerment | Enhancing vocation skills and empowering women | Yes | Andhra Pradesh, Telangana | Guntur, Anantapur, Hyderabad rural | 25,00,000 | Direct | - |

(d) Amount spent in administrative overheads : Nil

(e) Amount spent on impact assessment, if applicable: Not applicable

(f) Total amount spent for the financial year (8b+8c+8d+8e) : ₹ 4,91,08,563

(g) Excess amount for set off, if any : ₹ 92,39,283

| S.No | Particulars | Amount (in ₹) |
|---|---|---|
| i) | Two percent of average profit of the company as per Sec. 135(5) | 3,98,69,280 |
| ii) | Total amount spent for the financial year | 4,91,08,563 |
| iii) | Excess amount spent for the financial year (ii -i) | 92,39,283 |
| iv) | Surplus arising out of the CSR Projects or programmes or activities of the previous financial years, if any | Nil |
| v) | Amount available for set-off in succeeding financial years (iii-iv) | 92,39,283 |

**9.** (a) Details of Unspent CSR amount for the preceeding three financial years: Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceeding financial year(s) : Nil

**10.** In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not applicable

**11.** Specify the reason (s), if the Company has failed to spend two percent of the average net profit as per Section. 135(5) : Not applicable

**For and on behalf of the Board**

| Sd/- | Sd/- | Sd/- |
|---|---|---|
| **Challa Srishant** | **B. Mohan Krishna** | **Durga Prasad Kode** |
| Managing Director | Executive Director | Chairman-CSR Committee |
| DIN: 00016035 | DIN: 03053172 | DIN: 07946821 |

Place : Hyderabad
Date : August 07, 2024

**Annexure III**
**FORM NO: MR-3**
**SECRETARIAL AUDIT REPORT**
**FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2024**
**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To
The Members,
CCL Products (India) Limited,
Duggirala, Guntur District, Andhra Pradesh

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CCL PRODUCTS (INDIA) LIMITED, (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 March 31, 2024 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, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 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, 2018 **(Not applicable to the Company during the audit period);**

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

   (e) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021; **(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, 2021 **(Not applicable to the Company during the audit period);** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(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) Regulation, 2018 and Food Safety and Standards (Labelling and Display) Regulations, 2020;
- Factories Act, 1948;
- The Industrial Disputes Act, 1947;
- Coffee Act, 1942 and the rules made thereunder;
- The Indian Boilers Act, 1923 and Indian Boiler Regulations 1950;
- Legal Metrology Act, 2009 and The Legal Metrology (Packaged Commodities) Rules, 2011
- Special Economic Zone Act, 2005 and Special Economic Zone Rules, 2006.

We have also examined compliance with the applicable clauses of Secretarial Standards, i.e., SS-1, SS-2 and SS-3, 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

We further report that examination / audit of financial laws such as direct and indirect tax laws, la-bour laws has not been carried out by us as part of this Secretarial Audit.

**We further report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director 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 and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, (in case of shorter duration, the same were subject to requisite confirmation(s) by the Directors) 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 and the resolution(s) proposed by way of circulation 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:**

1. As per the information provided by the management and based on the review of compliance reports by the respective department / functional heads, 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.

2. During the audit period, there were no specific events / actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the Company's affairs except below:

- The Scheme of Arrangement contemplating the demerger of Marketing and Distribution of Coffee and FMCG Products division (Coffee division) of Continental Coffee Private Limited (i.e., the Demerged Company) into CCL Products (India) Limited (i.e., the Resulting Company), effective 01.10.2022, being the Appointed Date, subsequent upon approval from the board of Directors of the respective Companies, statutory and regulatory authorities has been sanctioned by the Hon'ble NCLTs, i.e., Hon'ble NCLT, Hyderabad Bench and Hon'ble NCLT Amaravati Bench vide their orders dated 18.10.2023.

- The Nomination and Remuneration Committee (Compensation Committee) of the Company, pursuant to the resolution passed by the members approving the CCL Employee Stock Option Scheme - 2022 (the Scheme) and also to issue equity shares of the Company to the "CCL Employees Trust" pursuant to the said Scheme, and the resolution passed by the Compensation Committee whereby the options granted under Continental Coffee Private Limited Employee Stock Option Plan, 2021 (CCPL ESOP Plan) were converted into options under CCL Employee Stock Option Scheme - 2022 (CCL ESOP Scheme) pursuant to the Scheme of Arrangement between Continental Coffee Private Limited, Demerged Company and CCL Products (India) Limited, Resulting Company, as approved by the Hon'ble NCLT and the In-principle approval granted by the Stock Exchanges vide their respective letters, dated 27.09.2022 and 15.03.2024 from BSE Limited and 28.10.2022 and 14.03.2024 from National Stock Exchange of India Limited allotted 5,00,000 (Five Lakh) equity shares of ₹ 2 each at a price of ₹ 2 to M/s "CCL EMPLOYEES TRUST", to be eventually transferred to the employees pursuant to the ESOP Plan of the Company. The Company received Listing and Trading approval from NSE, vide its letter dated 01.04.2024 and from BSE vide its letter dated 01.04.2024, both effective 02.04.2024.

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

Sd/-
**Vikas Sirohiya**
Partner
M. No.: 15116
C.P. No.: 5246
ICSI Unique Code: P2001TL078000
PR No.710/2020
UDIN: A015116F000923771

Place: Hyderabad
Date : August 07, 2024

*[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.]*

**Annexure A**

To
The Members,
CCL Products (India) Ltd,
Duggirala, Guntur District, Andhra Pradesh

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

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.

2. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

3. 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 practices we followed provide a reasonable basis for our opinion.

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

5. 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.

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

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

**Disclaimer**

8. 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

Sd/-
**Vikas Sirohiya**
Partner
M. No.: 15116
C.P. No.: 5246
ICSI Unique Code: P2001TL078000
PR No.710/2020
UDIN: A015116F000923771

Place: Hyderabad
Date : August 07, 2024

**Annexure III A**
**FORM NO: MR-3**
**SECRETARIAL AUDIT REPORT**
**FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2024**
**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To
The Members,
Continental Coffee Private Limited,
7-1-24/2/D, Greendale, Ameerpet,
Hyderabad - 500016, Telangana

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CONTINENTAL COFFEE PRIVATE LIMITED (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.

Note: 1. The Company, though private limited by virtue of its incorporation, is a wholly owned subsidiary of CCL Products (India) Limited; hence a Public Limited Company pursuant to Section 2(71) of the Companies Act, 2013.

2. Considering the threshold limits prescribed under Section 204 of the Companies Act, 2013, the Secretarial Audit prescribed therein is not applicable to the Company. However, the Company being a material subsidiary of CCL Products (India) Limited, a listed entity, for the previous FY the reported Secretarial Audit has been conducted in pursuance of Regulation 24A of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, for the purpose of audit and eventual reporting we have adhered to the format as per MR-3 and the Audit guidelines issued by the ICSI in this regard.

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 March 31, 2024 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, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 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 - **(Not Applicable)**

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 - **(Not applicable to the Company during the audit Period)**

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 (Not applicable)

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not applicable)**

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable)**

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(Not applicable)**

(e) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021; **(Not applicable)**

(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, 2021 **(Not applicable)**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable)**

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (Not applicable)

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) Regulation, 2018 and Food Safety and Standards (Labelling and Display) Regulations, 2020;

- Legal Metrology Act, 2009 and The Legal Metrology (Packaged Commodities) Rules, 2011.

We have also examined the compliance with the applicable clauses of the following:

i. Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

ii. The Company, being an unlisted Public Limited Company, has not entered into any Listing Agreement and hence the same is not commented upon.

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

We further report that examination / audit of financial laws such as direct and indirect tax laws, labour laws has not been carried out by us as part of this Secretarial Audit.

**We further report that:**

- The Board of Directors of the Company is duly constituted, comprising of Non-Executive Directors only. There were no changes in the composition of the Board of Directors during the period under review, except appointment of Directors upon retirement by rotation.

- 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, (in case of shorter duration, the same were subject to requisite confirmation(s) by the Directors) 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 have been carried out unanimously as recorded in the Minutes of the meetings of the Board of Directors.

**We further report that:**

1 As per the information provided by the management and based on the review of compliance reports by the respective department / functional heads, 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.

2 During the audit period, there were no specific events / actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the Company's affairs except below:

- The Scheme of Arrangement contemplating the demerger of Marketing and Distribution of Coffee and FMCG Products division (Coffee division) of Continental Coffee Private Limited (i.e., the Demerged Company) into CCL Products (India) Limited (i.e., the Resulting Company), effective 01.10.2022, being the Appointed Date, subsequent upon approval from the board of Directors of the respective Companies, statutory and regulatory authorities has been sanctioned by the Hon'ble NCLTs, i.e., Hon'ble NCLT, Hyderabad Bench and Hon'ble NCLT Amaravati Bench vide their orders dated 18.10.2023.

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

Sd/-
**Vikas Sirohiya**
Partner
M. No.: 15116
C.P. No.: 5246
ICSI Unique Code: P2001TL078000
PR No.710/2020
UDIN: A015116F000923859

Place: Hyderabad
Date: August 07, 2024

[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.]

**Annexure A**

To
The Members,
Continental Coffee Private Limited,
7-1-24/2/D, Greendale, Ameerpet,
Hyderabad - 500016

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

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.

2. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

3. 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 practices we followed provide a reasonable basis for our opinion.

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

5. 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.

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

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

**Disclaimer**

8. 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

Sd/-
**Vikas Sirohiya**
Partner
M. No.: 15116
C.P. No.: 5246
ICSI Unique Code: P2001TL078000
PR No.710/2020
UDIN: A015116F000923859

Place: Hyderabad
Date: August 07, 2024

**ANNEXURE - IV**

**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 the constitution of Board of Directors with an appropriate composition, size, diversified expertise and 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 Company and 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 Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations).

**3.3 "Independent Director"** means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 (1) (b) of SEBI LODR Regulations.

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

**4. Selection of Directors and determining Directors' 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 of the Board as a whole and its individual members. The objective is to have a Board with 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/her written consent to act as a Director;
- Shall endeavour to attend all Board Meetings and wherever he/she is appointed as a Committee Member, the Committee Meetings as well;
- Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
- Shall disclose his/her 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 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 down in Companies Act, 2013 and Regulation 16 (1) (b) of SEBI LODR Regulations.

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 and 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/she 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/she 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, Non-Executive Directors, Key Managerial Personnel and other employees**

**5.1.1** The Board, on the recommendation of the 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
(iii) Commission (applicable in case of Executive Directors)
(iv) Retiral benefits
(v) 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.

## Annexure V

**Form No. AOC-2**

**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]**

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: NIL**

The Company has not entered into any contract or arrangement or transaction which is not at arm's length basis during the year under review.

**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 March 31, 2024 are as follows:

| Name of the related party<br>Nature of relationship | Nature of contracts/ arrangements/ transactions | Duration of the contracts arrangements /transactions | Salient terms | Date(s) of approval by the Board, if any | Amount (₹ in Lakhs) | Amount paid as advances, if any (₹ in Lakhs) |
|---|---|---|---|---|---|---|
| Challa Srishant<br>(Managing Director) | Lease Rent (expense) | 2 years | Lease Rentals for office premises situated at Flat No 101,102, 103, 104, 201, 202, 203 & 204, 7-1-24/2/D, Greendale, Ameerpet, Hyderabad, at a monthly rent of ₹ 2,52,000 vide Lease Deed dated 01.04.2023 | 18.01.2023 | 30.24 | Nil |
| Challa Shantha Prasad<br>(Non-Executive Director) | Lease Rent (expense) | 2 years | Lease Rentals for office premises situated at Flat No 201, 202, 203, 204, 301,302, 303 & 304, 7-1-24/2/D, Greendale, Ameerpet, Hyderabad, at a monthly rent of ₹ 2,14,620 vide Lease Deed dated 01.04.2023 | 18.01.2023 | 25.76 | Nil |
| Challa Soumya<br>(Daughter of Executive Chairman) | Lease Rent (expense) | 2 years | Lease Rentals for office premises situated at Flat No 201, 202, 203 & 204, 7-1-24/2/D, Greendale, Ameerpet, Hyderabad, at a monthly rent of ₹ 42,000 vide Lease Deed dated 01.04.2023<br>and Flat No 703, Nasr Apartments, 10-2-9 & 102-249, A.C. Guards, Hyderabad at a monthly rent of ₹ 28,000 vide Lease Deed dated 01.04.2023 | 18.01.2023 | 8.40 | Nil |

| | | | | | | |
|---|---|---|---|---|---|---|
| Continental Coffee SA (Wholly owned Subsidiary) | Sale of Instant Coffee | Ongoing contract | Sale of Instant coffee as per Purchase Orders on Industry terms and conditions & Based on Transfer price guidelines | 18.01.2023 | 25000.00 | Nil |
| Continental Coffee Private Limited (Wholly owned Subsidiary) | Sale of Instant Coffee | Ongoing contract | Sale of Instant coffee as per Purchase Orders on Industry terms and conditions & Based on Transfer price guidelines | 18.01.2023 | 25000.00 | Nil |
| Karafa Products Private Limited (Company in which the directors are interested) | Sale of Coffee beans /roast & ground and instant coffee | 2 years | Sale of Instant coffee as per Purchase Orders on Industry terms and conditions & prevailing market price | 18.01.2023 | 75.00 | Nil |
| Karafa Products Private Limited l (Company in which the directors are interested) | Lease Rent (income) | 2 years | Lease Rentals for factory premises situated at Sy. No. 274/3, Kuvvakolli village, Varadaiahpalem Mandal, Tirupati District, Andhra Pradesh at a monthly rent of ₹ 3000 vide Lease Deed dated 14.12 2022 subject to escalation of 5% per annum | 19.01.2022 | 0.36 (FY 2023-24) | Nil |
| CCL Food & Beverages Private Limited (Wholly Owned Subsidiary) | Lease rent (income) | 8 years | Lease Rentals for factory premises situated at Sy. No., Kuvvakolli village, Varadaiahpalem Mandal, Tirupati District, Andhra Pradesh at a monthly rent of ₹ 3,00,0000 vide Lease Deed dated 10.04 2023 subject to escalation of 5%. | 18.01.2023 | 36.00 (FY 2023-24) | Nil |
| Re-cog Infotechnologies Private Limited (Company in which the directors are interested) | Purchase of vending machines | 2 years | Purchase of vending machines based on the requirements of the Company at Industry terms and conditions & prevailing market price | 26.05.2022 | 600.00 | 16.74 |

**For and on behalf of the Board**

Sd/-
**Challa Srishant**
Managing Director
DIN: 00016035

Sd/-
**B. Mohan Krishna**
Executive Director
DIN: 03053172

Place: Hyderabad
Date : August 07, 2024

## Annexure - VI
## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Company is in the business of manufacturing and selling Soluble Instant coffee, commonly referred to as Instant Coffee for more than 28 years. By virtue of its aggressive marketing, product development capabilities and pricing efficiencies, your Company today is one of the leading instant coffee manufacturers/ sellers in the world.

For most of the renowned brands across the world, your Company remains the preferred supplier of instant coffee. Constant innovation has made sure that new clients are added year on year.

### Business Review

FY 2023-24 was marked by significant challenges such as rising green coffee prices, intense competition, geopolitical crises causing supply chain disruptions, etc. Inspite of these obstacles, your Company demonstrated commendable resilience, maintaining its volume growth trajectory and profitability on a per kilo basis. The Company is on track to complete all the capacity expansion plans in its subsidiaries. Apart from enhancing capacity there has been dedicated efforts to increase the share of premium and value added products to strengthen the position in the market and laying foundation for future growth

In the Indian domestic market, your Company's branded business continues a satisfactory healthy growth, attracting new customers and solidifying its position as the third-largest instant coffee brand in India*. Furthermore, your brands have gained recognition as the preferred choice among consumers on prominent e-commerce and direct-to-consumer platforms nationwide. This growing consumer appreciation for the brand signals a promising increase in market share moving forward.
**Source - NielsenIQ*

The turnover of your Company on standalone basis for financial year 2023-24 is ₹ 1,45,617 Lakhs and the net profit of the Company is ₹ 9,531 Lakhs. Earnings per share (EPS) (Face value of ₹ 2 per share) is ₹ 7.16.

The turnover of your Company on consolidated basis for financial year 2023-24 is ₹ 2,65,370 Lakhs and the net profit of the Company is ₹ 25,008 Lakhs. Earnings per share (EPS) (Face value of ₹ 2 per share) is ₹ 18.80.

### Industry Structure and Development

International Instant Coffee market has been growing at low single digit. Emergence of niche categories and developing economies are driving growths.

The domestic coffee market in India is growing at a guestimate rate of 10-15% year on year. With the growing culture of coffee consumption, consumers are evaluating a lot of gourmet coffee and are open for more coffee experiences while trying different formats of coffee. Quick delivery model from key ecommerce players have helped in penetration of coffee as consumer can order coffee whenever and whatever they want to consume at the comfort of home.

### Outlook

The high Coffee prices are likely to pose strong headwinds for global coffee market’s growth prospects. However, this might also trigger a change in consumption patterns from out-of-home coffee consumption to more in-house coffee consumption which augurs well for the instant coffee industry.

A changing demographic pattern among coffee consumers is the early adoption of coffee drinking among millennials and Gen-Z segments. While most adults drink coffee, Millennials and Gen Z are driving innovation within the coffee market. As a result, coffee beverages spanning a range of temperatures, brewing styles, and functionalities are evolving.

Additionally, consumer preference is shifting towards products that are easy to purchase, prepare, and consume which is fuelling innovation across the industry, including growth in RTD, coffee pods, drip bags and mix formats, and the rise of App-powered coffee ordering.

Another significant event is the expected adoption of EUDR (EU Deforestation Regulations) norms for coffee products from December 24 onwards. This trend in the coffee market has been moving more towards increasing the emphasis on sustainability and ethical sourcing. Consumers are becoming more conscious of the environmental and social impact of coffee production. They seek out brands that prioritize fair trade practices, promote sustainable farming methods, and support the livelihoods of coffee farmers. This trend has led to the rise of certifications like Rainforest Alliance and Fairtrade, which assure consumers that the coffee they purchase meets certain social and environmental standards.

The coffee market is expected to continue its upward trend, driven by factors such as expanding coffee consumption in emerging markets, premiumization, and the rising demand for organic and traded products.

**Opportunities**

Consumers in developing regions like Asia and Eastern Europe today have more disposable income and aspirations of more Westernized lifestyles. Coffee is seen as a major part of this lifestyle, thus offering significant scope for growth in these traditionally tea-drinking emerging economies.

Attracting new customer base, particularly the younger demographic through innovative and convenient products like Coffee Decoction, RTD, drip bags, etc.

Functional Coffee has emerged as a health-positive drink with several functional benefits that appeal to consumers. Energy and focus have always been linked to coffee, but now we're seeing this expand to weight loss, performance enhancement, products fortified with different nutrients and so on.

**Risk, Concerns and Threats**

As coffee bean supply becomes unpredictable, the coffee prices have been very volatile and are hitting record highs over the past few years. Volatile coffee prices deter buyers from undertaking long term purchase contracts and engage in short term purchases which affects the long-term visibility and planning of market participants.

Coffee is sensitive to changes in weather patterns, like temperature and rainfall, which can have a significant impact on production which in turn could impact global supply. As the weather continues to get more unseasonable and more unpredictable, the nature of coffee production itself could undergo a change.

The increased production capacity of instant coffee combined with the birth of various D2C coffee brands has made the instant coffee market intensely competitive.

**Segment-wise or Product-wise performance**

The standalone operations of the Company relates to only one segment viz., Coffee and Coffee related products. Hence, segment-wise or product-wise performance is not required to be disclosed.

**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 have contributed 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 999 employees in the Company as on March 31, 2024.

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

**Financial performance with respect to operational performance**

During the year, your Company achieved a turnover of ₹ 1,45,617 Lakhs and net profit of Rs. 9,531 Lakhs on a standalone basis and a turnover of ₹ 2,65,370 Lakhs and net profit of ₹ 25,007 Lakhs on consolidated basis.

In FY 2024, your Company achieved a standalone turnover of ₹ 1,45,617 Lakhs as against previous FY 2023 revenue of ₹ 1,35,613 Lakhs. This increase was mainly attributable to increased sales value. The net profit (attributable to shareholders of the Company) was ₹ 9,531 Lakhs on standalone basis in FY 2024, compared to previous FY 2023 net profit of ₹ 17,536 Lakhs which includes a dividend income of ₹ 3,724 Lakhs received from its Subsidiary Company in Vietnam. The Company recorded a net deferred tax asset of ₹ 1,356 Lakhs in FY 2023, in relation to carry forward tax losses from demerged Instant Coffee business and as it is probable, profit will be available against which these will be utilized in coming years.

The Company on a Consolidation basis recorded a revenue of ₹ 2,65,370 Lakhs as against previous FY 2023 revenue of ₹ 2,07,121 lakhs. This increase was attributable equally to increased sales volume and value. The net profit is ₹ 25,007 Lakhs on consolidated basis in FY 2024, compared to previous FY 2023 net profit of ₹ 28,396 Lakhs.

**Details of significant changes (i.e., change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanation**

During the year on a standalone and consolidated basis, the significant changes in the financial ratios of the Company, which are more than 25% as compared to the previous year are summarised below:

| Financial Ratios | Standalone | | Change (%) | Favourable/ Unfavourable | Reason for change |
|---|---|---|---|---|---|
| | 2023-24 | 2022-23 | | | |
| Debt Equity | 0.70 | 0.53 | 31.58 | Unfavourable | Mainly due to increase in debt on account of enhanced working capital utilization (owing to sharp rise in green coffee prices) |
| Return on Equity | 8.69 | 16.93 | -48.65 | Unfavourable | Decrease in profits due to non-receipt of dividend income from Vietnam subsidiary in FY 2023-24 and also increase in finance cost and depreciation |
| Trade Receivables Turnover | 5.94 | 9.12 | -34.85 | Unfavourable | Due to increase in average trade receivable on account of extended sailing periods owing to red sea issue and Russia- Ukraine war |
| Net Capital Turnover Ratio | 19.07 | 11.26 | 69.41 | Favourable | Despite of decrease in net working capital, we could achieve enhanced turnover compared to previous year |
| Net profit Ratio | 6.54 | 12.93 | -49.39 | Unfavourable | Decrease in net profit after taxes due to non-receipt of dividend from Vietnam subsidiary company and higher interest cost and depreciation |

| Financial Ratios | Consolidated | | Change (%) | Favourable/ Unfavourable | Reason for change |
|---|---|---|---|---|---|
| | 2023-24 | 2022-23 | | | |
| Debt Equity Ratio | 0.97 | 0.61% | 57.81% | Unfavourable | Mainly due to increase in debt on account of enhanced working capital utilization (owing to sharp rise in green coffee prices) |
| Return on Equity | 15.77% | 22.80% | -30.83% | Unfavourable | Due to decrease in profits and increase in shareholder's equity. |
| Net Profit Ratio | 9.42% | 13.71% | -31.26% | Unfavourable | Due to decrease in net profit after taxes owing to higher interest cost and depreciation despite increase in revenue |

Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation there of: There is no significant change during the current FY 2023-24, compared to previous FY 2022-23.

**Disclosure of Accounting Treatment:**

The Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2024, together with the comparative period data as at and for the year ended March 31, 2023, as described in the summary of significant accounting policies. Primarily a treatment different from that prescribed in an Accounting Standard has not been followed in the preparation of financial statements. However, as regards amendments to certain accounting standards, the applicability / effect on the financial statement has been evaluated and been treated accordingly as explained in Note 1 of the standalone Financial Statements.

Further, the financial statements represent a true and fair view of the underlying business transactions.

**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, other statutes and other incidental factors.

**For and on behalf of the Board**

Sd/-
**Challa Srishant**
Managing Director
DIN: 00016035

Sd/-
**B. Mohan Krishna**
Executive Director
DIN: 03053172

Place: Hyderabad
Date: August 07, 2024

## Annexure- VII
### 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.**

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the FY 2023-24:

| S. No. | Name of Director/KMP and Designation | Designation | % increase in Remuneration in the Financial Year 2023-24 | Ratio of remuneration of each Director/to median remuneration of employees |
|---|---|---|---|---|
| **I** | **Executive Directors** | | | |
| 1 | Challa Rajendra Prasad | Executive Chairman | 0.00 | 140.00 |
| 2 | Challa Srishant | Managing Director | -46.69 | 121.55 |
| 3 | B. Mohan Krishna | Executive Director | -40.61 | 101.55 |
| | | | | |
| **II** | **Non - Executive Directors** | | | |
| 1 | Kata Chandrahas | Non-Executive Director | -21.33 | 2.08 |
| 2 | K. K. Sarma | Non-Executive Director | -21.33 | 1.75 |
| 3 | G. V. Krishna Rau | Non-Executive Director | -21.33 | 2.08 |
| 4 | Kulsoom Noor Saifullah | Non-Executive Director | -21.33 | 1.67 |
| 5 | Challa Shantha Prasad | Non-Executive Director | -21.33 | 1.00 |
| 6 | Krishnanand Lanka | Non-Executive Director | -21.33 | 1.75 |
| 7 | Durga Prasad Kode | Non-Executive Director | -21.33 | 1.42 |
| 8 | K. V. Chowdary | Non-Executive Director | -21.33 | 1.58 |
| 9 | S. V. Ramachandra Rao (appointed w.e.f. July 14, 2023) | Non-Executive Director | N.A. | 1.00 |
| 10 | Mr. Sudhakar Ambati (appointed w.e.f. September 29, 2023) | Non-Executive Director | N.A. | 1.17 |
| 11 | Vipin K Singal (attained 75 years of age and vacated the office of Director w.e.f. January 24, 2024) | Non-Executive Director | -34.33 | 1.42 |
| | | | | |
| **III** | **Key Managerial Personnel** | | | |
| 1 | Praveen Jaipuriar | Chief Executive Officer | 0.86 | N.A. |
| 2 | V. Lakshmi Narayana | Chief Financial Officer | 3.95 | N.A. |
| 3 | Sridevi Dasari | Company Secretary | 0.88 | N.A. |

ii) The median remuneration of employees of the Company during the financial year was ₹ 3 Lakhs.

iii) In the financial year, there was an increase of 11% in the median remuneration of employees.

iv) There were 999 permanent employees on the rolls of Company as on March 31, 2024.

v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and exceptional circumstances for increase in the managerial remuneration:

| **Employee Group** | **Average percentage increase/ decrease in salaries for FY 2023-24 (in%)** |
|---|---|
| All Permanent Employees | 11% |
| **Executive Directors/ Managerial Remuneration** | |
| i) Challa Rajendra Prasad | 0.00 |
| ii) Challa Srishant | -46.69 |
| iii) B. Mohan Krishna | -40.61 |

(Note:There is no exceptional increase, however, decrease in the managerial remuneration due to non payment of commission to the Executive Directors during the year under review.)

vi) Key parameters for any variable component of remuneration availed by the Directors: refer to Corporate Governance Report.

vii) Your Company hereby affirms that the remuneration is as per the remuneration policy of the Company.

**Note:**

- Relationship with Director/Managers can be referred from the Corporate Governance Report, annexed with the report

- Other Top Ten Employees throughout the FY 2023-24: this information is available on the website of the Company www.cclproducts.com

**For and on behalf of the Board**

| | |
|---|---|
| Sd/- | Sd/- |
| **Challa Srishant** | **B. Mohan Krishna** |
| Managing Director | Executive Director |
| DIN: 00016035 | DIN: 03053172 |

Place : Hyderabad
Date : August 07, 2024

**Annexure-VIII**

**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.

We are pleased to inform you about a significant step your company has taken towards reducing its carbon footprint. We have recently invested in a Vapor Compression Refrigeration (VCR) system to minimize our dependency on steam produced through the combustion of biofuels and coal.

This technological shift will allow us to substantially lower our carbon emissions as we plan to power our VCR system with green energy, moving forward. Additionally, the Company is actively exploring various avenues for green energy investments, including Public-Private Partnerships (PPP), Capital Expenditure (Capex), and Build-Own-Operate-Transfer (BOOT) models.

The steam boiler continues to be a major energy conserver to the Company and your Company 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 50% can be derived from the coffee beans for the productive usage and the rest 50% 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. Thus, jointly with the boiler suppliers i.e., Original Equipment Manufacturers, we have got the fuel system redesigned to enable using this solid waste as fuel for boilers. This has not only resulted in substantial savings on fuel costs but also is environmentally 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.

We are also pleased to update on our investment in Variable Frequency Drives (VFD) for all motors above 20Kw. Inclusion of VFD enable us to vary the flow to save power.

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

The Company has been continuously saving considerable fuel cost for its boilers by using rice husk and recycled solid waste as fuel. Further, the Company is also mulling the idea of utilising energy generated from renewable sources at its Plants. During the last year, the Company has commissioned a 0.9 MW capacity solar plant at its EOU extension plant situated at Kuvvakolli, Tirupati District. Further, in the coming years the Company is planning to install solar plants with a 5 MW capacity at its plants for generation of solar energy for captive consumption.

Sharing an update on our ongoing efforts to enhance sustainability at our facilities in India and Vietnam. As part of our new effluent treatment plants, we've successfully integrated Upflow Anaerobic Sludge Blanket Reactors (UASBR) to generate biogas.

Looking ahead, we are planning to invest in advanced purification and compression systems. These upgrades will enable us to produce methane gas at a rate of up to 15 $m^3$/hr with a purity level reaching 99%. The compressed methane will be utilized in our industrial kitchens and roasters, contributing to more efficient and eco-friendly operations.

We're excited about the potential of this project to further our commitment to sustainable practices.

**iii) The capital investment on energy conservation equipments**

No capital investment on energy conservation equipments was incurred during the year under review.

**B) Technology Absorption**

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** |
|---|---|
| Earned | 1179.49 |
| Used | 555.55 |

**For and on behalf of the Board**

Sd/-
**Challa Srishant**
Managing Director
DIN: 00016035

Sd/-
**B. Mohan Krishna**
Executive Director
DIN: 03053172

Place : Hyderabad
Date : August 07, 2024

**Annexure-IX**

# BUSINESS RESPONSIBILITY AND SUSTAINABLITY REPORT

[Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015]

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

| S.No. | Particulars | Company Information |
|---|---|---|
| 1. | Corporate Identity Number (CIN) of the Listed Entity | L15110AP1961PLC000874 |
| 2. | Name of the Listed Entity | CCL PRODUCTS (INDIA) LIMITED |
| 3. | Year of incorporation | 1961 |
| 4. | Registered office address | Duggirala, Guntur, Andhra Pradesh – 522330, India. |
| 5. | Corporate office address | 7-1-24-2/D Greendale, Ameerpet Road, Hyderabad, Telangana- 500016 |
| 6. | E-mail | companysecretary@cclproducts.com |
| 7. | Telephone | +91 40 23730855 |
| 8. | Website | www.cclproducts.com |
| 9. | Financial year for which reporting is being done | 2023-24 |
| 10. | Name of the Stock Exchange(s) where shares are listed | National Stock Exchange of India Limited (NSE)<br>BSE Limited (BSE) |
| 11. | Paid-up Capital | ₹ 26,70,55,840 |
| 12. | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | |
| | Name | Ms. Sridevi Dasari |
| | Contact email | companysecretary@cclproducts.com |
| | Contact No. | +91 40 23730855 |
| 13. | Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). | The disclosures are made on a standalone basis under this report |
| 14. | Name of assurance provider | None |
| 15. | Type of assurance obtained | Not Applicable |

### II. Products/services

**16. Details of business activities (accounting for 90% of the turnover):**

| S. No. | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|---|---|---|---|
| 1. | Manufacturing | Food & Beverages<br>(Coffee and coffee related products) | 100 |

**17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):**

| S. No. | Product/Service | NIC Code | % of total Turnover contributed |
|---|---|---|---|
| 1. | Coffee and coffee related products | 10792 | 100 |

## III. Operations

**18. Number of locations where plants and/or operations/offices of the entity are situated:**

| Location | Number of plants | Number of offices | Total |
|---|---|---|---|
| National | 3 | 2 | 5 |
| International | - | - | - |

**19. Markets served by the entity:**

**a. Number of locations**

| Locations | Number |
|---|---|
| **National (No. of States)** | 28 (The Company serves across various locations on a pan India basis covering all the states throughout the country) |
| **International (No. of Countries)** | 100 + (The Company serves 100+ countries and has a wide customer base all over the world.) |

**b) Contribution of exports:**

| | |
|---|---|
| **What is the contribution of exports as a percentage of the total turnover of the entity?** | 80.26% |

**c) Type of Customers**

| | |
|---|---|
| **A brief on types of customers:** | The Company supplies to a diverse set of customers including brand owners, retailers, manufacturers, traders, repackers and other entities that have applications for coffee products in their processes. |

## IV. Employees

**20. Details as at the end of Financial Year:**

**a. Employees and workers (including differently abled):**

| S. No. | Particulars | Total | Male | | Female | |
|---|---|---|---|---|---|---|
| | | (A) | No. (B) | % (B / A) | No. (C) | % (C / A) |
| | **Employees** | | | | | |
| 1. | Permanent (D) | 759 | 717 | 94.46 | 42 | 5.54 |
| 2. | Other than Permanent (E) | 15 | 14 | 93.33 | 1 | 6.67 |
| 3. | Total employees (D + E) | 774 | 731 | 94.44 | 43 | 5.56 |
| | **Workers** | | | | | |
| 1. | Permanent (F) | 240 | 231 | 96.25 | 09 | 3.75 |
| 2. | Other than Permanent (G) | 1337 | 583 | 43.60 | 754 | 56.40 |
| 3. | Total workers (F + G) | 1577 | 814 | 51.61 | 763 | 48.39 |

b. **Differently abled Employees and workers:**

| S. No. | Particulars | Total | Male | | Female | |
|---|---|---|---|---|---|---|
| | | (A) | No. (B) | % (B / A) | No. (C) | % (C / A) |
| | **Differently Abled Employees** | | | | | |
| 1. | Permanent (D) | 0 | 0 | 0 | 0 | 0 |
| 2. | Other than Permanent (E) | 0 | 0 | 0 | 0 | 0 |
| 3. | Total employees (D + E) | 0 | 0 | 0 | 0 | 0 |
| | **Differently Abled Workers** | | | | | |
| 1. | Permanent (F) | 0 | 0 | 0 | 0 | 0 |
| 2. | Other than Permanent (G) | 0 | 0 | 0 | 0 | 0 |
| 3. | Total workers (F + G) | 0 | 0 | 0 | 0 | 0 |

21. **Participation/Inclusion/Representation of women**

| | Total | No. and percentage of Females | |
|---|---|---|---|
| | (A) | No. (B) | % (B / A) |
| Board of Directors | 13 | 2 | 15.38 |
| Key Management Personnel | 3 | 1 | 33.33 |

22 **Turnover rate for permanent employees and workers (Disclose trends for the past 3 years):**

| | FY 2023-24 (Turnover rate in current FY) | | | FY 2022-23 (Turnover rate in previous FY) | | | FY 2021-22 (Turnover rate in the year prior to the previous FY) | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 7.334% | 0.554% | 8% | 9% | 2% | 11% | 8% | 1% | 9% |
| Permanent Workers | 11.22% | 0.33% | 11.56% | 11.99% | 0.225% | 12.15% | 3.33% | 0.2% | 3.55% |

**V. Holding, Subsidiary and Associate Companies (including joint ventures)**

**23. (a) Names of holding / subsidiary / associate companies / joint ventures**

| S. No. | Name of the holding / subsidiary/ associate companies / joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|---|---|---|---|---|
| 1 | Continental Coffee Private Limited | Wholly Owned Subsidiary | 100% | No |
| 2 | CCL Food and Beverages Private Limited | Wholly Owned Subsidiary | 100% | No |
| 3 | Ngon Coffee Company Limited | Wholly Owned Subsidiary | 100% | No |
| 4 | Continental Coffee SA | Wholly Owned Subsidiary | 100% | No |
| 5 | Jayanti Pte Limited | Wholly Owned Subsidiary | 100% | No |

**vi. Corporate Social Responsibility (CSR) Details**

**24. i. Whether CSR is applicable as per section 135 of Companies Act, 2013:** Yes

**ii. Turnover (in ₹ )** 1,456.17 Cr

**iii. Net worth (in ₹ )** 1,114.17 Cr

## VII. Transparency and Disclosures Compliances

**25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy) | FY 2023-24 (Current Financial Year) | | | FY 2022-23 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|---|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | Yes, the community members can send any concerns or grievances to the Company's registered office or emails- hello@continental.coffee and customercare@ continental.coffee for resolving the grievances in a just, fair and timely manner. | 0 | 0 | - | 0 | 0 | - |
| Investors (other than shareholders) | No | 0 | 0 | - | 0 | 0 | - |
| Shareholders | Yes, the Company has designated email id - investors@ continental.coffee for shareholders to raise their grievances. The shareholder grievances are also resolved by the Company's RTA (Venture Capital and Corporate Investments Private Limited) through their email id investor.relations@vccipl.com The web link is: https://www.cclproducts.com/investors/#contact | 39 | 0 | All the complaints received were disposed off in a responsible manner and within the prescribed timelines. | 66 | 0 | All the complaints received were disposed off in a responsible manner and within the prescribed timelines. |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Employees and workers | Yes, the web link for the same is: https://www.cclproducts.com/wp-content/uploads/2024/06/Whistle-Blower-Policy.pdf | 0 | 0 | - | 0 | 0 | - |
| Customers | Yes, the customers are encouraged to reach out to our dedicated customer support channels such as helplines, email addresses, online contact forms on our D2C website, and Social Media Platforms. The weblink for the same is: https://www.cclproducts.com/investors/#contact | 0 | 0 | - | 0 | 0 | - |
| Value Chain Partners | Yes, Timely meetings are held with suppliers, contractors and vendors to address any issues or concerns faced by them. Channel partners can also raise their grievances by call/text/emails https://www.cclproducts.com/investors/#contact. | 0 | 0 | - | 0 | 0 | - |

**26. Overview of the entity's material responsible business conduct issues**

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity |
|---|---|---|---|---|---|
| 1. | Carbon footprint and emissions | Opportunity | Opportunity to move towards energy efficiency, sustainable development and reduce dependency on non-renewable sources. | Not Applicable | Positive |
| 2. | Water | Risk and opportunity | Coffee production requires water at various stages, and it is essential that water is drawn in sustainable quantities from the available sources. | The manufacturing units of the Company have implemented Zero Liquid Discharge (ZLD) and are reviewing the water consumption and discharge. The recycled water is being used for utilities. | Positive and Negative |
| 3. | Responsible Sourcing | Risk and opportunity | To define minimum standards and the basic principles of co-operation that Company requires from all its suppliers and business partners to ensure sound and environment practices within its own operations and its supply chain in every market it operates into. | The Company has in place a responsible sourcing policy which is based on core international labour organization conventions, the ETI base code and the UN Guiding Principles on Business and Human Rights. | Positive and Negative |
| 4. | Labor Practices | Opportunity | • A positive and supportive working environment can improve the productivity and quality of work performed by employees. This can lead to improved product quality and customer satisfaction, ultimately benefiting the company's bottom line.<br><br>• Fair wages and working conditions can help to reduce labour turnover, which in turn leads to reduced change in work environment impact and improved social sustainability. | Not Applicable | Positive |

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

| S. No. | Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Policy and management processes** | | | | | | | | | |
| 1. | **a) Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)** | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| | **b) Has the policy been approved by the Board? (Yes/No)** | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| | **c) Web Link of the Policies, if available** | **Code of Conduct for the directors and senior management -** https://www.cclproducts.com/wp-content/uploads/2021/07/code-of-conduct.pdf<br>**Whistle Blower Policy -** https://www.cclproducts.com/wp-content/uploads/2024/06/Whistle-Blower-Policy.pdf<br>**Responsible Sourcing Policy -** https://www.cclproducts.com/wp-content/uploads/2021/07/Responsible-Sourcing-Policy.pdf<br>**Sustainability Policy -** https://www.cclproducts.com/wp-content/uploads/2021/07/Sustainability-Policy.pdf<br>**Dividend Distribution Policy -** https://www.cclproducts.com/wp-content/uploads/2021/07/Dividend-Distribution-Policy.pdf<br>**CSR Policy -** https://www.cclproducts.com/wp-content/uploads/2021/07/csr-policy.pdf<br>**Related Party Transactions Policy -** https://www.cclproducts.com/wp-content/uploads/2024/06/Policy-on-dealing-with-Related-Party-Transactions.pdf<br>**Policy on determination of materiality of events or information** - https://www.cclproducts.com/wp-content/uploads/2023/07/Policy-on-determination-of-materiality-of-events-or-information-1.pdf<br>**Modern Slavery and Anti Human Trafficking Statement-** https://www.cclproducts.com/wp-content/uploads/2021/12/Modern-Slavery-and-Human-Trafficking-Statement.pdf<br>**Stakeholder Engagement Policy -** https://www.cclproducts.com/wp-content/uploads/2024/08/Stakeholder-Management-Policy.pdf<br>**Anti-Bribery and Anti-Corruption Policy -** https://www.cclproducts.com/wp-content/uploads/2024/08/Anti-Bribery-Anti-Corruption-Policy.pdf<br>**Equal Opportunity Policy -** https://www.cclproducts.com/wp-content/uploads/2024/08/Equal-Opportunity-Policy.pdf<br>**Cyber Security and Data Privacy Policy:** https://www.cclproducts.com/wp-content/uploads/2024/08/Cyber-Security-and-Data-Privacy-Policy.pdf | | | | | | | | |

| | | |
|---|---|---|
| **2.** | **Whether the entity has translated the policy into procedures. (Yes / No)** | Yes |
| **3.** | **Do the enlisted policies extend to your value chain partners? (Yes/No)** | Yes, however not all the enlisted policies may extend to our value chain partners. We ensure that suppliers/contractors comply with the law of the land by getting such clauses incorporated in their respective Purchase orders/ contracts/ agreements and terms and conditions of the tenders. |
| **4.** | **Name of the national and international codes / certifications/ labels / standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.** | 1. BRC- Version 8 with A Grade (British Retail Consortium) - Global Standard for Food<br>2. IFS - Food Version 6.1 with Higher Level (International Featured Standards) - International Food Standard.<br>3. Organic Coffee Certificate (Processing & Trading)<br>4. Fair Trade Certificate<br>5. Halal Certificate<br>6. Kosher Certificate<br>7. FSSAI License - Food Safety Standards Authority of India<br>8. BIS License - Bureau of Indian Standards (ISI) License<br>9. UTZ Certificate (Chain of Custody Standard - Coffee)<br>10. US.FDA Certificate of Registration<br>11. RFA Endorsement certificate<br>12. SGP (Supplier Guiding Principles and Human Rights Policy Assessment)<br>13. ICS (Initiative for Compliance and Sustainability)<br>14. SA 8000 (Social Accountability Audit)<br>15. SMETA (Sedex Members Ethical Trade Audit)<br>16. URSA (Understanding Responsible Sourcing Audit)<br>17. Risk Assurance Certification<br>18. FT (Fair Trade Certification)<br>19. FTUSA (Fair Trade USA Certification)<br>20. CTPAT (Customs Trade Partnership Against Terrorism) |

| **5.** | **Specific commitments, goals and targets set by the entity with defined timelines, if any.** | **Specific commitments, goals and targets set by entity for FY 2024-25:** | **Mapped NGRBC Principles** |
|---|---|---|---|
| | | The Company strives to conduct due diligence on suppliers to ensure their alignment with the existing legislative framework in the country. | P2 |
| | | • To have 100% assessments for working conditions and health & safety practices in coming financial years.<br><br>• The Company aims to expand its training division to educate all employees and workers on Enviro-nmental, Social, and Governance (E, S & G) practices. The training program will comprehensively cover the company's actions and initiatives aimed at effectively addressing these issues. | P3 |
| | | Stakeholder engagement holds significant value for the Company, and it plans to conduct periodic assessments of all the stakeholders enabling them to actively involve in providing the requisite inputs. | P4 |
| | | The Company will deploy all the resources at its disposal to optimally utilize the non-renewable resources optimally and diligently keeping in mind the impact on generations to come. | P6 |
| | | To enhance engagement with government bodies and industry chambers and subscribe to their membership wherever deem fit. | P7 |

| | | |
|---|---|---|
| **6.** | **Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met** | The Company had set various commitments and has appropriately aligned its efforts towards the achievement of the same. |
| | | **Governance, leadership and oversight** |
| **7.** | **Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements** | In alignment with our commitment to transparency and sustainable practices, I am pleased to present the Business Responsibility and Sustainability Report for the fiscal year. At CCL Products (India) Limited, we recognize the critical importance of Environmental, Social, and Governance (ESG) factors in our operations, particularly within the coffee industry, where responsible practices are essential. The industry landscape is complex and presents several ESG challenges, including minimizing environmental impact, upholding high social standards throughout our supply chain, and adhering to rigorous governance principles amidst evolving regulations.<br><br>I am proud to report significant progress toward our ESG goals:<br>• Environmental: We have implemented water recirculation systems and installed solar panels, significantly reducing our water withdrawal and dependency on grid electricity.<br>• Social: We have conducted over various training programs, focusing on responsible practices.<br>• Governance: We have secured certifications from various bodies and agencies, affirming our commitment to sustainable practices.<br><br>Looking ahead, we remain dedicated to fostering a culture of transparency, accountability, and continuous improvement in our ESG performance. By integrating ESG considerations into our core business strategy, we aim to create long-term value for our stakeholders while positively impacting the environment and the communities in which we operate.<br>Challa Srishant, Managing Director (DIN: 00016035) |
| **8.** | **Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).** | Praveen Jaipuriar, Chief Executive Officer |
| **9.** | **Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details** | Yes, the Corporate Social Responsibility Committee is entrusted with the responsibility of taking decision on ESG issues. Sri Durga Prasad Kode (DIN: 07946821) is the chairman of the Committee and the committee comprises of the following members:<br>1) Sri Durga Prasad Kode (DIN: 07946821)<br>2) Sudhakar Ambati (DIN: 01080550)<br>3) Kulsoom Noor Saifullah (DIN: 02544686)<br>4) Challa Shantha Prasad (DIN: 00746477) |

| 10. Details of Review of NGRBCs by the Company: | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Subject for Review** | **Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee** | | | | | | | | | **Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)** | | | | | | | | |
| | **P1** | **P2** | **P3** | **P4** | **P5** | **P6** | **P7** | **P8** | **P9** | **P1** | **P2** | **P3** | **P4** | **P5** | **P6** | **P7** | **P8** | **P9** |
| **Performance against above policies and follow up action** | The Business responsibility policies are reviewed periodically and the necessary actions for preserving the essence of the policies are taken accordingly. | | | | | | | | | Annually | | | | | | | | |
| **Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances** | Compliance Schedule with respect to various statutory requirements is placed before the Board of Directors. | | | | | | | | | Periodically | | | | | | | | |

**11. Independent assessment/ evaluation of the working of its policies by an external agency:**

| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| **Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.** | No, however internal assessment by the various heads is done periodically. | | | | | | | | |

**12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:**

| Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| The entity does not consider the Principles material to its business (Yes/No) | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No) | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| It is planned to be done in the next financial year (Yes/No) | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Any other reason (please specify) | NA | NA | NA | NA | NA | NA | NA | NA | NA |

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

### PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

### A) ESSENTIAL INDICATORS:

**1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

| Segment | Total number of training and awareness programmes held | Topics/principles covered under the training and its impact | % age of persons in respective category covered by the awareness programmes |
|---|---|---|---|
| Board of Directors | 03 | (i) Changes and amendments in the Companies Act, 2013<br>(ii) Decoding the changes in the SEBI (LODR) Regulations, 2015<br>(iii) BRSR - SEBI Perspective | 92.5% |
| Key Managerial Personnel | 04 | (i) The new outlook to the BRSR<br>(ii) Sustainability Principles to drive the Business forward | 100% |
| Employees other than BoD and KMPs | 02 | (i) Cybersecurity Awareness<br>(ii) Code of Conduct and Insider trading awareness programs | 100% |
| Workers | 05 | (i) Safety Procedures and Vitality<br>(ii) Importance of safety equipment | 100% |

**2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format:**

| Monetary | | | | | |
|---|---|---|---|---|---|
| | NGRBC Principle | Name of the regulatory/ agencies/judicial institutions enforcement | Amount (In INR) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Penalty/ Fine | - | - | - | - | - |
| Settlement | - | - | - | - | - |
| Compounding Fee | - | - | - | - | - |

| Non-Monetary | | | | |
|---|---|---|---|---|
| | NGRBC Principle | Name of the regulatory/ agencies /judicial institutions enforcement | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Imprisonment | - | - | - | - |
| Punishment | - | - | - | - |

**3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:**

| Case Details | Name of the regulatory/ enforcement agencies/ judicial institutions |
|---|---|
| - | - |

**4. Anti-corruption or Anti-bribery policy:**

| | |
|---|---|
| **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.** | Yes, the Company has placed an anti-corruption and anti-bribery policy on its website. The Company ensures that appropriate mechanisms are present to ensure acts of corruption and bribery do not occur and on occurrence of any are appropriately reported and addressed with utmost attention and detail. The link for the same is<br>https://www.cclproducts.com/wp-content/uploads/2024/08/Anti-Bribery-Anti-Corruption-Policy.pdf |

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

| | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|---|---|---|
| Directors | 0 | 0 |
| KMPs | 0 | 0 |
| Employees | 0 | 0 |
| Workers | 0 | 0 |

**6. Details of complaints with regard to conflict of interest:**

| | FY 2023-24 (Current Financial Year) | | FY 2022-23 (Previous Financial Year) | |
|---|---|---|---|---|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | 0 | None | 0 | None |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | 0 | None | 0 | None |

**7. Corrective Actions:**

| | |
|---|---|
| **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest** | This section is not applicable as there were no fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest. |

**8. Number of days of account payable ((Accounts payable *365) / Cost of goods/services procured) in the following format:**

| | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|---|---|---|
| Number of days of accounts Payables | 14 | 17 |

**9. Open-ness of Business**

**Provide details of Concentration of purchase and sales with trading houses, dealers, and related parties along -with loans and advances & investments, with related parties, in the following format:**

| Parameter | Metrics | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|---|---|---|---|
| Concentration of purchases | a. Purchases from trading houses as % of total purchases | 100% | 100% |
| | b. Number of Trading houses where purchases are made from | 22 | 20 |
| | c. Purchases from top 10 Trading houses as % of total purchases from trading houses | 90% | 88% |
| Concentration of Sales | a. Sale to dealers / distributors as % of total sales | 84% | 81% |
| | b. Number of dealers / distributions to whom sales are made | 77 | 78 |
| | c. Sales upto 10 dealers / distributors as % of total sales to dealers / distributors | 65% | 72% |
| Share of RPTs in | a. Purchases (Purchases with related parties / Total Purchases) | Nil | Nil |
| | b. Sales (Sales to related parties / Total Sales) | 16% | 19% |
| | c. Loans & advances (Loans & advances given to related parties / Total loans & advances) | 9% | 34% |
| | d. Investments (Investments in related parties / Total Investments made) | 100% | 100% |

## PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

### A) ESSENTIAL INDICATORS:

**1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively:**

| | 2023-24 Current Financial Year | 2022-23 Previous Financial Year | Details of improvements in environmental and social impacts |
|---|---|---|---|
| **R&D** | Nil | 26.75% | Not Applicable |
| ***Capex** | 52.41% | 17.08% | The Company is pleased to announce our investment in a Vapor Compression Refrigeration (VCR) system to reduce our reliance on steam from biofuels and coal. This transition will significantly lower our carbon emissions, with the VCR system powered by green energy.<br><br>*While the Capex has been invested, the integration is still in progress and is expected to be fully completed by the next financial year. We are also exploring green energy investments through PPP, Capex, and BOOT models. |

**2. Sustainable sourcing:**

| | |
|---|---|
| **Does the entity have procedures in place for sustainable sourcing? (Yes/No)** | Yes, The Company's global supply chain is complex in nature which involves 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 in spite of socio-economic and cultural 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. Further, the Company also has various certifications like Organic Coffee Certificate (Processing & Trading), Kosher Certification, BRC- Version 8 with A Grade (British Retail Consortium) and IFS - Food Version 7 with Higher Level (International Featured Standards) - International Food Standard in place to ensure it responsibly positions itself towards the environment and sources its inputs responsibly. |
| **If yes, what percentage of inputs were sourced sustainably?** | 95%. |

**3. Processes in place to reclaim products for reuse, recycle and safe disposal of products at the end of life:**

| | |
|---|---|
| **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.** | The Company does not manufacture any reusable products. However, the Company has mechanisms in place to sell the plastic leftovers, battery waste along with the MEE salts to CPCB authorized dealers to ensure proper disposal. |

**4. Extended Producer Responsibility (EPR) plan:**

| | |
|---|---|
| **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.** | Yes, as per Plastic Waste Management Rules, 2016 and Amendment dated March 2018, the Company has duly registered itself under the category of Brand Owner. It has also met the requisite year wise EPR targets through co processing the waste and the credits for the same are also reflected in the Company's EPR wallet on the portal. |

## PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

### A) ESSENTIAL INDICATORS:

**1. A) Details of measures for the well-being of employees:**

| Category | % of employees covered by | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | (%D/A) | Number (E) | (%E/A) | Number (F) | (%F/A) |
| **Permanent employees** | | | | | | | | | | | |
| **Male** | 717 | 717 | 100% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Female** | 42 | 42 | 100% | 0 | 0 | 42 | 100% | 0 | 0 | 0 | 0 |
| **Total** | 759 | 759 | 100% | 0 | 0 | 42 | 100% | 0 | 0 | 0 | 0 |
| **Other than Permanent employees** | | | | | | | | | | | |
| **Male** | 14 | 14 | 100% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Female** | 1 | 1 | 100% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | 15 | 15 | 100% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

**B) Details of measures for the well-being of workers:**

| Category | % of employees covered by | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | (%D/A) | Number (E) | (%E/A) | Number (F) | (%F/A) |
| **Permanent workers** | | | | | | | | | | | |
| **Male** | 231 | 231 | 100% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Female** | 9 | 9 | 100% | 0 | 0 | 9 | 100% | 0 | 0 | 0 | 0 |
| **Total** | 240 | 240 | 100% | 0 | 0 | 9 | 100% | 0 | 0 | 0 | 0 |
| **Other than Permanent workers** | | | | | | | | | | | |
| **Male** | 583 | 583 | 100% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Female** | 754 | 754 | 100% | 0 | 0 | 754 | 100% | 0 | 0 | 0 | 0 |
| **Total** | 1337 | 1337 | 100% | 0 | 0 | 754 | 100% | 0 | 0 | 0 | 0 |

**C. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –**

| | Current Financial Year | Previous Financial Year |
|---|---|---|
| **Cost incurred on well-being measures as a % of total revenue of the company** | 0.63% | 0.38% |

**2.Details of retirement benefits, for Current FY and Previous Financial Year:**

| Benefits | FY 2023-24 (Current Financial Year) | | | FY 2022-23 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority | (Y/N/N.A.) No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 100% | 0 | Yes | 100% | - | Yes |
| Gratuity | 100% | 0 | Yes | 100% | - | Yes |
| ESI | - | - | - | - | - | - |
| Others – Superannuation | 40% | 0 | Yes | 49% | - | Yes |

**3. Accessibility of workplaces:**

| | |
|---|---|
| **Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.** | Yes, our offices are fully accessible to all employees, including those with disabilities. We actively engage with our employees to address and manage their mobility needs, ensuring their input is valued and incorporated into our accessibility initiatives. |

**4. Equal Opportunity Policy:**

| | |
|---|---|
| **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy** | The Company ensures that all its employees are provided with equal opportunities and the Company is committed to provide an inclusive work environment which remains free from discrimination. The Company follows it in true letter and spirit and the weblink for the same is: https://www.cclproducts.com/wp-content/uploads/2024/08/Equal-Opportunity-Policy.pdf |

**5. Return to work and Retention rates of permanent employees and workers that took parental leave:**

| | Permanent employees | | Permanent workers | |
|---|---|---|---|---|
| Gender | Return to work rate | Retention rate | Return to work rate | Retention rate |
| | Permanent employees | | Permanent workers | |
| Gender | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | 100% | 100% | 100% | 100% |
| Female | 100% | 100% | 100% | 100% |
| Total | 100% | 100% | 100% | 100% |

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief:**

| | Yes/No (If Yes, then give details of the mechanism in brief) |
|---|---|
| Permanent Workers<br>Other than Permanent Workers<br>Permanent Employees<br>Other than Permanent Employees | The Company has a Standard Operating Procedure (SOP) in place which provides guidance to raise a complaint in case of any concerns. The grievances, if any, are at first handled by reporting manager and thereafter may approach HR department through e-mail or in writing, in case the grievance is not resolved. The grievances are resolved in fair and time bound manner and maintained utmost confidentiality. |

**7. Membership of employees and worker in association(s) or Unions recognised by the entity:**

| Category | FY 2023-24 (Current Financial Year) | | | FY 2022-23 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B / A) | Total employees / workers in respective category (C) | No. of employees / workers in respective category, who are part of ssociation(s) or Union (D) | % (D / C) |
| Total Permanent Employees | 774 | 0 | 0 | 584 | 0 | 0 |
| Male | 731 | 0 | 0 | 552 | 0 | 0 |
| Female | 43 | 0 | 0 | 32 | 0 | 0 |
| Total Permanent Workers | 1577 | 0 | 0 | 1856 | 0 | 0 |
| Male | 814 | 0 | 0 | 1288 | 0 | 0 |
| Female | 763 | 0 | 0 | 568 | 0 | 0 |

**8. Details of training given to employees and workers:**

| Category | FY 2023-24 (Current Financial Year) | | | | | FY 2022-23 (Previous Financial Year) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | On Health and safety | | On Skill upgradation | | Total (D) | On Health and safety measures | | On Skill upgradation | |
| | | No (B) | %(B/A) | No (C) | % (C/A) | | No (E) | %(E/D) | No (F) | % (F/D) |
| **Employees** | | | | | | | | | | |
| **Male** | 731 | 731 | 100% | 731 | 100% | 552 | 552 | 100% | 552 | 100% |
| **Female** | 43 | 43 | 100% | 43 | 100% | 32 | 32 | 100% | 32 | 100% |
| **Total** | 774 | 774 | 100% | 774 | 100% | 584 | 584 | 100% | 584 | 100% |
| **Workers** | | | | | | | | | | |
| **Male** | 814 | 814 | 100% | 814 | 100% | 1288 | 1288 | 100% | 1288 | 100% |
| **Female** | 763 | 763 | 100% | 763 | 100% | 568 | 568 | 100% | 568 | 100% |
| **Total** | 1577 | 1577 | 100% | 1577 | 100% | 1856 | 1856 | 100% | 1856 | 100% |

**9. Details of performance and career development reviews of employees and worker:**

| Category | FY 2023-24 Current Financial year. | | | FY 2022-23 Previous Financial year. | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. (B) | % (B / A) | Total (A) | No. (D) | % (D / C) |
| **Employees** | | | | | | |
| **Male** | 731 | 731 | 100% | 552 | 552 | 100% |
| **Female** | 43 | 43 | 100% | 32 | 32 | 100% |
| **Total** | 774 | 774 | 100% | 584 | 584 | 100% |
| **Workers** | | | | | | |
| **Male** | 814 | 814 | 100% | 1288 | 1288 | 100% |
| **Female** | 763 | 763 | 100% | 568 | 568 | 100% |
| **Total** | 1577 | 1577 | 100% | 1856 | 1856 | 100% |

**10.Health and safety management system:**

| S.no | Particulars | Response |
|---|---|---|
| a) | **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?** | Yes, Occupational Health and Safety Management system as per the Indian Standards (as per Factories Act) is in place. |
| b) | **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?** | As a responsible organization, the Company understands the importance of identifying and mitigating work-related hazards and risks. In line with this commitment, the Company regularly conducts mock safety drills to evaluate the safety procedures and identify any potential hazards that may arise during work-related activities. HIRA & Permit to Work System are available to identify and rectifying the Work-related hazards. |
| c) | **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)** | Yes, the Company has dedicated process for workers to report the work-related hazards and to remove themselves from such risks. The Company believes that the best way to ensure a safe working environment is by encouraging feedback from workers. There is a structured platform for workers to voice their concerns, make suggestions and receive feedback from management |
| d) | **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)** | Yes, The Company has undertaken various certifications and follow the Group policy towards employee safety and wellbeing. |

**11. Details of safety related incidents, in the following format:**

| Safety Incident/Number | Category | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|---|---|---|---|
| Lost Time Injury Frequency Rate (LTIFR) (per one million -person hours worked) | Employees | NIL | NIL |
| | Workers | NIL | NIL |
| Total recordable work-related injuries | Employees | NIL | NIL |
| | Workers | NIL | NIL |
| No. of fatalities | Employees | NIL | NIL |
| | Workers | NIL | NIL |
| High consequence work-related injury or ill-health (excluding fatalities) Including in the contract workforce | Employees | NIL | NIL |
| | Workers | NIL | NIL |

**12. Measures to ensure a safe and healthy workplace:**

| Describe the measures taken by the entity to ensure a safe and healthy workplace. |
|---|
| The Company emphasises on the importance of maintaining a safe and healthy workplace for all its employees. It has implemented comprehensive health and safety policies and procedures for a safe and healthy workplace for all employees and workers. The Company believes that a safe and healthy work environment is essential for employee well-being and productivity, and our workplace is regularly evaluated and assessed to ensure that it meets the highest standards for safety and health. Further, it eliminates the Potential Hazards at work location by identifying the Unsafe Act Unsafe Condition (UAUC), identification of Near miss cases and by conducting trainings. Ergonomics and safety training and education is provided to the workers along with regular inspections to ensure that the workplace is free from any unsafe events. |

**13. Number of Complaints on the following made by employees and workers:**

| | FY 2023-24 Current Financial year. | | | FY 2022-23 Previous Financial year. | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | 0 | 0 | 0 | 0 | 0 | 0 |
| Health & Safety | 0 | 0 | 0 | 0 | 0 | 0 |

**14. Assessments for the year:**

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Health and safety practices | 100% |
| Working Conditions | 100% |

**15. Corrective Actions:**

| | |
|---|---|
| **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.** | This section is not applicable to the Company. The Company has been following standard operating procedures to comply with state/local level regulations and ensure safety and hygiene protocols |

## PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

### A) ESSENTIAL INDICATORS:

**1. Identification of stakeholders group:**

| | |
|---|---|
| **Describe the processes for identifying key stakeholder groups of the entity** | The Company has developed a Stakeholder Engagement Framework for identification of Stakeholders. In line with this framework, the stakeholder identification process at the Company considers the following scope in identifying the stakeholders:<br><br>•Dependency – groups or individuals who are directly or indirectly dependent on the organisation's activities, products or services and associated performance, or on whom the organisation is dependent in order to operate.<br><br>•Responsibility – groups or individuals to whom the organisation has, or in the future may have, legal, commercial, operational or ethical/moral responsibilities.<br><br>•Attention – groups or individuals who need immediate attention from the organisation about financial, wider economic, social or environmental issues.<br><br>•Influence – groups or individuals who can have an impact on the organisations or a stakeholder's strategic or operational decision-making.<br><br>•Diverse perspectives – groups or individuals whose different views can lead to a new understanding of the situation and the identification of opportunities for action that may not otherwise occur. |

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:**

| Stakeholder group | Whether identifies as Vulnerable & Marginalized group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Advertisement, Community Meetings, Notice Board, Websites etc) | Frequency of engagement (Annually/ half yearly/ Quarterly/ others) please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| **Shareholders** | No | • Annual General Meeting<br>• Shareholder meets<br>• Email<br>• Stock Exchange (SE) intimations<br>• Investor/analysts meet/ conference calls<br>• Annual report, quarterly results media releases and<br>• Company's website | Quarterly, Half yearly and Annually | Share price appreciation, dividends, profitability and financial stability, robust ESG practices, risks, growth prospects. |
| **Government/ Regulatory authorities** | No | • Reporting / Filings<br>• Submissions/Applications<br>• Industry forum meets<br>• Representations in person<br>• Attending Workshops conducted by the authorities | On periodical basis as provided under relevant legislations | In relation to Compliances with applicable laws, Industry concerns, changes in regulatory frameworks, skill and capacity building, employment. |
| **Dealers** | No | • Emails<br>• Regular Meets<br>• Personal Visits / Interviews<br>• Satisfaction Surveys | Regular | Product quality and availability, responsiveness to needs, after sales service, responsible guidelines / manufacturing, Safety awareness. |
| **Suppliers** | No | • Emails<br>• Supplier meetings | Regular | Production plans, Invoices, Bill payments, Long term relationship. |

| | | | | |
|---|---|---|---|---|
| **Employees/ Workers** | No | • Emails<br>• Team Engagement<br>• Website<br>• Engagement through Health Programs<br>• Notice Board | Periodically | • Empowered and engaged workforce drives to achieving business targets and serve as a key for successful business<br>• Satisfied and motivated talent have higher productivity<br>• Right Talent gives a competitive advantage.<br>• Career management and growth prospects.<br>• Work culture, health and safety matters. |
| **Bankers** | No | • Periodical Meetings<br>• Periodical Reports<br>• Emails | Requirement basis | • Understand the banking compliance<br>• Maintaining rapport with our bankers<br>• Banking/Credit facilities. |
| **Communities** | No | • Meetings of community / local authorities/location heads<br>• community visits and projects partnership with local charities<br>• volunteerism, seminars/ conferences, CSR Partner's meet directly or through the Company's foundation | Periodically | Integrated water management, clean water, Natural Resource Management, community development, livelihood support, disaster relief, support of the UN SDGs, Education, Skill development, Farmer Safety etc. |
| **Board of Directors** | No | • Emails<br>• Regular meetings | Quarterly and on any event/ need basis. | Company's business operations, planning, strategies etc. |

| | | | | |
|---|---|---|---|---|
| **Industry & Trade Associations** | No | • Emails<br>• Regular meetings<br>• Periodical Reports | Periodically | Deliberations on policies |
| **Professionals/ Consultants** | No | • Emails.<br>• Need based meetings<br>• Periodical Reports | Quarterly and need basis | Compliance to legal equirements, advice on business, legal, tax and environment etc related issues |

## PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

SUSTAINABLE DEVELOPMENT GOALS

**A) ESSENTIAL INDICATORS:**

**1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

| Category | FY 2023-24 (Current Financial Year) | | | FY 2022-23 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. of employees / workers covered (B) | % (B / A) | Total (C) | No. of employees / workers covered (C) | % (D / C) |
| **Employees** | | | | | | |
| **Permanent** | 759 | 759 | 100% | 584 | 584 | 100% |
| **Other than permanent** | 15 | 15 | 100% | 0 | 0 | 0 |
| **Total Employees** | 774 | 774 | 100% | 584 | 584 | 100% |
| **Workers** | | | | | | |
| **Permanent** | 240 | 240 | 100% | 264 | 264 | 100% |
| **Other than permanent** | 1337 | 1337 | 100% | 1592 | 1592 | 100% |
| **Total Workers** | 1577 | 1577 | 100% | 1856 | 1856 | 100% |

**2. Details of minimum wages paid to employees and workers:**

| Category | FY 2023-24 (Current Financial Year) | | | | | FY 2022-23 (Previous Financial Year) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No (B) | %(B/A) | No (C) | % (C/A) | | No (E) | %(E/D) | No (F) | % (F/D) |
| **Employees** | | | | | | | | | | |
| Permanent | | | | | | | | | | |
| Male | 717 | 0 | 0 | 717 | 100% | 552 | 0 | 0 | 552 | 100% |
| Female | 42 | 0 | 0 | 42 | 100% | 32 | 0 | 0 | 32 | 100% |
| Other than Permanent | | | | | | | | | | |
| Male | 14 | 0 | 0 | 14 | 100% | 15 | 0 | 0 | 15 | 100% |
| Female | 1 | 0 | 0 | 1 | 100% | 1 | 0 | 0 | 1 | 100% |
| **Workers** | | | | | | | | | | |
| Permanent | | | | | | | | | | |
| Male | 231 | 91 | 39.39% | 140 | 60.60% | 255 | 109 | 42.74% | 146 | 57.25% |
| Female | 9 | 2 | 22.22% | 7 | 77.77% | 9 | 4 | 44.44% | 5 | 55.55% |
| Other than Permanent | | | | | | | | | | |
| Male | 583 | 583 | 100% | 0 | 0 | 1288 | 0 | 100% | 0 | 0 |
| Female | 754 | 754 | 100% | 0 | 0 | 568 | 0 | 100% | 0 | 0 |

**3. Details of remuneration/salary/wages, in the following format:**

| Category | Male | | Female | |
|---|---|---|---|---|
| | Number | Median remuneration/ salary/ wages of respective category (in ₹) | Number | Median remuneration/ salary/ wages of respective category (in ₹) |
| Board of Directors (BoD) | 3 | 33,60,000 | 0 | 0 |
| Key Managerial Personnel | 2 | 24,45,169 | 1 | 2,91,718 |
| Employees other than BoD and KMP | 712 | 41,039 | 41 | 43,705 |
| Workers* | 240 | 20,271 | 9 | 20,271 |

***Non-Permanent workers are not included for calculation of Median Wages.**

**b. Gross wages paid to Female as % of total wages paid by the entity, in the following format**

| | Current Financial Year | Previous Financial Year |
|---|---|---|
| **Gross wages paid to females as % of total wages** | 5.17% | 4.9% |

**4. Focal point for addressing human rights:**

| **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)** |
|---|
| Yes, the Company places great importance on upholding human rights and has designated a specific individual, namely the HR Manager, who is entrusted with the responsibility of receiving and resolving any issues that may arise in this regard. This individual possesses the requisite knowledge and is driven by a strong passion to ensure that our business practices align with our steadfast commitment to human rights. By means of frequent assessments, active engagement with stakeholders, and collaboration with relevant organizations, the Company diligently identifies and tackles any adverse effects on human rights while striving to promote exemplary practices throughout the organization. |

**5. Internal mechanisms in place to redress grievances related to human rights issues:**

| **Describe the internal mechanisms in place to redress grievances related to human rights issues.** |
|---|
| - Internal Complaints Committees (ICCs) have been constituted under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to hear and redress complaints of sexual harassment.<br>- The Company also has a Whistle Blower Policy in place where the employees are free to report any malpractices to the Company.<br>- The Company also has a Code of Conduct in place to ensure that issues can be addressed as and when they arise with utmost attention and detail. |

**6. Number of Complaints on the following made by employees and workers:**

| Category | FY 2023-24 (Current Financial Year) | | | FY 2022-23 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual Harassment | 0 | 0 | None | 0 | 0 | None |
| Discrimination at workplace | 0 | 0 | None | 0 | 0 | None |
| Child Labour Forced Labour/ | 0 | 0 | None | 0 | 0 | None |
| Involuntary Labour | 0 | 0 | None | 0 | 0 | None |
| Wages | 0 | 0 | None | 0 | 0 | None |
| Other human rights related issues | 0 | 0 | None | 0 | 0 | None |

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

| | Current Financial Year | Previous Financial Year |
|---|---|---|
| **Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)** | 0 | 0 |
| **Complaints on POSH as a % of female employees / workers** | 0 | 0 |
| **Complaints on POSH upheld** | 0 | 0 |

**8. Mechanism to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Company is firmly dedicated to maintaining a discrimination and harassment-free workplace. We have a zero-tolerance policy towards such misconduct, considering it completely unacceptable. We actively encourage the reporting of any concerns related to discrimination and harassment and are committed to promptly addressing complaints regarding harassment or any form of unwelcome or offensive behaviour. Regular awareness and training sessions are conducted to ensure that employees are well-informed about the various aspects of discrimination and harassment and are familiar with the available redressal mechanisms. The Whistle Blower Policy and the PoSH Policy in together, provides sufficient safeguards for his/her protection wherein the identity of the whistle blower is kept confidential and employee assisting the investigation is also protected.

**9. Human rights requirements forming part of your business agreements and contracts:**

| **Do human rights requirements form part of your business agreements and contracts? (Yes/No).** |
|---|
| As part of the supplier/dealer/vendor on boarding process, the Company incorporates human rights requirements. This entails that suppliers and dealers must adhere to relevant laws, labour standards, environmental regulations, and uphold human rights, ethics, and integrity principles in their operations. These requirements are a crucial aspect of the on boarding process, ensuring that all business partners align with the Company's commitment to human rights and responsible practices. |

**10. Assessments for the year:**

| **Category** | **% of your plants and offices that were assessed (by entity or statutory authorities or third parties)** |
|---|---|
| **Child labour** | 100% |
| **Forced/involuntary labour** | 100% |
| **Sexual harassment** | 100% |
| **Discrimination at workplace** | 100% |
| **Wages** | 100% |
| **Others – please specify** | - |

**11. Corrective Actions to address significant risks / concerns arising from the assessments:**

| **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.** |
|---|
| Not Applicable |

## PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

### A) ESSENTIAL INDICATORS:

**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

| Parameter | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|---|---|---|
| **From renewable sources** | | |
| **Total electricity consumption (A)** | 2987262 MJ | NIL |
| **Total fuel consumption (B)** | NIL | NIL |
| **Energy consumption through other sources (C)** | NIL | NIL |
| **Total energy consumption (A+B+C)** | 2987262 MJ | NIL |
| **From non-renewable sources** | | |
| **Total electricity consumption (D)** | 167149951 MJ | 162493470 MJ |
| **Total fuel consumption (E)** | 12252966356 MJ | 12080220776 MJ |
| **Energy consumption through other sources (F)** | 1721685511 MJ | 1585020111 MJ |
| **Total energy consumed from n on-renewable sources (D+E+F)** | 14141801819 MJ | 13827734356 MJ |
| **Total energy consumed (A+B+C+D+E+F)** | 14144789081 MJ | 13827734356 MJ |
| **Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)** | 0.9713693511 MJ/Rs | 1.0355897853 MJ/Rs |
| **Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)** | 0.04336470317 MJ/Adjusted PPP Turnover | 0.04673239103 MJ/Adjusted PPP Turnover |
| **Energy intensity in terms of physical output** | 709047.52 MJ/MT | 706722.59 MJ/MT |
| **Energy intensity (optional) – the relevant metric may be selected by the entity** | - | - |

***The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published by the IMF- for India. For the years ended March 31, 2024 and March 31, 2023, it is 22.401 and 22.167, respectively.***

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No independent assessment, evaluation, or assurance has been carried out by an external agency.

**2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not applicable, as the entity has not been identified as designated consumers under Performance, Achieve and Trade (PAT) Scheme of the Government of India.

**3. Provide details of the following disclosures related to water, in the following format:**

| Parameter | Current Financial Year) | Previous Financial Year) |
|---|---|---|
| **Water withdrawal by source (in kilolitres)** | | |
| **(i) Surface water** | 0 | 0 |
| **(ii) Groundwater** | 653830 KL | 608064 KL |
| **(iii) Third party water** | 0 | 0 |
| **(iv)Seawater / desalinated water** | 0 | 0 |
| **(v) Others** | 475984 KL | 459431 KL |
| **Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)** | 1129814 KL | 1067495 KL |
| **Total volume of water consumption (in kilolitres)** | 1129814 KL | 1067495 KL |
| **Water intensity per rupee of turnover (Total water consumption / Revenue from operations)** | 0.0000775881 KL/Rs | 0.0000799471 KL/Rs |
| **Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)** | 0.00000346 KL/Adjusted PPP Turnover | 0.000000360 KL/Adjusted PPP Turnover |
| **(Total water consumption / Revenue from operations adjusted for PPP)** | 56.63 KL/MT | 54.55 KL/MT |
| **Water intensity in terms of physical output** | - | - |

***The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published by the IMF- for India. For the years ended March 31, 2024 and March 31, 2023, it is 22.401 and 22.167, respectively.***

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No independent assessment, evaluation, or assurance has been carried out by an external agency.

**4. Provide the following details related to water discharged:**

| Parameter | Current Financial Year) | Previous Financial Year) |
|---|---|---|
| **Water discharge by destination and level of treatment (in kilolitres)** | | |
| **(i) To Surface water** | NIL | NIL |
| **-No treatment** | NIL | NIL |
| **-With treatment – please specify level of treatment** | NIL | NIL |
| **(ii) To Groundwater** | NIL | NIL |
| **-No treatment** | NIL | NIL |
| **-With treatment – please specify level of treatment** | NIL | NIL |
| **(iii) To Seawater** | NIL | NIL |
| **-No treatment** | NIL | NIL |
| **-With treatment – please specify level of treatment** | NIL | NIL |
| **(iv) Sent to third parties** | NIL | NIL |
| **-No treatment** | NIL | NIL |
| **-With treatment – please specify level of treatment** | NIL | NIL |
| **(v) Others** | NIL | NIL |
| **-No treatment** | NIL | NIL |
| **-With treatment – please specify level of treatment** | NIL | NIL |
| **Total water discharged (in kilolitres)** | NIL | NIL |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

**No independent assessment, evaluation, or assurance has been carried out by an external agency.**

**5. Mechanism for Zero Liquid Discharge:**

| | |
|---|---|
| **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.** | Yes, the Company's efforts were focused on developing energy-efficient processes for instant coffee production, which involved selecting advanced profile roasters and incorporating waste heat recovery systems to optimize roasting and drying processes. ZLD (Zero Liquid Discharge) Technologies were chosen to minimize waste generation during instant coffee production and explore innovative methods for reusing or recycling wastewater and by-products. Technologies such as membrane filtration or reverse osmosis were employed to reduce water usage. A state-of-the-art pilot plant has been commissioned to reduce the batch size, thereby decreasing the environmental impact. The Company has 900 KLD ZLD in operation. |

**6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

| Parameter | Please specify unit | FY 2023-2024 | FY 2022-2023 |
|---|---|---|---|
| **NOx** | mg/m3 | 88.5 | 77 |
| **Sox** | mg/m3 | 62.9 | 44.9 |
| **Particulate matter (PM)** | mg/m3 | 181.9 | 193.1 |
| **Persistent organic pollutants (POP)** | - | NIL | NIL |
| **Volatile organic compounds (VOC)** | - | NIL | NIL |
| **Hazardous air pollutants (HAP)** | - | NIL | NIL |
| **Others – please specify** | - | NIL | NIL |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No independent assessment, evaluation, or assurance has been carried out by an external agency.

**7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

| Parameter | Unit | FY 2023-2024 | FY 2022-2023 |
|---|---|---|---|
| **Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)** | Metric tonnes of CO2 equivalent | 54300.93 | 50851 |
| **Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)** | Metric tonnes of CO2 equivalent | 28217.85 | 27431.81 |
| **Total Scope 1 and Scope 2 emissions intensity per rupee of turnover**<br><br>**(Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)** | Metric tonnes of CO2 equivalent | 0.0000056668 MT/Rs | 0.0000058628 MT/Rs |
| **Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)**<br><br>**(Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)** | | 0.000000252 MT/Adjusted PPP Turnover | 0.000000264 MT/Adjusted PPP Turnover |
| **Total Scope 1 and Scope 2 emission intensity in terms of physical output** | | 4.13 MT | 4 MT |
| **Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity** | | - | - |

***The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published by the IMF- for India. For the years ended March 31, 2024 and March 31, 2023, it is 22.401 and 22.167, respectively.***

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No independent assessment, evaluation, or assurance has been carried out by an external agency.

**8. Project related to reducing Green House Gas emission:**

| | |
|---|---|
| **Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.** | Yes, the Company has already commissioned a solar plant at one of its factories located at Kuvvakolli, Tirupati District, Andhra Pradesh. The solar plant has a capacity of 0.9 MW and is aimed at reducing the greenhouse gas emissions. |

**9. Provide details related to waste management by the entity, in the following format:**

| **Parameter** | **FY 2023-2024** | **FY 2022-2023** |
|---|---|---|
| **Total Waste generated (in metric tonnes)** | | |
| **Plastic waste (A)** | NIL | NIL |
| **E-waste (B)** | NIL | NIL |
| **Bio-medical waste (C)** | 0.002 tonnes | NIL |
| **Construction and demolition waste (D)** | NIL | NIL |
| **Battery waste (E)** | 3.5 tonnes | 6.34 tonnes |
| **Radioactive waste (F)** | NIL | NIL |
| **Other Hazardous waste. Please specify any, if any (G)** | 374.78 tonnes | 364.65 tonnes |
| **Other Non-Hazardous waste (H): Please specify, if any** | 18.66 tonnes | 48.18 tonnes |
| **Total (A+ B + C + D + E + F + G + H)** | 396.942 tonnes | 419.166 tonnes |
| **Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)** | 0.0000000273 | 0.0000000314 |
| **Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) *** | 0.00000000121 | 0.00000000141 |
| **Waste intensity in terms of physical output** | 0.0918 | 0.0214 |
| **Waste intensity (optional) – the relevant metric may be selected by the entity** | - | - |
| **For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)** | | |
| **Category of waste** | | |
| **(i) Recycled** | NIL | NIL |
| **(ii) Re-used** | NIL | NIL |
| **(iii) Other recovery operations** | NIL | NIL |
| **Total** | - | - |

**For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)**

| Category of waste | | |
|---|---|---|
| (i) Incineration | NIL | NIL |
| (ii) Landfilling | NIL | NIL |
| (iii) Other disposal operations | | |
| Disposed responsibly with registered waste disposers | 396.942 tonnes | 419.166 tonnes |
| Total | 396.942 tonnes | 419.166 tonnes |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No independent assessment, evaluation, or assurance has been carried out by an external agency.

**10. Waste management practices adopted in the establishment:**

| | |
|---|---|
| **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.** | The Company has established partnerships with authorised organizations and recycling facilities to ensure that all the waste is properly managed and recycled. Further No such hazardous chemicals are being used by the Company at any of its plants. |

**11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required:**

| S. No | Location of operations /offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|---|---|---|---|
| The Company does not have any offices or operational sites in the vicinity of any ecologically sensitive area. | | | |

**12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

| S. No. | Name and brief details of project | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|---|---|---|---|---|
| Environmental impact assessment is not applicable for the company during the reporting financial year. | | | | | |

**13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).**

| S. No. | Specify the law / regulation / guidelines which was not complied with | Provide details of the non-compliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|---|---|---|---|---|
| Yes, the company is fully compliant with all the applicable environmental laws/regulations/guidelines in India including but not limited to Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules. | | | | |

## PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

### A) ESSENTIAL INDICATORS:

**1. A) Affiliations with trade and industry chambers/ associations:**

| | |
|---|---|
| **Number of affiliations with trade and industry chambers/ associations.** | 7 |

**B) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to:**

| S. No. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/National) |
|---|---|---|
| 1. | Coffee Board of India | National |
| 2. | Export Promotion Council for EOUs and SEZs (EPCES) | National |
| 3. | Federation of Indian Export Organization (FIEO) | National |
| 4. | Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI) | National |
| 5. | Indo American Chamber of Commerce (IACC) | National |
| 6. | Indo German Chamber of Commerce (IGCC) | National |
| 7. | National Coffee Association, USA (NCA) | National |

**2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities:**

| Name of authority | Brief of the case | Corrective action taken |
|---|---|---|
| No adverse order has been received by the Company from any regulatory authorities. | | |

## PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT


### A) ESSENTIAL INDICATORS:

**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:**

| Name and brief details of project | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|---|---|---|---|---|
| **This section is not applicable to the Company as there were no projects that required Social Impact Assessment (SIA) to be undertaken under the law.** | | | | | |

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:**

| S. No. | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In INR) |
|---|---|---|---|---|---|---|
| This section is not applicable to the Company as there were no projects that required Rehabilitation and Resettlement (R&R). | | | | | | |

**3. Community redressal mechanism:**

| **Describe the mechanisms to receive and redress grievances of the community.** |
|---|
| The Company ensures that there are regular interactions with the community as a whole to be able to receive and redress the grievances on a regular basis. The Company sources its green coffee from small vendors of Karnataka, Andhra Pradesh, Tamil Nadu and Kerala and hence the local touch with the community also remains intact. |

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers(indigenous):**

| Category | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|---|---|---|
| Directly sourced from MSMEs/ small producers | 81.3% | 75.6% |
| Sourced directly from within India | 32.4% | 24.9% |

**(Note: The inputs sourced from MSMEs/small producers are taken as a percentage of indigenous purchases.)**

**5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.**

| Location | FY 2023-2024 (Current Year) | FY 2022-2023 (Previous Year) |
|---|---|---|
| Rural | 69.6% | 70.8% |
| Semi- Urban | 0.7% | - |
| Urban | 29.3% | 29.2% |
| Metropolitan | 0.4% | - |

## PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

### A) ESSENTIAL INDICATORS:

**1. Consumer Complaints and feedback:**

| **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.** |
|---|
| The Company has established effective mechanisms to receive and respond to consumer complaints and feedback. These mechanisms include dedicated customer support channels such as helplines, email addresses, online contact forms on our D2C website, and Social Media Platforms. We ensure that consumers can easily submit their complaints or provide feedback through these channels. Regular communication is maintained with consumers to keep consumers informed about the progress and resolution of their complaints. |

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

| Category | As a percentage to total turnover |
|---|---|
| Environmental and social parameters relevant to the product | - |
| Safe and responsible usage | 100% |
| Recycling and/or safe disposal | 100% |

**3. Number of consumer complaints in respect of the following:**

| Category | FY 2023-24 (Current Financial Year) | | Remarks | FY 2022-23 (Previous Financial Year) | | Remarks |
|---|---|---|---|---|---|---|
| | Received during the year | Pending resolution at end of year | | Received during the year of year | Pending resolution at end | |
| Data privacy | 0 | 0 | - | 0 | 0 | - |
| Advertising | 0 | 0 | - | 0 | 0 | - |
| Cyber-security | 0 | 0 | - | 0 | 0 | - |
| Delivery of essential services | 0 | 0 | - | 0 | 0 | - |
| Restrictive Trade Practices | 0 | 0 | - | 0 | 0 | - |
| Unfair Trade Practices | 0 | 0 | - | 0 | 0 | - |
| Other | 0 | 0 | - | 0 | 0 | - |

**4.Details of instances of product recalls on account of safety issues:**

| Particulars | Number | Reasons for recall |
|---|---|---|
| **Voluntary recalls** | 0 | Not Applicable |
| **Forced recalls** | 0 | Not Applicable |

**5. Cyber security policy:**

| **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.** |
|---|
| Yes, the Company has a policy on cyber security and risks related to data privacy. The link for the cyber security policy is https://www.cclproducts.com/wp-content/uploads/2024/08/Cyber-Security-and-Data-Privacy-Policy.pdf |

**6. Corrective Actions:**

| **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services** |
|---|
| This section is not applicable to the Company as there have been no reported incidents of such issues till date. |

**7. Provide the following information relating to data breaches:**

| Particulars | For the Current Financial (2023-2024) | For the Previous Year Year (2022-2023) |
|---|---|---|
| **Number of instances of data breaches** | 0 | 0 |
| **Percentage of data breaches involving personally identifiable information of customers** | 0 | 0 |
| **Impact, if any, of the data breaches** | NIL | NIL |

## REPORT ON CORPORATE GOVERNANCE

**[Pursuant to Schedule V (C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations")]**

### (1) Company's philosophy on Code of Governance

The Company's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices, many of which were in place even before they were mandated by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. As a global organisation, the Corporate Governance practices followed by the Company and its subsidiaries are compatible with international standards and best practices. Through the Governance mechanism in the Company, the Board along with its committees undertakes its fiduciary responsibilities to all its stakeholders by ensuring transparency, fair play and independence in its decision making.

Over the years, CCL has shown a commitment towards effective corporate governance 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.

The Company has adopted the Code of Conduct for the Directors and Senior Management, which encompasses an appropriate mechanism to report any concern pertaining to non-adherence to the said Code, which includes a Code of Conduct for Independent Directors as specified under Schedule IV of the Act and Regulation 26(3) of the Listing Regulations. Pursuant to Regulation 26(5) of the Listing Regulations, all members of the Senior Management have confirmed that there are no material, financial and commercial transactions wherein they have a personal interest that may have a potential conflict with the interest of the Company at large. Pursuant to Regulation 26(3) of the Listing Regulations, all the Directors and Senior Management of the Company as on March 31, 2024 have affirmed compliance with their respective Codes of Conduct. A Declaration to this effect, duly signed by the Chief Executive Officer is enclosed at the end of this Report.

The Company has complied with the norms of governance as provided in Chapter IV and Schedule II of the Listing Regulations during the year under review.

### (2) Board of Directors:

(a) Composition and category of directors:

The composition of Board of your company is in consonance with the requirements of Regulation 17 of the Listing Regulations. As on March 31, 2024, CCL's Board consisted of 13 Members. The Board of directors of the Company has an optimum combination of Executive, Non-Executive and Independent Directors with one woman Independent Director. All the Independent Directors have confirmed in accordance with Regulation 25(8) of the Listing Regulations that they meet the independence criteria as mentioned under Regulation 16(1)(b) of the Listing Regulations and Section 149 of the Act and the Rules framed thereunder. The Independent Directors have further stated that they are unaware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. The Company has received confirmation from all the Independent Directors of their registration on the Independent Directors Database maintained by the Institute of Corporate Affairs pursuant to Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The required information, including information as enumerated in Regulation 17(7) read with Part A of Schedule II of the Listing Regulations, is made available to the Board of Directors, for discussion and consideration at Board Meetings. The Chief Executive Officer and the Chief Financial Officer have certified to the Board on, inter alia, the accuracy of the financial statements and adequacy of internal controls for financial reporting, in accordance with Regulation 17(8) read together with Part B of Schedule II of the Listing Regulations, pertaining to CEO and CFO certification for the financial year ended March 31, 2024. The Company also submits a quarterly compliance report on Corporate Governance to the Stock Exchanges where the Company is listed, pursuant to Regulation 27(2) of the Listing Regulations.

(b)The details of the Board of directors including their attendance at the meetings of Board, Committes and shareholders, directorships / chairmanships / memberships on the Boards /Committees of other Companies and names of the listed entities where the person is a director and the category of directorship as required under Regulation No.34 read with Schedule V of the Listing Regulations are as below:

| Name of the Director | Category | No. of Board Meetings | | Attendance at the last AGM (August 22, 2023) | No. of Directorships in other Companies | | Chairmanships/ memberships in Committeees of other Public Companies | | Name of other listed entities where he/she is a director and the category of directorship |
|---|---|---|---|---|---|---|---|---|---|
| | | Entitled | Attended` | | Private | Public | Member ship | Chairman ship | |
| Challa Rajendra Prasad | Promoter & Executive Director | 5 | 5 | Yes | 3 | - | - | - | |
| Vipin K Singal | Independent Non-Executive Director | 4 | 4 | Yes | - | - | - | - | |
| Kata Chandrahas | Independent Non-Executive Director | 5 | 5 | Yes | - | - | - | - | |
| K. K. Sarma | Non-Executive Director | 5 | 5 | Yes | 3 | - | - | - | |
| B. Mohan Krishna | Promoter & Executive Director | 5 | 5 | Yes | 2 | - | - | - | - |
| G. V. Krishna Rau | Independent Non-Executive Director | 5 | 5 | Yes | - | 1 | 1 | - | Tierra Agrotech Limited: Independent Director |
| Kulsoom Noor Saifullah | Independent Non-Executive Director | 5 | 4 | Yes | 1 | - | - | - | |
| K. V. Chowdary | Independent Non-Executive Director | 5 | 5 | Yes | 3 | 6 | 9 | 3 | 1. Reliance Industries Limited: Independent Director<br>2. Divi's Laboratories Limited: Independent Director<br>3. Tata Motors Limited: Independent Director<br>4. Anant Raj Limited Independent Director |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Challa Shantha Prasad | Promoter & Non-Executive Director | 5 | 5 | Yes | - | - | - | - | - |
| Dr. Krishnanand Lanka | Independent Non-Executive Director | 5 | 5 | Yes | - | - | - | - | - |
| Durga Prasad Kode | Independent Non-Executive Director | 5 | 4 | Yes | - | 2 | 2 | 5 | NAVA Limited: Independent Director |
| Challa Srishant | Promoter & Executive Director | 5 | 5 | Yes | 8 | - | - | - | - |
| S. V. Ramachandra Rao | Non & Executive Director | 3 | 2 | Yes | 3 | - | - | - | - |
| Sudhakar Ambati | Independent Non-Executive Director | 3 | 3 | Yes | - | - | - | - | - |

1) Sri S V Ramachandra Rao was appointed as Non-Executive Director, with effect from July 14, 2023
2) Sri Sudhakar Ambati was appointed as an Independent Director, with effect from September 29,2023.
3) Sri Vipin K Singal resigned as Independent Director, with effect from closing hours of January 24, 2024 owing to his attainment of 75 years of age on January 25, 2024.
4) Sri Kata Chandrahas has vacated his office as an Independent Director on completion of his 2nd term of five consecutive years with effect from closing hours of May 22, 2024

The Directorships held by Directors in other Companies, as mentioned above are as on the date of this report and do not include Directorships in Foreign Companies.

None of the Directors on the Board hold the office of Director in more than 20 companies, including 10 public companies and none of the Independent Directors serve as an Independent Director in more than seven listed entities and none of the whole-time directors serve as Independent Director in any of the listed companies.

In accordance with Regulation 26 of the Listing Regulations, none of the Directors are members in more than 10 committees or act as chairperson of more than 5 committees (the committees being, Audit Committee and Stakeholders' Relationship Committee) across all public limited companies in which he/she is a Director.
(c) Number of meetings of the Board of directors held and dates on which held:

The Board met 5 times during the financial year 2023-24 on the following dates, with a gap not exceeding one hundred and twenty days between any two meetings:

| | | | | |
|---|---|---|---|---|
| May 16, 2023 | July 14, 2023 | November 4, 2023 | January 3, 2024 | February 5, 2024 |

(d) Disclosure of relationships between directors inter-se:

- Sri Challa Rajendra Prasad – Spouse of Smt. Challa Shantha Prasad, Director; Father of Sri Challa Srishant, Managing Director and Father-in-Law of Sri B. Mohan Krishna, Executive Director of the Company.

- Sri Challa Srishant - Son of Sri Challa Rajendra Prasad, Executive Chairman and Smt. Challa Shantha Prasad, Director and Brother-in-law of Sri B. Mohan Krishna, Executive Director of the Company.

- Sri B. Mohan Krishna -Son-in-law of Sri Challa Rajendra Prasad, Executive Chairman and Smt. Challa Shantha Prasad, Director and Brother-in-law of Sri Challa Srishant, Managing Director of the Company

- Smt. Challa Shantha Prasad -Spouse of Sri Challa Rajendra Prasad, Executive Chairman; Mother of Sri Challa Srishant, Managing Director and Mother-in-law of Sri B. Mohan Krishna, Executive Director of the Company.

Except mentioned above, none of the Directors is related to each other.

(e) Number of shares and convertible instruments held by non-executive directors:

Except below mentioned, none of the non-Executive Directors hold any equity shares in the Company:

| **S.No** | **Name and designation of the Director** | **No. of Shares held** (As on 31.03.2024) |
|---|---|---|
| 1 | Kata Chandrahas, Independent Director | 10,536 |
| 2 | Durga Prasad Kode, Independent Director | 10,000 |
| 3 | Challa Shantha Prasad, Non-Executive Director | 3,20,38,520 |

(f) Web link where details of familiarization programmes imparted to independent directors:

A formal familiarization programme was conducted apprising the directors of the amendments in the Companies Act, 2013, Rules prescribed thereunder, Listing Regulations and all other applicable laws for the Company.

Periodic presentations are made by Senior Management, Statutory and Internal Auditors at the Board/Committee meetings on business and performance updates of the Company, global business environment, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. It is the general practice of the Company to notify the changes in all the applicable laws from time to time to the Board of Directors regularly.

Your Company has a familiarisation programme for Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business models of the Company etc., and the same is available on the website of the Company i.e., www.cclproducts.com

(g) List of core skills/expertise/competencies identified by the board of directors:

The Company requires skills, expertise and competencies in the areas of strategy, finance, accounting, taxation, legal and regulatory matters, engineering, logistics, production technologies, marketing, the environment, sustainability and international business and relations of the Company's businesses to efficiently carry on its core businesses such as manufacturing of instant coffee, knowledge on international coffee markets, marketing of coffee.

The Board comprises of qualified members who bring in the required skills, expertise and competence as mentioned above which allow them to make effective contributions to the Board and its committees. The members of the Board are committed to ensure that the Company is in compliance with the highest standards of corporate governance.

| List of skills/competencies required in relation to business operations | Names of Directors having such skills/competencies |
|---|---|
| Finance, Law, Management, Administration | Challa Srishant, Kata Chandrahas,<br>K. V. Chowdary, G.V. Krishna Rau,<br>Durga Prasad Kode,<br>S. V. Ramachandra Rao,<br>Sudhakar Ambati, |
| Technical knowledge on operations, Production | Challa Rajendra Prasad,<br>B. Mohan Krishna,<br>Dr. Krishnanand Lanka |
| Corporate Governance, Strategic Management | Challa Rajendra Prasad<br>Challa Srishant<br>Kata Chandrahas<br>B Mohan Krishna<br>K. K. Sarma<br>G. V. Krishna Rau<br>Dr. Krishnanand Lanka<br>Challa Shantha Prasad<br>Kulsoom Noor Saifullah<br>Durga Prasad Kode<br>K. V. Chowdary |
| International Marketing and Sales | G.V. Krishna Rau,<br>Kulsoom Noor Saifullah |

The current composition of your Company's Board includes directors with core industry experience and has all the key skills and experience mentioned above.

(h) Confirmation that in the opinion of the board, the independent directors fulfil the conditions specified in these regulations and are independent of the management:

The Board of Directors do hereby confirm that in the opinion of the Board, the Independent Directors fulfil the conditions specified by Listing Regulations and they are independent of the management.

(i) Detailed reasons for the resignation of independent director who resigns before the expiry of his/her tenure along with a confirmation by such director that there is no other material reasons other than those provided:

During the year under review, Sri Vipin K Singal (DIN: 00505339) has resigned from his office of Independent Director, with effect from closing hours of January 24,2024 owing to his attainment of 75 years of age on January 25, 2024. Further the Company has obtained the confirmation from the said director that there were no material reasons other than those specified thereunder.

**(3) Committees of the Board**

Currently, there are five Board Committees: Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee, and Corporate Social Responsibility 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.

Compensation Committee: The Nomination and Remuneration Committee also acts as compensation committee for the purpose of administration of CCL Employee Stock Option Scheme-2022.

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

**(A) Audit Committee.**

Your Company has in place an Audit Committee, constituted in accordance with Regulation 18 of the Listing Regulations and Section 177 of the Act, comprising of members in compliance of the said regulations. The Committee is entrusted with the powers/role as prescribed under Section 177 of the Act, and regulation 18 read with Part C of Schedule II to the Listing Regulations. The Committee performs its duties and discharges its responsibilities as per its terms of reference and directions if any, given by the Board from time to time.

**(a) Terms of reference**

The terms of reference of the Audit Committee are as per Regulation 18 of Listing Regulations read with Section 177 of the Act, 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 and 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 Section 134 of the Act.
    - 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

- Review of internal audit reports relating to internal control weaknesses.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
- Review, 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;
- Approval or any subsequent modification of transactions of the listed entity with related parties
- Review of the financial statements of subsidiary companies
- Scrutiny of inter-corporate loans and investments
- Valuation of undertakings or assets of the listed entity, 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, auditor's independence, 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.
- 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 internal auditors of any significant findings and follow up there on;
- 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 look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the whistle blower mechanism;
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing.
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

- Authority to investigate into any matter in relation to the items specified in sub-section (4) of Section 177 of the Act or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company
- Appointment of registered valuers
- Reviewing the reports/ certificates placed before it as mandated by the statutory authorities or as required under policies framed by the Company from time to time.
- Ascertaining and ensuring that the Company has an adequate and functional vigil mechanism and for ensuring that the interest of a person, who uses such a mechanism, are not prejudicially affected on account of such use, as and when applicable and reviewing the functioning of whistle blower mechanism;
- Any other matters/ authorities / responsibilities / powers assigned as per the Act and Rules made thereunder, as amended from time to time
- The Committee mandatorily reviews information including internal audit reports related to internal control weakness, management discussion and analysis of financial condition and result of operations, statement of significant related party transactions, appointment and removal of the auditors and such other matters as prescribed from time to time.

As of the date of this report, the Committee is composed of 8 members, all of whom are Non-Executive Directors. Of these, 6 are Independent Directors. All the members of the Audit Committee are financially literate and have expertise in accounting/ financial management and/or audit exposure. The Chairman of the Audit Committee was present during the last Annual General Meeting of the Company. The Audit Committee met four (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:

| | | | |
|---|---|---|---|
| May 16, 2023 | July 14, 2023 | November 4, 2023 | February 5, 2024 |

**(b) The composition of the Audit Committee and attendance at its meetings:**

| S.No | Name | Category | No. of meetings entitled to attend | No of meetings attended |
|---|---|---|---|---|
| 1 | K. V. Chowdary* | Chairperson | 4 | 4 |
| 2 | Vipin K Singal# | Member | 2 | 2 |
| 3 | Kata Chandrahas* | Chairperson | 4 | 4 |
| 4 | K. K. Sarma | Member | 4 | 4 |
| 5 | G. V. Krishna Rau | Member | 4 | 4 |
| 6 | Kulsoom Noor Saifullah | Member | 4 | 3 |
| 7 | Dr. Krishnanand Lanka | Member | 3 | 3 |
| 8 | Durga Prasad Kode | Member | 3 | 2 |
| 9 | S V Ramachandra Rao@ | Member | 2 | 2 |
| 10 | Sudhakar Ambati@ | Member | 2 | 2 |

**Sri K.V. Chowdary was appointed as the Chairperson of the Committee in place of Sri Kata Chandrahas, who Ceased to be member of Audit Committee from the closing hours of May 22, 2024*
*# Ceased to be member of Audit Committee with effect from November 03, 2023*
*@ Appointed as member of the Audit Committee with effect from November 03, 2023*

All the recommendations of the Audit Committee have been accepted by the Board of Directors.

Mr. V. Lakshmi Narayana, Chief Financial Officer of the Group 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. Ms. Sridevi Dasari, Company Secretary of the Company acts as the Secretary of the said Committee.

**(B) Nomination and Remuneration Committee**

Your Company has in place a Nomination and Remuneration Committee, constituted in accordance with Regulation 19 of the Listing Regulations and Section 178 of the Act, comprising of members in compliance of said regulations. The Committee is entrusted with the powers as prescribed under Section 178 of the Act, and Regulation 19 read with Part D of the Schedule II to the Listing Regulations. The Committee performs its duties and discharges its responsibilities as per its terms of reference and directions, if any, given by the Board from time to time.

**(a) 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, remuneration and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Recommendation of fee/compensation if any, to be paid to Non-Executive Directors, including Independent Directors of the Board.
- Recommend to the board, all remuneration, in whatever form, payable to Senior Management.
- Implement and administer Employees Stock Option Scheme(s) approved by the Board and Members of the Company and to establish, amend and rescind any rules and regulations relating to the Scheme(s), and to make any other determinations that it deems necessary in connection with the Scheme;

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.

The Company has adopted a policy relating to the remuneration for Directors, Key Managerial Personnel and other employees of the Company which is disclosed on the website of the Company and may be accessed at, https://www.cclproducts.com/wp-content/uploads/2021/07/remuneration-policy.pdf

As of the date of this report, the Committee is composed of 4 members, all of whom are Non-Executive Directors. Of these, 3 are Independent Directors. The Chairman of the Nomination and Remuneration was present during the last Annual General Meeting of the Company. The Nomination and Remuneration Committee met six (6) times during the previous year and the requisite quorum was present for all the meetings. The said committee met on the following dates:

| | | | | | |
|---|---|---|---|---|---|
| May 16, 2023 | July 14, 2023 | August 21, 2023 | November 4, 2023 | January 18, 2024 | March 18, 2024 |

**(b) The composition of the Nomination and Remuneration Committee and attendance of its Members at the Meetings held during the year is as follows:**

| S.No | Name | Category | No. of meetings entitled to attend | No of meetings attended |
|---|---|---|---|---|
| 1 | Sudhakar Ambati@ | Chairperson | 3 | 3 |
| 2 | Vipin K Singal* | Member | 3 | 3 |
| 3 | Kata Chandrahas* | Member | 3 | 3 |
| 4 | K K Sarma* | Member | 3 | 3 |
| 5 | Kulsoom Noor Saifullah* | Member | 3 | 3 |
| 6 | Dr. Krishnanand Lanka# | Member | 1 | 1 |
| 7 | Durga Prasad Kode | Member | 4 | 3 |
| 8 | K V Chowdary$ | Member | 3 | 3 |
| 9 | G. V. Krishna Rau@ | Chairperson | 3 | 3 |
| 10 | S V Ramachandra Rao$ | Member | 3 | 3 |

*@ Sri Sudhakar Ambati was appointed as the member and Chairperson of the committee in place of Sri G.V. Krishna Rau with effect from November 3, 2023*
** Ceased to be member of Nomination and Remuneration Committee with effect from November 3, 2023*
*$ Appointed as member of the Nomination and Remuneration Committee with effect from November 03, 2023*
*# Ceased to be member of Nomination and Remuneration Committee from the closing hours of July 13, 2023.*

**(d) Performance evaluation criteria for Independent Directors**

Independent Directors are evaluated based on below mentioned criteria:

(i) their general understanding of the Company's business dynamics

(ii) global business and social perspective

(iii) professional ethics, integrity and values

(iv) willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively

The Nomination and Remuneration Committee laid down criteria for performance evaluation of all the Directors on the Board and recommended the same for evaluating the performance of each and every Director.

Board evaluates the performance of Independent Directors annually based on their participation at the Board and Committee meetings conducted during the year and the NR Committee recommends the appointment/re-appointment of the Independent Directors by assessing the role played by them in all the meetings they attended.

**(C) Stakeholders Relationship Committee**

The Company has in place a Stakeholders Relationship Committee, constituted in accordance with Regulation 20 of the Listing Regulations. and Section 178 of the Act, comprising of members in compliance of the said Regulations. The Committee performs its duties and discharges its responsibilities as per its terms of reference and directions if any, given by the Board from time to time.

**a) Terms of reference**

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

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- Performing various functions relating to the interests of shareholders/investors of the Company as may be required under the provisions of the Act, the Listing Agreement with the Stock Exchanges and regulations/ guidelines issued by the SEBI or any other regulatory authority from time to time 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-a-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 March 31, 2024, 13,23,72,917 Equity Shares of ₹ 2 each representing 99.51% of the total number of Shares are in dematerialized form.

As per Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (‘IEPF Rules’) read with Section 124 of the Companies Act, 2013, intimations have been sent to shareholders concerned, requesting them to encash their unclaimed dividends failing which the unclaimed dividend and corresponding shares held by them shall be transferred to IEPF Authority.

As required under Section 124 of the Act read with the IEPF Rules as amended, 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.

As of the date of this report, the Committee is composed of 3 members, all of whom are Non-Executive Directors. Of these, 2 are Independent Directors. The Chairman of the Stakeholders Relationship Committee was present during the last Annual General Meeting of the Company. The Committee met four (4) times during the previous year and the requisite quorum was present for all the meetings. The said committee met on the following dates:

| | | | |
|---|---|---|---|
| May 16, 2023 | July 14, 2023 | November 4, 2023 | February 5, 2024 |

**b) The composition of the Stakeholders Relationship Committee and attendance of its Members at the Meetings held during the year is as follows:**

| S No | Name | Category | No. of meetings held entitled to attend | No of meetings attended |
|---|---|---|---|---|
| 1 | Dr. Krishnanand Lanka* | Chairperson | 3 | 3 |
| 2 | Vipin K Singal # | Member | 2 | 2 |
| 3 | K. K. Sarma# | Member | 2 | 2 |
| 4 | G. V. Krishna Rau | Member | 4 | 4 |
| 5 | Kulsoom Noor Saifullah# | Member | 2 | 2 |
| 6 | Kata Chandrahas* | Chairperson | 4 | 4 |
| 7 | Durga Prasad Kode$ | Member | 1 | 1 |
| 8 | S V Ramachandra Rao@ | Member | 2 | 2 |

**Dr. Krishnanand Lanka was appointed as the Chairperson of the Committee in place of Sri Kata Chandrahas, who ceased to be member of Stakeholders Relationship Committee from the closing hours of May 22, 2024*
*# Ceased to be member of Stakeholders Relationship Committee with effect from November 03, 2023*
*$ Ceased to be member of Stakeholders Relationship Committee from the closing hours of July 13, 2023*
*@ Appointed as member of the Stakeholders Relationship Committee with effect from November 03, 2023*

The Stakeholders Relationship Committee specifically look into various aspects of interest of shareholders, debenture holders (if any) and other security holders.

Name of the Non-Executive Director heading the committee: Dr. Krishnanand Lanka

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

The Board has authorised 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 39 queries/complaints were received during the year and were totally resolved to the satisfaction of the shareholders within the stipulated time. There are no complaints pending for redressal and there is no were no pending requests for transfer and transmission of shares as on March 31, 2024.

**(D) Risk Management Committee**

The Company has in place a Risk Management Committee constituted in accordance with the Regulation 21 of the Listing Regulations comprising of members in compliance of the said regulations. The Committee performs its duties and discharges its responsibilities as per its terms of reference and directions if any, given by the Board from time to time.

**a) Terms of reference**

The terms of reference of the Risk Management Committee are as under:

**Objective of the Risk Management Policy**

- To embed the management of risk as an integral part of our business processes;
- To review the Company’s risk governance structure, risk assessment, risk management policies, practices, guidelines and procedures, including the risk management plan;
- To review and approve the Enterprise Risk Management framework;
- 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.

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.

**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.

As of the date of this report, the Committee is composed of 7 members. This includes 5 Board members, with 2 being Independent Directors, and 2 members from the Senior Management team of the Company. The Committee met two (2) times during the previous year and the requisite quorum was present for all the meetings. The said committee met on the following dates:

| | |
|---|---|
| September 13, 2023 | February 5, 2024 |

**b) The composition of the Risk Management Committee and attendance at its meetings:**

| S.No | Name | Category | No. of meetings entitled to attend | No of meetings attended |
|---|---|---|---|---|
| 1 | Dr. Krishnanand Lanka$ | Chairperson | 1 | 1 |
| 2 | Vipin K Singal* | Member | 1 | 1 |
| 3 | Kata Chandrahas* | Member | 1 | 1 |
| 4 | K. K. Sarma* | Member | 1 | 1 |
| 5 | B. Mohan Krishna | Member | 2 | 2 |
| 6 | G. V. Krishna Rau* | Member | 1 | 1 |
| 7 | Kulsoom Noor Saifullah* | Member | 1 | 1 |
| 8 | Challa Shantha Prasad* | Member | 1 | 1 |
| 9 | Challa Srishant$ | Chairperson | 2 | 2 |
| 10 | Praveen Jaipuriar (Chief Executive Officer) | Member | 2 | 2 |
| 11 | V. Lakshmi Narayana (Chief Financial Officer) | Member | 2 | 2 |
| 12 | Sridevi Dasari (Company Secretary)* | Member | 1 | 1 |
| 13 | S V Ramachandra Rao# | Member | 1 | 1 |
| 14 | Sudhakar Ambati# | Member | 1 | 1 |

*$Dr. Krishnanand Lanka was appointed as the Chairperson of the Committee in place of Sri Challa Srishant with effect from November 03, 2023*
** Ceased to be member of the Risk Management Committee with effect from November 03, 2023*
*# Appointed as member of the Risk Management Committee with effect from November 03, 2023*

**(E) Corporate Social Responsibility Committee**

The Company has in place a Corporate Social Responsibility Committee, constituted in accordance with Section 135 of the Act comprising of members in compliance of the said act. The Committee performs its duties and discharges its responsibilities as per its terms of reference and directions if any, given by the Board from time to time. The Corporate Social Responsibility Committee was entrusted with the responsibility of overseeing Environment, Social and Governance (ESG) related issues along with the responsibilities as per Section 135(3) of the Act.

**a) Terms of reference:**

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

- 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;

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

- Monitor the Corporate Social Responsibility Policy of the company from time to time.

As of the date of this report, the Committee is composed of 4 members, all of whom are Non-Executive Directors. Of these, 3 are Independent Directors. The Committee met once during the previous year on May 16, 2023 and the requisite quorum was present for the meeting.

**b) The composition of the Corporate Social Responsibility Committee and attendance of its Members at the Meeting held during the year is as follows:**

| S No | Name | Category | No. of meetings entitled to attend | No. of meetings attended |
|---|---|---|---|---|
| 1 | Durga Prasad Kode$ | Chairperson | 1 | 1 |
| 2 | Kata Chandrahas* | Member | 1 | 1 |
| 3 | K K Sarma* | Member | 1 | 1 |
| 4 | B Mohan Krishna* | Member | 1 | 1 |
| 5 | Challa Srishant* | Member | 1 | 1 |
| 6 | G V Krishna Rau* | Member | 1 | 1 |
| 7 | Kulsoom Noor Saifullah | Member | 1 | 1 |
| 8 | Challa Shantha Prasad | Member | 1 | 1 |
| 9 | Dr. Krishnanand Lanka@ | Member | 1 | 1 |
| 10 | Vipin K Singal$ | Chairperson | 1 | 1 |
| 11 | Sudhakar Ambati# | Member | NA | NA |

*$Sri Durga Prasad Kode was appointed as the Chairperson of the Committee in place of Sri Vipin K Singal with effect from November 03, 2023*
** Ceased to be member of the Corporate Social Responsibility Committee with effect from November 03, 2023*
*@ Ceased to be member of the Corporate Social Responsibility Committee with effect from July 13, 2023*
*# Appointed as member of the Corporate Social Responsibility Committee with effect from November 03, 2023*

**Corporate Social Responsibility Policy**

The Company has adopted Corporate Social Responsibility Policy containing the activities to be undertaken by the Company as a part of its CSR programs. The CSR policy is disclosed on the website of the Company www.cclproducts.com.

**(F) Senior Management:**

Particulars of the Senior management including the changes therein since the close of the previous financial year.

| Sl No | Employee Name | Department | Designation | Date of Joining |
|---|---|---|---|---|
| 1 | Praveen Jaipuriar | Management | CEO | 29/10/2021 |
| 2 | V Lakshmi Narayana | Finance & Accounts | CFO | 14/07/2018 |
| 3 | Dasari Sridevi | Secretarial | Company Secretary | 13/04/2012 |
| 4 | Keshava Naidu Gudiputi | R & D | General Manager | 03/06/2013 |
| 5 | R V Rama Rao | Administration | Sr. General Manager | 04/05/1995 |
| 6 | Vadlamudi Ravi Sai Teja | Business Development | Senior Manager | 21/01/2015 |
| 7 | B. Vaishak | Projects | Asst. General Manager | 01/03/2016 |
| 8 | Atchuta Rao S S S | Administration | General Manager | 29/04/2021 |
| 9 | Thirumala Prasad R | Commercial | Dy. General Manager | 05/07/2021 |
| 10 | Ch V S S R S Sastry | Production | General Manager | 02/09/2021 |
| 11 | Kolluru Shivaram Prasad | Operations | Sr. General Manager | 15/11/2021 |
| 12 | Sridevi Undavalli | Human Resources | General Manager | 15/04/2022 |
| 13 | Marisetty Sarveswara Rao | Packing | General Manager | 31/03/2023 |
| 14 | Ranjith Kumar Mukthavaram | Materials | Dy. General Manager | 24/04/2023 |
| 15 | Raja Chakraborty | Marketing | Chief Marketing Officer | 06/09/2023 |
| 16 | Vyaghreswar Kaza | Sales | Sales Head - India | 03/11/2023 |
| 17 | R Udaya Manikandan Gandhi | Quality | General Manager | 04/04/2024 |
| **Resigned during the year** | | | | |
| 1 | Mahesh Kumar V | Quality | General Manager | 08/01/2021 |

**(G) Employee Stock Options**

Share based employee benefits are an effective mode aimed at promoting the culture of employee ownership, creating long term wealth in their hands which also helps your Company to attract, motivate and retain the employees in the competitive environment and to reduce the employee retention rate in the organization.

With the said objective, and as already informed, your Company, has adopted a Scheme under the name and style "CCL Employee Stock Option Scheme – 2022" (the CCL Scheme 2022/ the Scheme) for the benefit of its employees and the employees of its subsidiaries. The said Scheme is in force. Further, a Trust under the name and style "CCL Employees Trust" has been formed in this regard, inter alia, for the purpose of administration of the Scheme. Your Company, pursuant to the said Scheme may grant upto a maximum of 4 Lakhs options convertible into equal number of Equity shares of ₹ 2 each, in one or more tranches. Upon exercise and payment of the exercise price, the option holder will be entitled to one Equity Share per employee stock option.

During the year under review, the Nomination and Remuneration Committee (Compensation Committee) of the Company, pursuant to the resolution passed by it, converted the options granted under Continental Coffee Private Limited Employee Stock Option Plan, 2021 (CCPL ESOP Plan) into 1,00,000 options under CCL Employee Stock Option Scheme – 2022 ( CCL ESOP Scheme) as contemplated in the Scheme of Arrangement between Continental Coffee Private Limited, Demerged Company and CCL Products (India) Limited, Resulting Company. Subsequent to this addition of 1,00,000 Options, the total pool of Options in CCL ESOP Scheme increased to 5,00,000. Accordingly the Company has allotted 5,00,000 (Five Lakh) equity shares of ₹ 2 each at a price of ₹ 2 to M/s "CCL Employees Trust", to be eventually transferred to the employees pursuant to the said ESOP Plan.

Information pursuant to Part F of Schedule – I of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 is available on Company's website and may be accessed at https://www.cclproducts.com/wp-content/uploads/2023/07/ESOP-disclosure-pursuant-to-SEBI-SBEB-Regulations-2021.pdf . The statutory disclosures as per the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as specified in Schedule I of the said Regulations may be accessed at: https://www.cclproducts.com/wp-content/uploads/2024/08/Disclosures-on-ESOPs.pdf.

It is confirmed that the Scheme is in compliance with the SEBI (Share Base Employee Benefits and Sweat Equity) Regulations, 2021 and during the year under review no material changes were made to the Scheme.

**(4) Remuneration of Directors**

(a) All pecuniary relationship or transactions of the non-executive directors

Non-Executive Directors including Independent Directors are entitled to sitting fees for the Board and Committee meetings attended by them and Commission cumulatively not exceeding 1% of the net profits of your Company computed in the manner laid down in Section 198 of the Act.

(b) Criteria of making payments to non-executive directors

Keeping in view the size, scale and complexity of the Company's operations and the level of involvement of the non-executive directors and their guidance for the growth of the Company as members of the Board and also as Chairman or Members of the relevant Committees of the Board, the Board and Shareholders decided that such remuneration/commission should be commensurate with their roles which have undergone significant qualitative changes.

(c) Disclosures with respect to remuneration: in addition to disclosures required under the Act.:

(i) All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc., for the FY 2023-24:

| Name of the Non-Executive Director | Sitting Fees Paid for FY 2023-24 (₹) | Commission for the year 2023-24 (₹) |
|---|---|---|
| Vipin K Singal | 4,25,000 | 9,85,000 |
| Kata Chandrahas | 6,25,000 | 11,80,000 |
| K. K. Sarma | 5,25,000 | 11,80,000 |
| G. V. Krishna Rau | 6,25,000 | 11,80,000 |
| K. V. Chowdary | 4,75,000 | 11,80,000 |
| Kulsoom Noor Saifullah | 5,00,000 | 11,80,000 |
| Challa Shantha Prasad | 3,00,000 | 11,80,000 |
| Dr. Krishnanand Lanka | 5,25,000 | 11,80,000 |
| Durga Prasad Kode | 4,25,000 | 11,80,000 |
| S. V. Ramachandra Rao | 3,00,000 | 8,86,000 |
| Sudhakar Ambati | 3,50,000 | 6,89,000 |

Details of salary, commission and other benefits to Executive Directors

| Name of the Executive Director | Salary Paid | Perquisites and allowances | Commission as % of profit |
|---|---|---|---|
| Challa Rajendra Prasad | 60,00,000 | 3,60,00,000 | Not applicable |
| Challa Srishant | 60,00,000 | 3,04,65,518 | Nil |
| B. Mohan Krishna | 60,00,000 | 2,44,65,518 | Nil |

(ii) Details of fixed component and performance linked incentives, along with the performance criteria: No Director is paid any fixed component nor performance linked incentives except as mentioned in point (i) above.

(iii) Service contracts, notice period, severance fees: A separate contract of employment was entered with each of the Executive Directors with terms and conditions of appointment as per the HR Policy of the Company.

(iv) Stock option details, if any including issue at a discount as well as the period over which accrued and over which exercisable: The Company has not issued stock options to any of the directors.

**(5) General Body Meetings**

Annual General Meetings (AGMs) for the financial year ended March 31, 2023, March 31, 2022, and March 31,2021 were held through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) mode and details regarding time and special resolutions passed in the respective AGMs are as tabled below:

| Financial Year Ended | Date | Day | Time | Special Resolutions passed at the AGMs by the Shareholders |
|---|---|---|---|---|
| March 31, 2023 | 22.08.2023 | Tuesday | 9:30 A.M | 1. Re-appointment of Sri Durga Prasad Kode to the office of Independent Director<br>2. Re-appointment of Smt. Kulsoom Noor Saifullah to the office of Independent Director<br>3. Re-appointment of Sri K V Chowdary to the office of Independent Director<br>4. Appointment of Dr. Krishnanand Lanka to the office of Independent Director<br>5. Appointment of Sri. S V Ramachandra Rao to the office of Non – Executive Director<br>6. Re-appointment of Sri. Challa Srishant to the office of Managing Director<br>7. Re-appointment of Sri. B Mohan Krishna to the office of Whole Time Director<br>8. Re-appointment of Sri K K Sarma to the office of Director, who retires by rotation in accordance with the provisions of Section 152 of the Companies Act, 2013 pursuant to Regulation 17(1A) of the Listing Regulations. |
| March 31, 2021 | 26.08.2021 | Thursday | 1:15 P.M | 1. Re-appointment of Sri Challa Rajendra Prasad to the office of Executive Chairman.<br>2. Approval of CCL Employee Stock Option Scheme-2022 and Grant of options under the Scheme<br>3. Approval for Grant of options pursuant to CCL Employee Stock Option Scheme -2022 to the employees of the Subsidiary Companies<br>4. Approval of the Implementation of CCL Employee Stock Option Scheme-2022 through Trust<br>5. Approval for grant of loan to CCL Employees Trust by the Company for implementation of CCL Employee Stock Option Scheme – 2022 |
| March 31, 2020 | 24.07.2020 | Friday | 3:00 P.M | No Special Resolution was passed at the AGM |

Mr. M.B. Suneel, Practising Company Secretary, conducted the e-voting process (i.e., remote e-voting and voting during the AGM) in connection with the AGM held on August 22, 2023.

Mr. M.B. Suneel, Practising Company Secretary, conducted the e-voting process (i.e., remote e-voting and voting during the AGM) in connection with the AGM held on August 30, 2022.

Mr. M.B. Suneel, Practising Company Secretary, conducted the e-voting process (i.e., remote e-voting and voting during the AGM) in connection with the AGM held on August 26, 2021.

**Postal Ballot**

During the financial year 2023-24, the Company sought the approval of the shareholders by way of Special Resolution for appointment of Sri Sudhakar Ambati (DIN: 01080550) to the office of independent director of the Company, through notice of postal ballot dated August 21, 2023.

The Resolution was duly passed and the results were announced on September 29, 2023. The Board of Directors had appointed Mr M.B. Suneel, Practising Company Secretary (M. No.31197 & CP No. 14449) as the Scrutinizer to scrutinize the postal ballot process by voting through electronic means only (remote e-voting) in a fair and transparent manner.

**Procedure for postal ballot:**

The postal ballot was carried out as per the provisions of Section 110 read with Section 108 and other applicable provisions, if any, of the Act, (including any statutory modifications or re-enactments thereof, for the time being in force), read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, ('the Rules'), Regulation 44 of the Listing Regulations, Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ('SS-2'), each as amended, General Circular No. 11/2022 dated December 28, 2022 read with General Circulars No. 14/2020 dated April 08, 2020 and 17/2020 dated April 13, 2020, and other General Circulars issued by the Ministry of Corporate Affairs ("MCA") from time to time in this regard (hereinafter collectively referred to as "MCA Circulars"), and the Circulars issued by the Securities and Exchange Board of India ("SEBI Circulars").

The Company had engaged the services of Central Depository Services (India) Limited for providing remote e-Voting facilities to the Members, enabling them to cast their vote electronically and in a secure manner. In accordance with the MCA Circulars, the Postal Ballot Notice dated August 21, 2023, was sent only through electronic mode to those members whose e-mail addresses were registered with the Company/Depositories/ Registrar and Share Transfer Agent and whose names were recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on Thursday, August 24, 2023 ('Cut-off date'). Members exercised their vote(s) through e-voting during the period from 9:00 a.m. (IST) on Thursday, August 31, 2023 till 5:00 p.m. (IST) on Friday, September 29, 2023. The Scrutinizer submitted his report on September 29, 2023 after the completion of scrutiny and result of the e-voting was announced on September 29, 2023.

The summary of voting result is given below:

| Resolution passed through Postal Ballot | Resolution Required | Votes in favour of the resolution (% of total number of valid votes) | Votes against the resolution (% of total number of valid votes) | Result |
|---|---|---|---|---|
| Appointment of Sri Sudhakar Ambati (DIN: 01080550) to the office of Independent Director of the Company in terms of Section 149 of the Companies Act, 2013 | Special Resolution | 99.3838 | 0.6162 | Passed with requisite majority |

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

No Extraordinary General Meeting of the members was held in the financial year 2023-24.

**(6) Means of communication:**

(a) Financial results:

The quarterly, half-yearly and annual results of the Company are submitted to BSE Limited and National Stock Exchange of India Limited which are also uploaded on the website of the Company, published by your Company in the newspapers within 48 hours from the conclusion of the Board meeting.

Annual reports with audited financial statements are sent to the shareholders through permitted mode and is available on the website of the Company, www.cclproducts.com

(b) Newspapers wherein results normally published:

The results are normally published by the Company in the newspapers (Financial Express) in English version, circulating in the whole of India and in regional newspaper (Andhra Prabha) in the vernacular language in all editions.

(c) Any website, where displayed:

The results are displayed on the Company's website: www.cclproducts.com

(d) Whether it also displays official news releases:

Official press releases/ news are sent to the Stock Exchanges i.e., National Stock Exchange of India Limited and BSE Limited, where shares of your Company were listed and the same are hosted on the website of your Company.

(e) Presentations made to institutional investors or to the analysts:

The Company hosts conference calls/meetings with institutional investors or to the analysts on request and the same were made available on the Company's website and were intimated to the Stock Exchanges. Analysts/ investors call is being arranged for the management to interact and provide clarifications to analysts and investors.

**(7) General Shareholder Information**

The 63rd Annual General Meeting of the Company will be held on Friday, September 20, 2024 at 11 A.M. through Video Conferencing ("VC")/ Other Audio-visual Means ("OAVM"). The deemed venue of the AGM is the Registered Office of the Company and for details, please refer to the Notice of the AGM.

| | |
|---|---|
| Financial year | April 1, 2024 to March 31, 2025 |
| **Results for the quarter ending** | |
| June 30, 2024 | August 07, 2024 |
| September 30, 2024 | On or before November 14, 2024 |
| December 31, 2024 | On or before February 14, 2025 |
| March 31, 2024 | On or before May 30, 2025 |
| Record date for Dividend | September 13, 2024 |
| Date of payment of Dividend | On or before September 30, 2024 |

**Listing on Stock Exchanges**

The Company's shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and the following are the details of Company's shares:

| | |
|---|---|
| ISIN | INE421D01022 |
| BSE Stock Code | 519600 |
| NSE Stock Code | CCL |
| BSE Address | Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001; www.bseindia.com |
| NSE Address | 'EXCHANGE PLAZA' 5th Floor, Plot No. C/1, G-Block, Bandra-Kurla Complex, Bandra(E), Mumbai- 400051; www.nseindia.com |

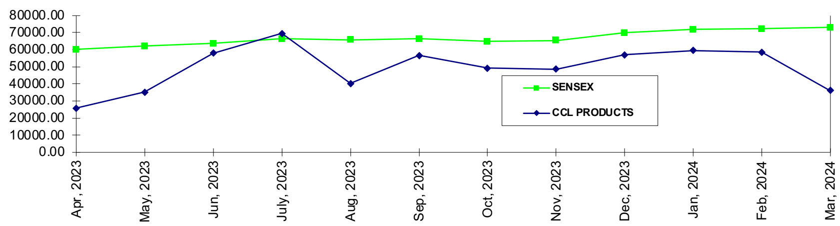
The Company paid Annual Listing and Custodial Fees to both the Stock Exchanges and to the Depositories Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL), respectively for the financial years 2024 and 2025.

**Market Price Data**

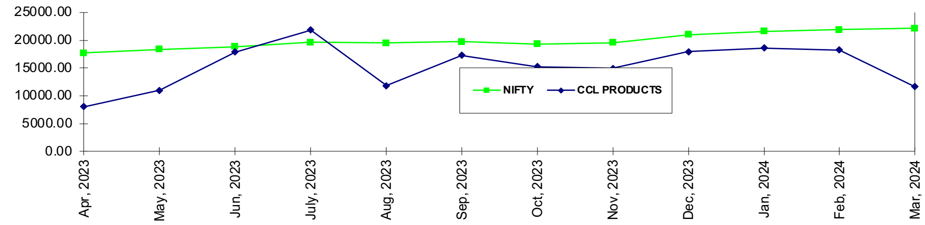
High, low during each month and trading volumes of the Company's Equity Shares during the last financial year 2023-24 at the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) are as under:

| DATE | BSE | | | NSE | | |
|---|---|---|---|---|---|---|
| | High | Low | Volume of Trade | High | Low | Volume of Trade |
| April, 2023 | 608.00 | 548.20 | 1,56,267 | 608.00 | 548.00 | 39,25,049 |
| May, 2023 | 636.80 | 561.05 | 3,36,079 | 636.95 | 561.25 | 50,51,217 |
| June, 2023 | 672.95 | 628.00 | 1,75,682 | 669.95 | 627.80 | 25,31,613 |
| July, 2023 | 750.00 | 602.65 | 7,99,633 | 749.50 | 605.00 | 67,79,168 |
| August,2023 | 634.95 | 586.25 | 2,05,607 | 625.00 | 585.55 | 34,31,298 |
| September,2023 | 693.95 | 601.00 | 2,01,039 | 688.50 | 600.10 | 52,96,966 |
| October, 2023 | 674.50 | 586.50 | 1,52,254 | 673.65 | 585.50 | 40,41,511 |
| November,2023 | 663.05 | 595.45 | 1,31,096 | 662.50 | 593.00 | 27,08,346 |
| December,2023 | 675.25 | 621.00 | 1,93,329 | 677.95 | 620.55 | 44,82,076 |
| January, 2024 | 688.10 | 620.00 | 2,32,678 | 688.25 | 620.00 | 30,43,681 |
| February, 2024 | 676.00 | 627.35 | 1,64,152 | 677.30 | 625.60 | 29,53,698 |
| March, 2024 | 643.40 | 559.40 | 1,58,636 | 648.00 | 559.55 | 21,91,730 |

**SHARE PERFORMANCE BSE**



SHARE PERFORMANCE NSE




**Distribution Schedule:**

**Distribution Schedule as on March 31, 2024**

| Range of Equity Shares Held | No. of Shareholders/ Accounts | Percentage of (%) Shareholders/ Accounts | No. of of shares held (%) | Percentage shares held (%) |
|---|---|---|---|---|
| 1 – 5000 | 54845 | 98.83 | 10421785 | 7.80 |
| 5001 – 10000 | 282 | 0.51 | 2107123 | 1.58 |
| 10001 – 20000 | 135 | 0.24 | 2003551 | 1.50 |
| 20001 – 30000 | 51 | 0.09 | 1279773 | 0.96 |
| 30001 - 40000 | 36 | 0.06 | 1266506 | 0.95 |
| 40001 - 50000 | 21 | 0.04 | 954346 | 0.71 |
| 50001 - 100000 | 35 | 0.06 | 2318322 | 1.74 |
| 100001 and above | 91 | 0.16 | 113176514 | 84.76 |
| **Total** | **55496** | **100** | **133527920** | **100** |

**Categories of Shareholders as on March 31, 2024:**

| S. No | Category of Shareholders | No. of Shares | Percentage |
|---|---|---|---|
| 1 | Promoter & Promoter Group | 6,15,40,392 | 46.09 |
| 2 | Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category) | 1,32,308 | 0.10 |
| 3 | Directors and their relatives (excluding independent directors and nominee directors) | 10,000 | 0.01 |
| 4 | Key Managerial Personnel | 6,919 | 0.01 |
| 5 | Mutual Funds | 2,76,54,616 | 20.71 |
| 6 | Alternate Investment Funds | 9,63,738 | 0.72 |
| 7 | Insurance Companies | 2,97,261 | 0.22 |
| 8 | Foreign Portfolio Investors Category I | 90,41,546 | 6.77 |

| | | | |
|---|---|---|---|
| 9 | Foreign Portfolio Investors Category II | 17,60,122 | 1.32 |
| 10 | Bodies Corporate | 17,94,627 | 1.34 |
| 11 | Clearing Members | 1,782 | 0.00 |
| 12 | Foreign Nationals | 36,13,271 | 2.71 |
| 13 | IEPF | 2,49,725 | 0.19 |
| 14 | Trusts | 5,69,389 | 0.43 |
| 15 | Resident Individuals | 1,68,26,483 | 12.60 |
| 16 | Non-Resident Individuals | 90,65,741 | 6.79 |
| | **Total** | **13,35,27,920** | **100** |

**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, 99.51% of the Company's Shares are dematerialised as on March 31, 2024.

**Suspense Escrow Demat Account (SEDA)**

Pursuant to SEBI Circular dated January 25, 2022, to enhance the shareholders experience in dealing with securities markets, the listed companies shall issue the securities in dematerialized form only, while processing any investor service requests viz., issue of duplicate share certificates, endorsement, transmission, transposition.

After processing the investor service request(s), a Letter of Confirmation ('LOC') would be issued to the shareholders in lieu of a physical securities certificate. LOC shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing the said securities/ shares. In case the shareholders fail to submit the dematerialisation request within 120 days, the Company shall then credit those securities to the SEDA held by the Company. The shareholders can reclaim these shares from the Company's SEDA on submission of documentation prescribed by SEBI.

**Securities suspended from trading:** Not applicable

Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs/ADRs/warrants or any other convertible instruments.

**List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad-**

The Company does not have any debt instruments or fixed deposit programme or any scheme or proposal involving mobilization of funds. However, we have obtained credit rating report from 'India Ratings & Research' to share with Company's bankers, who have extended working capital and term loan facility.

**Plant Location**

| | |
|---|---|
| EOU | Duggirala, Guntur District, Andhra Pradesh - 522330 |
| EOU Extension | Continental Coffee Park, Kuvvakolli Village, Tirupati District, Andhra Pradesh- 517645 |
| SEZ | Continental Coffee Park, Kuvvakolli Village, Tirupati District, Andhra Pradesh- 517645 |

**Address for Correspondence**

| | |
|---|---|
| **Investor related queries** | Ms. Sridevi Dasari, Company Secretary<br>7-1-24/2/D, Greendale, Ameerpet, Hyderabad- 500016<br>Phone: 91-40-23730855<br>Email: investors@continental.coffee<br>Website: www.cclproducts.com |
| **Registrar and Share Transfer Agent for other shares related queries** | Mr. E S K Prasad, Chief Executive<br>M/s. Venture Capital and Corporate Investments Pvt. Ltd.<br>“AURUM”, Door No.4-50/P-II/57/4F & 5F, Plot No. 57,<br>4th & 5th Floors, Jayabheri Enclave Phase – II<br>Gachibowli, Hyderabad – 500032<br>Phone : 91-40- 23818475/35164940<br>E-mail: investor.relations@vccipl.com |

Share Transfer System

All transfer, transmission or transposition of securities are conducted in accordance with the provisions of Regulation 40, Regulation 61 and Schedule VII of the Listing Regulations, read together with relevant SEBI Circulars. In terms of the SEBI Listing Regulations, securities of the Company can only be transferred in dematerialized form. Further, SEBI vide its Circular No. SEBI/HO/MIRSD_RTAMB/P/CIR/2022/8 dated January 24, 2022, mandated all the listed companies to issue securities in dematerialised form only, while processing the service request for issue of duplicate securities certificates, renewal/exchange of securities certificate, claim from Unclaimed Suspense Account, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition.

In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or the Company's Registrar and Transfer Agent ('RTA'), for assistance in this regard. Also, share transactions in electronic form can be effected in a much simpler and faster manner.

Shareholders should communicate with the RTA, M/s. Venture Capital and Corporate Investments Pvt. Ltd. for any queries on their securities holding.

**Dispute Resolution Mechanism**

SEBI has vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022, issued a Standard Operating Procedure ('SOP') for dispute resolution under the Stock Exchange Arbitration Mechanism for disputes between a listed company and/or registrars to an issue and share transfer agents and its shareholder(s)/ investor(s). The Company has complied with the same.

**SCORES**

A centralised web based complaints redress system 'SCORES' which serves as a centralised database of all complaints received, enables uploading of Action Taken Reports by the concerned companies and online viewing by the investors of actions taken on complaints and its current status.

**Online Dispute Resolution Portal ('ODR Portal')**

A mechanism to streamline and strengthen the existing dispute resolution in the Indian Securities Market, SEBI vide Circular No. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated July 31, 2023 (updated as on December 20, 2023), introduced the ODR Portal. This mechanism enhanced the degree of regulatory supervision by SEBI over disputes between aggrieved parties and the ODR order is binding on both the parties to the dispute.

Pursuant to above-mentioned circulars, the aggrieved party can initiate the mechanism through the ODR portal, after exercising the primary options to resolve the issue directly with the Company and through the SCORES platform.

**Transfer of unpaid/unclaimed to Investor Education & Protection Fund**

Members are requested to claim any unclaimed dividend amounts for the year 2016-2017, as the same will credited to Investor Education and Protection Fund (IEPF) pursuant to Section 124(5) of the Companies Act, 2013 read with the rules prescribed thereunder.

**Compliance Certificate**

Certificate from M/s P S Rao & Associates, Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under Listing Regulations is attached to the Directors' Report and forms part of this 63rd Annual Report.

**Other Certifications / Audit**

- M/s P S Rao & Associates, Company Secretaries have conducted a Secretarial Audit of the Company for the year 2023-24 and issued the Secretarial Audit Report. The said Audit Report forms part of the Directors' Report.
- Pursuant to Regulation 40(9) of the Listing Regulations, certificates have been issued on a half-yearly basis, by M/s P S Rao & Associates, Company Secretaries, certifying due compliance of share transfer formalities by the Company.
- M/s P S Rao & Associates, Company Secretaries carry out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with NSDL and 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).

**(8) Other Disclosures**

a. The particulars of transactions between your 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 materiality of Related Party Transactions and on dealings with Related Party Transactions as approved by the Board is uploaded on the website of the Company and may be accessed at, https://www.cclproducts.com/wp-content/uploads/2024/06/Policy-on-dealing-with-Related-Party-Transactions.pdf

b. There are neither any non-compliances by the Company nor any penalties, strictures, imposed by stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years. However, it may be noted that the constitution of the Nomination and remuneration Committee of the Company did not meet the requirement of minimum 2/3rd Directors being Independent for certain period during the Financial year 2022-23.

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 may be accessed at, https://www.cclproducts.com/wp-content/uploads/2021/07/whistle-blower-policy.pdf

d. The Company has complied with all the mandatory requirements of Listing Regulations. The Company has also adopted the discretionary requirements as specified in part E of Schedule II of the Listing Regulations and the same may be referred at point no.10 hereunder.

e. Continental Coffee SA, Switzerland and Ngon Coffee Company Limited, Vietnam qualify as Material Non - Listed Subsidiaries of the Company in terms of Listing Regulations.

- Sri Sudhakar Ambati was appointed as an Independent Director on the Board of Ngon Coffee Company Limited pursuant to Regulation 24(1) of Listing Regulations.

- However, the Company is not mandated to appoint an independent director on the Board of Continental Coffee SA pursuant to said Regulations.

f. The Policy on Material Subsidiaries as per Listing Regulations as approved by the Board is available on the website of the Company and may be accessed at, https://www.cclproducts.com/wp-content/uploads/2024/06/Policy-for-determining-‘Material-Subsidiaries.pdf

g. Disclosure of commodity price risks or Foreign exchange risk and commodity hedging activities- We have started availing EPC (Export Packing in Rupee) against which we have taken forward cover partly (USD 7.00 mn) and balance is being covered under natural hedging.

h. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)- Not Applicable

i. A certificate from M/s P S Rao & Associates, Company Secretaries has been obtained to the effect that none of the directors on the board of the Company has been debarred or disqualified from being appointed or continuing as directors of the Companies by the Board/Ministry of Corporate Affairs or any such statutory authority has been enclosed as separately to this report.

j. Where the Board had not accepted any recommendation of any committee of the Board, which is mandatorily required, in the relevant financial year: There were no such instances during the year where the recommendations of any of the committees were not accepted by the Board. The Board considered and accepted the recommendations of all the Committees.

k. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part- ₹16.26 Lakhs

l. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

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

m. Disclosure by the listed entity and its subsidiaries of Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount'

a. Continental Coffee Private Limited

Nature of interest: 1. Wholly owned Subsidiary
2. Common Directors

Amount of Loans and Advances outstanding at the end of the year: ₹ 626.94 Lakhs

b. CCL Food and Beverages Private Limited

Nature of interest: 1. Wholly owned Subsidiary
2. Common Directors

Amount of Loans and Advances outstanding at the end of the year: ₹ 449.77 Lakhs

Save and except the aforesaid, neither the Company nor any of its subsidiaries has given any loan/ advance in the nature of loans to firms/companies in which directors are interested during the year.

n. Details of material subsidiaries of the listed entity:

| S. No | Name of the Material Subsidiaries | Date & Place of Incorporation | Name of the Statutory Auditor | Date of Appointment |
|---|---|---|---|---|
| 1 | Ngon Coffee Company Limited | 03.02.2009 & Cu Kuin Industrial Clusters, Dray Bhang Ward, Dak Lak Vietnam | KPMG Limited | 09.04.2012 |
| 2 | Continental Coffee SA | 30.05.2007 & Les Verrieres, Switzerland | Fhs Fidufisc SA | 17.08.2018 |

**(9) Non-compliance of any requirement of corporate governance report, with reasons thereof:**

All the corporate governance requirements are complied.

**(10) The extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted:**

**Discretionary Requirements:**

The Company has adopted / complied with the discretionary requirements specified in Part E of Schedule II of the Listing Regulations as detailed below:

i. The Board:

Maintenance of Office to the Non-executive Chairperson at the Company's expense: This is not applicable as the Chairperson of the Company is an Executive Director.

ii. Shareholders' rights:

All the quarterly financial results are placed on the Company's Website: www.cclproducts.com, apart from publishing the same in the Newspapers along with BSE and NSE

iii. Modified opinion(s) in audit report:

There are no modified opinions in the Audit Reports.

iv. Separate Posts of Chairman and the Managing Director or the CEO:

The Office of i) Chairman ii) Managing Director and that of iii) CEO are held by different persons.

v. Reporting of internal auditor:

The Internal auditor reports to the Chairman of the Audit Committee directly.

**(11) Disclosures of compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 are as follows:**

| Regulation | Particulars of regulations | Compliance status (Yes/No) |
|---|---|---|
| 17 | Board of directors | Yes |
| 18 | Audit committee | Yes |
| 19 | Nomination and Remuneration committee | Yes |
| 20 | Stakeholders Relationship committee | Yes |
| 21 | Risk Management committee | Yes |
| 22 | Vigil mechanism | Yes |
| 23 | Related party transactions | Yes |
| 24 | Corporate Governance requirements with respect to Subsidiary of listed entity | Yes |
| 25 | Obligations with respect to Independent directors | Yes |
| 26 | Obligations with respect to employees including senior management, key managerial personnel, directors and promoters | Yes |
| 27 | Other Corporate Governance requirements | Yes |
| 46(2) (b) to (i) | Website | Yes |

**(12) Code of Conduct**

Your Company has in place a comprehensive Code of Conduct (the Code), pursuant to Regulation 17(5) of Listing Regulations, applicable to all the senior management personnel and directors including independent directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code covers duties of independent directors also gives guidance and support needed for ethical conduct of business and compliance of law.

Further a policy on obligation of directors and senior management personnel for disclosure of committee positions and commercial transitions pursuant to Regulation 26(2) (5) and (6) of Listing Regulations is in place.

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 which may be accessed at, https://www.cclproducts.com/wp-content/uploads/2021/07/code-of-conduct.pdf

Declaration on compliance with Code of Conduct is annexed.

**Meeting of Independent Directors**

During the year under review, the Independent Directors met on March 28, 2024, 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.

All the Independent Directors were present at the Meeting.

**Policy for determining materiality of an event or information and for making disclosures to Stock Exchanges:**

As required under Regulation 30 of the Listing Regulations, the Board of directors of the Company approved the Policy for determining materiality of an event or information and for making disclosures to Stock Exchanges effective from December 1, 2015 and has been hosted on the website of the Company and can be accessed at, https://www.cclproducts.com/wp-content/uploads/2023/07/Policy-on-determination-of-materiality-of-events-or-information.pdf

**Preservation of Documents:**

The Company adopted the policy on preservation of documents in accordance with the Regulation 9 of the Listing Regulations, which was placed on the Website of the Company which may be accessed at, https://www.cclproducts.com/wp-content/uploads/2021/07/Policy-on-preservation-of-documents.pdf

**Corporate governance requirements with reference to Subsidiary Companies:**

Sri Sudhakar Ambati (DIN: 01080550) was appointed as Director on the Board of M/s. Ngon Coffee Company Limited, material non-listed Subsidiary Company.

**Prohibition of Insider trading:**

In compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, the Company has adopted a Code of Conduct for regulating, monitoring and reporting of trading by insiders This Code also provides for periodical disclosures from the designated persons and their immediate relatives as well as pre-clearance of transactions by such persons as per the thresholds mentioned in the code

The code is applicable to Designated Persons and their Immediate relatives who are likely or may reasonably be expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self-regulatory mechanism.

**Disclosure of certain types of agreements binding listed entities** (Information disclosed under clause 5A of paragraph A of Part A of Schedule III of Listing regulations): Not Applicable

**Disclosures with respect to demat suspense account/ unclaimed suspense account:**
Not Applicable, since there were no shares in Disclosures with respect to demat suspense account/ unclaimed suspense account.

**Others:**

- Compliance under Listing Regulations, 2015 pertaining to mandatory requirements and Practising Company Secretary's Certificate on Corporate Governance: As required under Listing Regulations, the Practising Company Secretary's Certificate on compliance of the Corporate Governance norms is attached.
- 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 annexure attached to the Notice of the Annual General Meeting.
- The Chief Executive Officer and the Chief Financial Officer have certified to the Board in accordance with Regulation 33(2)(a) of Listing Regulations pertaining to CEO/CFO certification for the Financial Year ended March 31, 2024, and the same is annexed herewith.

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

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Board members and Senior Management Personnel of the Company have affirmed compliance with the respective Codes of Conduct, as applicable to them for the year ended March 31, 2024.

For **CCL Products ( India) Limited**

Sd/-

**Praveen Jaipuriar**
Chief Executive Officer

Place: Hyderabad
Date: August 7, 2024

## CEO/CFO Certification

**We, Praveen Jaipuriar, Chief Executive Officer and Lakshmi Narayana Vuduta, Chief Financial Officer, 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 March 31, 2024 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.

For **CCL Products (India) Limited**

Sd/-
**Praveen Jaipuriar**
Chief Executive Officer

For **CCL Products (India) Limited**

Sd/-
**Lakshmi Narayana Vuduta**
Chief Financial Officer

Place: Hyderabad
Date: August 7, 2024

## 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 March 31, 2024, 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/-
**Vikas Sirohiya**
Partner
FCS No.: 15116
C.P. No.: 5246
ICSI Unique Code: P2001TL078000
PR No.710/2020
UDIN: A015116F000923584

Place: Hyderabad
Date: August 7, 2024

**CERTIFICATE**
**(Pursuant to clause 10 of Part C of Schedule V of LODR)**

In pursuance of sub clause (i) of clause 10 of Part C of Schedule V of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015; (LODR) in respect of CCL Products (India) Limited, having CIN: L15110AP1961PLC000874), we hereby certify that:

On the basis of the written representation/declaration received from the directors and taken on record by the Board of Directors, as on March 31, 2024, none of the directors on the Board of the company has been debarred or disqualified from being appointed or continuing as director of Companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on the basis of our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Sd/-
**Vikas Sirohiya**
Partner
FCS No.: 15116
C.P. No.: 5246
ICSI Unique Code: P2001TL078000
PR No.710/2020
UDIN: A015116F000923716

Place: Hyderabad
Date: August 7, 2024

## INDEPENDENT AUDITOR'S REPORT

**To the Members of CCL Products (India) Limited**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of CCL PRODUCTS (INDIA) LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2024, 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matter**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matter | Auditor's Response |
|---|---|
| **Revenue recognition**<br><br>Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognised when the company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such revenue recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery.<br><br>The timing of revenue recognition is relevant to the reported performance of the Group. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.<br><br>The accuracy and of revenue amounts recorded is an inherent industry risk<br><br>Disclosures relating revenue recognition are in Note **1.1J.** | **<u>Principal Audit Procedures</u>**<br><br>Our audit procedures in respect of this area included:<br>Evaluated the effectiveness of key controls over the capture and measurement of revenue transactions across all material revenue streams<br><br>Assessed the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and tested thereof.<br><br>Evaluated the design, implementation and operating effectiveness of Group's controls in respect of revenue recognition.<br><br>Tested the effectiveness of such controls over revenue cut off at year-end. On a sample basis, tested supporting documentation for sales transactions recorded during the year which included sales invoices, customer contracts and shipping documents.<br><br>Performed an increased level of substantive testing in respect of sales transactions recorded during the period closer to the year end and subsequent to the year end.<br><br>Compared revenue with historical trends and where appropriate, conducted further enquiries and testing.<br><br>Assessed disclosures in financial statements in respect of revenue, as specified in Ind AS 115.Evaluated the adequacy of the disclosures included in Note **1.1J.** |

**Information Other than the Financial Statements and Auditor’s Report Thereon**

The Company’s Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Directors’ Report and Corporate Governance Report but does not include the consolidated financial statements, standalone financial statements and our auditor’s report thereon. The Directors Report and Corporate Governance Report is expected to be made available to us after the date of this auditor’s report.

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

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

When we read the Directors’ Report and Corporate Governance Report if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with Governance.

**Management’s Responsibility for the Standalone Financial Statements**

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

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

The Board of Directors are also responsible for overseeing the Company’s financial reporting process.

**Auditor’s Responsibilities for the Audit of the Standalone Financial Statements**

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

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

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

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

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

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

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

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

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

**Report on Other Legal and Regulatory Requirements**

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

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

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

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

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

(e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 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 with reference to the (standalone) financial statements of the Company 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 the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid or provided by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements. Refer Note 2.27 to the Standalone Financial Statements

   ii. The Company did not have any long-term contracts including derivative contracts for which there are any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement

v. As stated in Note 2.10 to the standalone financial statements:

(a) the dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The Board of Directors of the Company have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Based on our examination, which included test checks, performed by us on the Company and its subsidiary incorporated in India, except for the instances mentioned below, have used accounting software for maintaining their respective books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of audit, we have not come across any instance of the audit trail feature being tampered with. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiary included in the Consolidated Financial Statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

**For Ramanatham & Rao**
Chartered accountants
Firm Registration No.002934S

Sd/-
**(V V LakshmiPrasanna A)**
Partner
Membership No. 243569
UDIN: 24243569BKDEWQ3515

Place : Hyderabad
Date : May 11, 2024

**Annexure - A to the Independent Auditors' Report**

(Referred to in paragraph 1(f) under 'Report on Other Legal Regulatory Requirements' section of our report to the Members of the Company of even date)

**Report on the Internal Financial Controls Over Financial Reporting with reference to Standalone Financial Statements 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 with reference to Standalone Financial Statements of CCL PRODUCTS (INDIA) LIMITED ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Standalone Financial Statements 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 prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Standalone Financial Statements 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 with reference to these Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to these Standalone Financial Statements included obtaining an understanding of internal financial controls over financial reporting with reference to these Standalone Financial Statements, 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 with reference to these Standalone Financial Statements.

**Meaning of Internal Financial Controls over Financial Reporting with reference to these Standalone Financial Statements**

A company's internal financial control over financial reporting with reference to these Standalone Financial Statements 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 with reference to these Standalone Financial Statements 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 with reference to these Standalone Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Standalone Financial Statements, 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 with reference to these Standalone Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Standalone Financial Statements 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Standalone Financial Statements and such internal financial controls over financial reporting with reference to these Standalone Financial Statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Ramanatham & Rao**
Chartered accountants
Firm Registration No.002934S

Sd/-
**(V V LakshmiPrasanna A)**
Partner
Membership No. 243569
UDIN: 24243569BKDEWQ3515

Place : Hyderabad
Date : May 11, 2024

**Annexure – B to the Independent Auditors' Report**

With reference to Paragraph 2 under 'Report on Other Legal Regulatory Requirements' section of our report to the Members of the Company, we report that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and the records of the company examined by us, the property, plant and equipment 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. No material discrepancies were noticed on such physical verification.

(c) Based on our examination of registered sale deeds and other documents, the title deeds of all the immovable properties disclosed in the financial statements are held in the name of the Company

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the coverage, frequency and procedure of such verification is reasonable and adequate in relation to the size of the Company and the nature of its business. The discrepancies noticed on verification between the physical stocks and the book records were not exceeding 10% in the aggregate for each class of inventory and have been properly dealt with in the books of account.

(b) The Company is sanctioned working capital limits in excess of ₹ 5 Crore from banks on the basis of security of current assets. Further, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

iii. (a) During the year, the Company has made security / undertaking / investments / loans in a wholly owned subsidiary. The Company has provided guarantee to the wholly owned subsidiary. The details of Loan to the subsidiary company and the details of guarantee are given as follows:

**(₹ in Lakhs)**

| Particulars | Undertaking | Security | Loans | Advances in the nature of loans |
|---|---|---|---|---|
| Aggregate amount provided/ granted during the year Subsidiary | 32000.00 | 32000.00 | 1076.71 | - |
| Balance outstanding as at balance sheet date in respect of above cases: Subsidiary | 32000.00 | 32000.00 | 1076.71 | - |

*The amounts reported are at gross amount, without considering provision made

(b) In our opinion, and according to the information and explanations given to us, the terms and conditions of the security / undertaking / investments / loans are, prima facie, not prejudicial to the interest of the Company.

(c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.

iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. We have broadly reviewed the cost records maintained by the Company as prescribed under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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

| S No | Name of the Statute | Nature of Dues | Amount in Lakhs | Period | Forum Where dispute is pending |
|---|---|---|---|---|---|
| 1 | The Income Tax Act, 1961 | Income Tax | 3365.24 (2883.28 deposited under protest) | Assessment years from 2006-07 to 2010-11 | Telangana High Court |
| 2 | The Income Tax Act, 1961 | Income Tax | 174.24 | Assessment years from 2011-12 to 2013-14 | AP High Court |
| 3 | The Income Tax Act, 1961 | Income Tax | 160.58 | Assessment years from 2011-12 to 2012-13 | CIT(Appeals), Guntur |
| 4 | The Income Tax Act, 1961 | Income Tax | 123.64 | Assessment years from 2014-15 | A P High Court |
| 5 | The Income Tax Act, 1961 | Income Tax | 221.38 | Assessment year from 2015-16 | A P High Court |

| | | | | | |
|---|---|---|---|---|---|
| 6 | The Income Tax Act 1961 | Income Tax | 357.31 | Assessment years from 2016-17 to 2017-18 | CIT(Appeals), Guntur |
| 7 | The Income Tax Act, 1961 | Income Tax | 542.71 | Assessment years from 2021-22 | CIT(Appeals), Guntur |

vii. In respect of statutory dues:

a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

b) As per the information and explanations given to us and based on records examined by us there were no undisputed amounts outstanding amounts referred in sub-clause (a) above and hence clause 3(vii)(b) of the Order is not applicable.

viii. There were no transactions relating to previously unrecorded income that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. a) The Company has not defaulted in repayment of loans taken from the banks. The Company has not taken loans from financial institutions and Government.

b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.

f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary.

x. a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b) No report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

**For Ramanatham & Rao**
Chartered accountants
Firm Registration No.002934S

Sd/-
**(V V LakshmiPrasanna A)**
Partner
Membership No. 243569
UDIN: 24243569BKDEWQ3515

Place : Hyderabad
Date : May 11, 2024

## STANDALONE BALANCE SHEET AS AT 31/03/2024

(All amounts are In INR lakhs except share data or unless otherwise stated)

| Particulars | Note No. | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|---|
| **ASSETS** | | | **Restated** |
| **Non-current assets** | | | |
| (a) Property, plant and equipment | 2.1 | 85,890.62 | 81,336.30 |
| (b) Right -of- use assets | 2.1 | 128.47 | 327.43 |
| (c) Capital work-in-progress | 2.1.1 | 1,392.64 | 4,391.73 |
| (d) Other intangible assets | 2.2 | 0.82 | 0.82 |
| (e) Financial assets | | | |
| (i) Investments | 2.3 | 23,714.36 | 15,710.78 |
| (ii) Other financial assets | 2.4 | 1,055.29 | 1,133.75 |
| (f) Other non current assets | 2.5 | 3,070.24 | 2,883.28 |
| | | **1,15,252.45** | **1,05,784.09** |
| Current assets | | | |
| (a) Inventories | 2.6 | 45,963.23 | 42,901.70 |
| (b) Financial assets | | | |
| (i) Trade receivables | 2.7 | 30,645.44 | 17,452.53 |
| (ii) Cash and cash equivalent | 2.8 | 3,271.39 | 3,093.65 |
| (iii) Bank balances other than (ii) above | 2.8 | 72.28 | 82.89 |
| (iv) Other financial assets | 2.4 | 898.83 | 3,048.04 |
| (c ) Other current assets | 2.5 | 7,689.76 | 7,036.80 |
| | | **88,540.92** | **73,615.61** |
| **Total assets** | | **2,03,793.37** | **1,79,399.70** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity share capital | 2.9 | 2,660.56 | 2,660.56 |
| (b) Other Equity | 2.10 | 1,08,756.98 | 1,05,205.38 |
| | | **1,11,417.54** | **1,07,865.94** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 2.11 | 4,709.63 | 3,515.63 |
| (ii) Lease liabilities | | 101.16 | 244.23 |
| (b) Provisions | 2.16 | 329.48 | 256.97 |
| (c) Deferred tax liabilities (net) | 2.12 | 6,329.93 | 5,947.82 |
| | | **11,470.20** | **9,964.65** |
| **Current liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 2.11 | 73,485.06 | 53,777.48 |
| (ii) Lease liabilities | | 48.90 | 106.20 |
| (iii) Trade payables | 2.14 | | |
| - Total outstanding dues of micro and small enterprises | | 1,280.66 | 781.31 |
| - Total outstanding dues of creditors other than micro and small enterprises" | | 3,199.35 | 4,028.16 |
| (iv) Other financial liabilities | 2.15 | 1,545.66 | 1,857.24 |
| (b) Other current liabilities | 2.13 | 804.10 | 525.82 |
| (c ) Provisions | 2.16 | 541.91 | 492.90 |
| | | **80,905.64** | **61,569.12** |
| **Total equity and liabilities** | | **2,03,793.37** | **1,79,399.70** |

The accompanying notes form an integral part of these standalone financial statements.
This is the Standalone Balance Sheet referred to in our report of even date.

As per our report of even date
**For RAMANATHAM & RAO**
Chartered Accountants
Firm Registration No.002934S

Sd/-
**V V LakshmiPrasanna A**
Partner
M.No.243569

Place : Hyderabad
Date : May 11, 2024

For and on behalf of the Board of Directors of
**CCL Products (India) Limited**

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

Sd/-
**Praveen Jaipuriar**
Chief Executive Officer

Sd/-
**Kata Chandrahas**
Director
DIN : 02994302

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

Sd/-
**Challa Rajendra Prasad**
Executive Chairman
DIN : 00702292

Sd/-
**Challa Srishant**
Managing Director
DIN : 00016035

## STANDALONE STATEMENT OF PROFIT AND LOSS
## FOR THE YEAR ENDED 31/03/2024

(All amounts are In INR lakhs except share data or unless otherwise stated)

| Particulars | Note No. | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|---|
| **Income** | | | **Restated** |
| Revenue from operations | 2.17 | 1,45,616.98 | 1,35,612.97 |
| Other income | 2.18 | 559.78 | 4,058.46 |
| **Total Revenue** | | **1,46,176.76** | **1,39,671.43** |
| **Expenses** | | | |
| Cost of materials consumed | 2.19 | 78,724.83 | 73,335.88 |
| Changes in inventories of finished goods, stock-in-trade and work in progress | 2.20 | (3,527.73) | (62.65) |
| Employee benefits expense | 2.21 | 10,078.99 | 7,932.87 |
| Finance costs | 2.22 | 4,518.20 | 2,658.73 |
| Depreciation and amortization expense | 2.1 & 2.2 | 5,181.32 | 3,639.08 |
| Other expenses | 2.23 | 39,184.06 | 32,540.44 |
| **Total Expenses** | | **1,34,159.67** | **1,20,044.35** |
| **Profit before tax** | | **12,017.09** | **19,627.07** |
| **Tax expense** | | | |
| (1) Current tax | | 2,093.86 | 3,446.69 |
| (2) Deferred tax | | 392.62 | (1,355.85) |
| **Total tax expenses** | | **2,486.48** | **2,090.83** |
| **Profit for the year** | | **9,530.62** | **17,536.25** |
| **Other Comprehensive Income ('OCI')** | | | |
| (i) Items that will not be reclassified subsequently to profit or loss | | | |
| - Re-measurement gains/(losses) on defined benefit plans | | (105.57) | (63.12) |
| - Income tax effect on the above | | 36.89 | 22.05 |
| (ii) Items that will be reclassified subsequently to profit or loss | | | |
| - Effective portion of changes in fair value of cashflow hedges,net | | (25.78) | 82.97 |
| - Income tax effect on the above | | 9.01 | (28.99) |
| **Total other comprehensive income/(loss) for the year, net of tax** | | **(85.45)** | **12.92** |
| **Total comprehensive income for the year** | | **9,445.16** | **17,549.17** |
| Earnings per equity share (EPES) | | | |
| Basic earnings per share (in absolute ₹ terms) | | 7.16 | 13.18 |
| Diluted earnings per share (in absolute ₹ terms) | | 7.15 | 13.18 |
| Nominal value per equity share (in absolute ₹ terms) | | 2.00 | 2.00 |

The accompanying notes form an integral part of these standalone financial statements.

This is the Standalone Statement of Profit and Loss referred to in our report of even date

As per our report of even date
**For RAMANATHAM & RAO**
Chartered Accountants
Firm Registration No.002934S

Sd/-
**V V LakshmiPrasanna A**
Partner
M.No.243569

Place : Hyderabad
Date : May 11, 2024

For and on behalf of the Board of Directors of
**CCL Products (India) Limited**

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

Sd/-
**Praveen Jaipuriar**
Chief Executive Officer

Sd/-
**Kata Chandrahas**
Director
DIN : 02994302

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

Sd/-
**Challa Rajendra Prasad**
Executive Chairman
DIN : 00702292

Sd/-
**Challa Srishant**
Managing Director
DIN : 00016035

## Statement of changes in equity

**Statement of changes in equity for the period ended 31.03.2024** (All amounts are in INR Lakhs except share data or unless otherwise stated)

| **Equity share capital** | **Opening balance as at 1 Apr 2023** | **Changes in equity share capital during the year** | **Closing balance as at 31 Mar 2024** |
|---|---|---|---|
| 133027920 Equity Shares of ₹ 2 each, fully paid up | 266055840 | - | 266055840 |
| | **266055840** | | **266055840** |

| **Equity share capital** | **Opening balance as at 1 Apr 2022** | **Changes in equity share capital during the year** | **Closing balance as at 31 Mar 2023** |
|---|---|---|---|
| 133027920 Equity Shares of ₹ 2 each, fully paid up | 266055840 | - | 266055840 |
| | **266055840** | **-** | **266055840** |

(All amounts are in INR Lakhs except share data or unless otherwise stated)

| Particulars | Reserves and surplus | | | Items of Other comprehensive income | | |
|---|---|---|---|---|---|---|
| | Retained earnings | General reservice | Share-based payment reserve | Acturial Gains or Losses | Cashflow hedge reserve | Total Equity |
| **Balance as at 01 April 2023** | **75,504.09** | **28,820.70** | **1,073.46** | **(218.65)** | **25.78** | **1,05,205.37** |
| Profit for the year | 9,530.62 | - | - | - | - | 9,530.62 |
| Dividend paid | (6,651.40) | - | - | - | - | (6,651.40) |
| Effective portion of changes in fair value of cashflow hedges,net of taxes | - | - | - | | (25.78) | (25.78) |
| Actuarial gain/(loss) on post-employment benefit obligations, net of tax benefit | - | - | - | 86.17 | - | 86.17 |
| Share based payment expense | - | - | 612.01 | - | - | 612.01 |
| **Balance as at 31 March 2024** | **78,383.31** | **28,820.70** | **1,685.47** | **(132.48)** | **0.00** | **1,08,756.98** |

| Particulars | Reserves and surplus | | | Items of Other comprehensive income | | |
|---|---|---|---|---|---|---|
| | Retained earnings | General reservice | Share-based payment reserve | Acturial Gains or Losses | Cashflow hedge reserve | Total Equity |
| **Balance as at 01 April 2022** | **64,619.23** | **28,820.70** | **-** | **(148.60)** | **(57.19)** | **93,234.15** |
| Profit for the year | 17,536.25 | - | - | - | - | 17,536.26 |
| Additions during the year | - | - | - | - | - | - |
| Dividend paid | (6,651.40) | - | - | - | - | (6,651.40) |
| Effective portion of changes in fair value of cashflow hedges,net of taxes | - | - | - | - | 82.97 | 82.97 |
| Actuarial gain/(loss) on post-employment benefit obligations, net of taxes | - | - | - | (70.05) | - | (70.05) |
| Share based payment expense | - | | 1,073.46 | - | - | 1,073.46 |
| **Balance as at 31 March 2023** | **75,504.09** | **28,820.70** | **1,073.46** | **(218.65)** | **25.78** | **1,05,205.38** |

The accompanying notes form an integral part of these standalone financial statements.
This is the Standalone Statement of Changes in Equity referred to in our report of even date.

**Nature and purpose of reserves**

**Retained eanings**

The balance in the retained earnings primarily represents the surplus after payment of dividend and transfer to reserves.

**General reserve**

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of companies act, 2013. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

**Re-measurement gains/ (losses) on defined benefit plans**

Remeasurements of the net defined benefits plan reserve comprises the cumulative net gains/ (losses) on actuarial valuation of post-employment obligations.

**Cash flow hedge reserve**

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to statement of profit and loss in the period in which The hedged transaction occurs.

**Share based payment reserve**

Share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees as part of their remuneration. The amounts recorded in share-based payment reserve are transferred to securities premium upon exercise of stock options and transferred to general reserve on account of stock options not exercised by employees.

The accompanying notes form an integral part of these standalone financial statements.
This is the Standalone Statement of Changes in Equity referred to in our report of even date.

## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31/03/2024

(All amounts are In INR lakhs except share data or unless otherwise stated)

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| **Cash Flows from Operating Activities** | | **Restated** |
| **Profit before tax** | **12,017.09** | **19,627.07** |
| **Adjustments:** | | |
| Depreciation and amortization expenses | 5,181.32 | 3,639.08 |
| Provision for expected credit losses | 488.87 | 82.33 |
| Interest income | (49.64) | (132.85) |
| Finance cost | 4,518.20 | 2,596.83 |
| Foreign exchange loss/(gain), net | (1,933.94) | (908.34) |
| Share based payments to employees | 612.01 | 198.83 |
| Dividend income | - | (3,723.69) |
| **Operating profit before working capital changes** | **20,833.92** | **21,379.26** |
| **Movements in working capital:** | | |
| Changes in trade receivables | (11,747.84) | 1,335.56 |
| Changes in other financial assets | 2,210.90 | (1,112.13) |
| Changes in inventories | (3,061.53) | 117.22 |
| Changes in other current assets | 373.01 | (2,531.96) |
| Changes in other non current assets | (103.61) | - |
| Changes in trade payables | (329.46) | (5,151.55) |
| Changes in other financial liabilities | (305.18) | (849.36) |
| Changes in other current liabilities and provisions | 1,283.19 | 505.82 |
| | (11,680.53) | (7,686.38) |
| **Cash flows generated from operating activities** | **9,153.39** | **13,692.88** |
| Income-taxes paid | (2,900.00) | (3,500.00) |
| **Net cash flows generated from operating activities** | **6,253.39** | **10,192.88** |
| **Cash flows from investing activities** | | |
| Purchase of Property, plant and equipment (Including CWIP) and advance for capital goods and capital creditors | (7,569.96) | (9,350.72) |
| Investments made | (8,003.59) | (1.00) |
| Interest income | 49.64 | 132.85 |
| Movement in other bank balances | (83.35) | (2.50) |
| Dividend Income | - | 3,723.69 |
| **Net cash flows used in investing activities** | **(15,607.26)** | **(5,497.68)** |
| **Cash flows from financing activities** | | |
| Proceeds from non current borrowings | 4,610.41 | - |
| Repayment of non current borrowings | (7856.78) | (11,813.18) |
| Proceeds from/ ( Repayment) of current borrowings, net | 24,147.95 | 17,937.89 |
| Repayment of principle lease liabilities | (200.37) | (79.52) |
| Interest paid | (4,518.20) | (2,596.83) |
| Dividend paid | (6,651.40) | (6,651.40) |
| **Net cash flows (used) in/from financing activities** | **9,531.62** | **(3,203.04)** |
| **Net change in cash and cash equivalents** | **177.74** | **1,492.18** |
| Cash and cash equivalents at the beginning of the year | 3,093.65 | 1,601.47 |
| **Cash and cash equivalents at the end of the year** | **3,271.39** | **3,093.65** |
| Cash and Cash Equivalents include the following for Cash flow purpose | | |
| | **31 March 2024** | **31 March 2023** |
| **Cash and Cash Equivalents/ Bank Balances** | **3,343.67** | **3,176.54** |
| Less: Other bank balances (Restricted use) | 72.28 | 82.89 |
| **Cash and Cash Equivalents/ Bank Balances** | **3,271.39** | **3,093.65** |

This is the Standalone Cash Flow Statement referred to in our report of even date.

As per our report of even date
**For RAMANATHAM & RAO**
Chartered Accountants
Firm Registration No.002934S

Sd/-
**V V LakshmiPrasanna A**
Partner
M.No.243569

Place : Hyderabad
Date : May 11, 2024

For and on behalf of the Board of Directors of
**CCL Products (India) Limited**

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

Sd/-
**Praveen Jaipuriar**
Chief Executive Officer

Sd/-
**Kata Chandrahas**
Director
DIN : 02994302

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

Sd/-
**Challa Rajendra Prasad**
Executive Chairman
DIN : 00702292

Sd/-
**Challa Srishant**
Managing Director
DIN : 00016035

# 1. NOTES TO STANDALONE FINANCIAL STATEMENTS

## Summary of material accounting policies and other explanatory information

## All amounts in ₹ lakhs unless otherwise stated

## 1.1 General Information

CCL Products (India) Limited (the Company) is engaged in the production, trading and distribution of Coffee. The Company has business operations mainly in India, Vietnam and Switzerland. 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

**a ) Basis of preparation**

The financial statements of CCL Products (India) Limited ("CCL" or "the Company") have been prepared and presented in accordance with and in compliance in all material aspects, with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") read along with the Companies (Indian Accounting Standards) Rules 2015 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, and as amended from time to time together with the comparative period data as at and for the year ended March 31, 2024.

These financial statements have been prepared by the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date, March 31, 2024. These financial statements for the year ended March 31, 2024 were approved by the Company's Board of Directors on May 11 2024.

**b) Basis of Measurement**

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

a) Derivative financial instruments are measured at fair value;

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

c) Employee defined benefit assets/(liabilities) 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;

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

e) Right-of-use the assets are recognised at the present value of lease payments that are not paid at that date. This amount is adjusted for any lease payments made at or before the commencement date, lease incentives received and initial direct costs, incurred, if any.

**c) Current and noncurrent classification**

The Company presents assets and liabilities in the balance sheet based on current/ 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, 2013 and Ind AS 1, presentation of financial statements.

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

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

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

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

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

All other assets are classified as non-current.

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

The Company classifies all other liabilities as noncurrent.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**d) Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the Ind AS financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

• Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

• Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

• Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Ind AS financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for sale in discontinued operations. External valuers are involved, wherever considered necessary. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

**e) Functional and presentation currency**

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

**f) Significant accounting judgements, estimates, and assumption**

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

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

**Property, plant and equipment**

The depreciation of property, plant and equipment is derived on determining of an asset's expected useful life and the expected residual value at the end of its life. The residual values of Company's assets are determined by management at the time of acquisition of asset and is reviewed periodically, including at each financial year end.

**Impairment of financial and non-financial assets**

Significant management judgement is required to determine the amounts of impairment loss on the financial and nonfinancial assets. The calculations of impairment loss are sensitive to underlying assumptions.

**Tax provisions and contingencies**

Significant management judgement is required to determine the amounts of tax provisions and contingencies. Deferred tax assets are recognised for unused tax losses and MAT credit entitlements to the extent it is probable that taxable profit will be available against which these losses and credit entitlements can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**Defined benefit plans**

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuation. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

**Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using internal valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**2. Summary of material accounting policies**

On 31 March 2023, the Ministry of Corporate Affairs notified Companies (Indian Accounting Standards) Amendment Rules, 2023 amending the Companies (Indian Accounting Standards) Rules, 2015. The amendments come into force with effect from 1 April 2023, i.e., Financial Year 2023-24. One of the major changes is in Ind AS 1 ‘Preparation of Financial Statements, which requires companies to disclose in their financial statements ‘material accounting policies’ as against the erstwhile requirement to disclose ‘significant accounting policies’. The word ‘significant’ is substituted by ‘material’.

Accounting policy information is expected to be material if users of an entity’s financial statements would need it to understand other material information in the financial statements.

The Company applied the guidance available under paragraph 117B of Ind AS 1, Presentation of Financial Statements in evaluating the material nature of the accounting policies.

The following are the material accounting policies for the Company:

**A) Foreign Currency transactions**

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date, the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the initial transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income ("OCI") or profit or loss are also recognised in OCI or profit or loss, respectively).

**B) Property Plant & Equipment**

**Recognition and measurement**

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

**Directly attributable costs include:**

- Cost of Employee Benefits arising directly from Construction or acquisition of PPE.
- Cost of Site Preparation.
- Initial Delivery & Handling costs.
- Professional Fees and
- Costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling any item produced while bringing the asset to that location and condition (such as samples produced when testing equipment).

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

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

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

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

**Depreciation**

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

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

The estimated useful lives are as follows:

**Details of entities controlled by the Company are as under:**

| 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 non-current assets. The cost of property, plant and equipment not ready to use before such date are disclosed under capital work-in-progress. Assets not ready for use are not depreciated.

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

**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.

**Amortisation**

Amortisation 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 benefit 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:

The estimated useful lives are as follows:

| Type of Asset | Estimated useful life in years |
|---|---|
| Computer Software | 3 |

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

**C) Financial Instruments**

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

**a ) Financial assets**

**Initial recognition and measurement**

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

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost;
- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL);
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

**Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost, if both of the following conditions are met: (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and (ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

**Debt instrument at FVTOCI**

A 'debt instrument' is classified as FVTOCI, if both of the following criteria are met: (i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and (ii) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Company recognizes interest income, impairment losses and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

**Equity Instruments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. If the Company decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI and there is no subsequent reclassification of these fair value gains and losses to the statement of profit and loss. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

**De-recognition**

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

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

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass- through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also 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 Financial Assets**

The company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired.

In accordance with Ind AS 109, the company uses "Expected Credit Loss" (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL). Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date);

- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

The company uses 12-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

**b) Financial liabilities**

**Initial recognition and measurement**

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

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

**Subsequent measurement**

The measurement of financial liabilities depends on their classification.

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to the statement of profit and loss.

However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

**Loans and borrowings**

After initial recognition, interest-bearing 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 amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

**De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**Reclassification of financial assets and liabilities**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no re-classification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a re-classification is made only if there is a change in the business model for managing those assets. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the re-classification prospectively from the re-classification date, which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**Derivative financial instruments and hedging activities**

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

- hedges of the fair value of recognised assets or liabilities (fair value hedge); or
- hedges of a particular risk associated with a financial commitment or a highly probable forecasted transaction (cash flow hedge);

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

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

**• Fair value hedge**

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

**• Cash flow hedge**

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

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

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

**D) Investment in Subsidiaries, Associates and Joint Ventures**

The company has accounted for its investments in equity shares of Subsidiaries, at cost.

**E ) Cash & Cash Equivalents**

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

**F) Inventories**

Inventories are valued at the lower of cost and net realisable value.

Inventories consist of raw materials, stores and spares, work-in-progress and finished goods are measured at the lower of cost and net realizable value.

The cost of all categories of inventories is based on the weighted average method.

Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity. Stores and spares, that do not qualify to be recognized as property, plant and equipment, consists of packing materials, engineering spares (such as machinery spare parts) and consumables which are used in operating machines or consumed as indirect materials in the manufacturing process.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

**G) 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 inflow of other assets or groups of assets (the “cash-generating unit”).

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company’s CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the entity operates, or for the market in which the asset is used.

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.

**Reversal of Impairment of Assets**

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.

**H ) Employee Benefits**

**Short term employee benefits**

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

**Defined contribution plans**

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.

**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 of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation.

In countries where there is no deep market in such bonds, the market interest rates on government bonds are used. 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 the statement of profit and loss.

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 for defined benefit obligation and plan assets are recognized in OCI in the period in which they arise. When the benefits under a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Company recognises gains or losses on the settlement of a defined benefit plan obligation when the settlement occurs.

**Termination benefits**

Termination benefits are recognised as an expense in the statement of profit and loss 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 off er made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense in the statement of profit and loss if the Company has made an off er encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

**Other long-term employee benefits**

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

**Compensated absences**

The Company's current policies permit certain categories of its employees to accumulate and carry forward a portion of their unutilised compensated absences and utilise them in future periods or receive cash in lieu thereof in accordance with the terms of such policies. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company incurs as a result of the unused entitlement that has accumulated at the reporting date. Such measurement is based on actuarial valuation as at the reporting date carried out by a qualified actuary.

**Share-based payments**

Employees of the group receive remuneration in the form of Share-based payments, whereby employees render services as consideration for equity instruments.

**Equity-settled transactions**

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using Black Scholes valuation model.

That cost is recognized, together with a corresponding increase in share- based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The Statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

**I ) Provisions, contingent liabilities and contingent assets**

**Provisions**

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

**Contingent liabilities**

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

**Contingent assets**

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

**J) Revenue Recognition**

**Revenue from contracts with customers**

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

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

**Other Income**

**Interest**

Interest Income mainly comprises of dividend and 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.

**Dividend**

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

**K) Government Grants**

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

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

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

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

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

**L) 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 cost also include Exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

**M) Tax Expenses**

Tax expense consists of current and deferred tax.

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside the is statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities and assets are recognized for all taxable temporary differences and deductible temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is (either in OCI or in equity in correlation to the underlying transaction).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the Company will pay normal income tax during the specified year, i.e., the year for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

**Goods and Service Tax (GST) paid on acquisition of assets or on incurring expenses**

When the tax incurred on purchase of assets or services is not recoverable from the taxation authority, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable. Otherwise, expenses and assets are recognized net of the amount of taxes paid. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

**N) Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**The Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section of Impairment of non-financial assets.

**Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are included in Borrowings.

**Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**O) Earnings Per Share**

**Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

**Diluted earnings per share**

Diluted earnings per share is computed by dividing the profit (considered in determination of basic earnings per share) after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share adjusted for the weighted average number of equity shares that would have been issued upon conversion of all dilutive potential equity shares.

**P) Trade receivables**

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

**Q) 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.

**R) Segment Reporting**

The company is engaged in production, trading and distribution of Coffee and related products. Hence, the same becomes the reportable segment for the Company. Accordingly, disclosure of segment information as prescribed in the Indian accounting standard 108 "Operating segments" is not applicable.

**S) Determination of fair values**

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

**i. Property, plant and equipment**

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

**ii. Intangible assets**

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

**iii. Inventories**

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

**iv. Investments in equity and debt securities and units of mutual funds**

The fair value of marketable equity and debt securities is determined by reference to their quoted market price at the reporting date. For debt securities where quoted market prices are not available, fair value is determined using pricing techniques such as discounted cash flow analysis.
In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

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

**v. Derivatives**

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

**vi. Non-derivative financial liabilities**

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

**T) New standards adopted by the Company**

**Ind AS 1 – Presentation of Restated financial information**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its standalone financial statement.

**Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its standalone financial statements.

**Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in Restated financial information to be measured in a way that involves measurement uncertainty. The company does not expect this amendment to have any significant impact in its standalone financial statements.

**U) New Accounting pronouncements**

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

## Notes to standalone financial statements for the year ended 31/03/2024

### 2.1: Property, plant and equipment & Right-of-use assets

(All amounts are in INR Lakhs except share data or unless otherwise stated)

| Particulars | Land | Buildings | Plant and equipment | Lab equipment | Material handling equipment | Vehicles | Computers | Office equipment | Furniture & Fixtures | Total | Right of use of Assets |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balance as at 01 April 2022** | **2,719.56** | **17,093.74** | **55,538.18** | **304.24** | **84.51** | **879.28** | **219.14** | **349.01** | **52.26** | **77,239.92** | **451.69** |
| Additions during the year | 490.79 | 9,033.02 | 8,376.37 | 9.49 | 2.63 | 980.81 | 160.61 | 259.73 | 323.39 | 19,636.83 | - |
| Disposals / adjustments during the year | - | - | (151.89) | - | - | (14.62) | - | - | - | (166.51) | - |
| **Balance as at 31 March 2023** | **3,210.35** | **26,126.76** | **63,762.66** | **313.73** | **87.14** | **1,845.47** | **379.75** | **608.74** | **375.65** | **96,710.24** | **451.69** |
| Additions during the year | - | 2,986.77 | 5,723.39 | - | 24.67 | 53.94 | 161.72 | 642.51 | 83.64 | 9,676.63 | - |
| Disposals / adjustments during the year | - | - | (146.96) | - | - | (114.08) | (16.71) | (25.47) | (5.43) | (308.66) | - |
| **Balance as at 31 March 2024** | **3,210.35** | **29,113.53** | **69,339.10** | **313.73** | **111.81** | **1,785.32** | **524.76** | **1,225.78** | **453.85** | **1,06,078.22** | **451.69** |
| **Accumulated depreciation** | | | | | | | | | | | |
| Up to 01 April 2022 | - | 1,426.21 | 9,428.56 | 88.34 | 45.78 | 437.09 | 164.72 | 227.48 | 22.06 | 11,840.24 | 26.48 |
| Charge for the year | - | 693.48 | 2,496.22 | 38.50 | 9.69 | 154.28 | 53.53 | 75.11 | 20.49 | 3,541.30 | 97.78 |
| Deletions/Disposals | - | - | - | - | - | (7.59) | - | - | - | (7.59) | - |
| Up to 31 March 2023 | - | 2,119.69 | 11,924.78 | 126.84 | 55.47 | 583.78 | 218.25 | 302.59 | 42.55 | 15,373.95 | 124.26 |
| **Charge for the year** | **-** | **858.00** | **3,618.73** | **38.86** | **12.34** | **195.49** | **93.83** | **113.61** | **51.50** | **4,982.36** | **198.96** |
| Deletions/Disposals | | - | (15.70) | - | - | (104.31) | (15.73) | (15.59) | (17.42) | (168.74) | - |
| **Up to 31 March 2024** | **-** | **2,977.69** | **15,527.81** | **165.70** | **67.81** | **674.96** | **296.35** | **400.61** | **76.63** | **20,187.57** | **323.22** |
| **Net book value** | | | | | | | | | | | |
| **As at 31 March 2024** | **3,210.35** | **26,135.84** | **53,811.28** | **148.03** | **44.00** | **1,110.35** | **228.40** | **825.17** | **377.22** | **85,890.62** | **128.47** |
| **As at 31 March 2023** | **3,210.35** | **24,007.07** | **51,837.88** | **186.89** | **31.67** | **1,261.68** | **161.50** | **306.15** | **333.10** | **81,336.30** | **327.43** |

Notes:

(i) Title Deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(ii) The Company has not revalued its Property, Plant and Equipment (including Right-of Use Assets).

“(iii) Some of the property, plant and equipment including other assets acquired as a part of the scheme of Demerger of Marketing and Distribution of Coffee and FMCG Products Division of Continental Coffee Products Private Limited into CCL Products (India) Limited with an appointed date as October 1, 2022. “

(All amounts are in INR Lakhs except share data or unless otherwise stated)

**2.1.1 Capital work in progress**

| | Particulas | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|---|
| **(i)** | **Ageing schedule of capital work-in-progress (CWIP) Projects in progress** | | |
| | < 1 Year | 1,392.64 | 3,629.23 |
| | 1-2 Years | - | 762.50 |
| | 2-3 Years | - | - |
| | >3 Years | - | - |
| | **Projects in progress (total)** | **1,392.64** | **4,391.73** |

(ii) The Company does not have any material CWIP which is overdue or has exceeded its cost compared to its original plan and hence the disclosure of CWIP completion schedule is not applicable.

**2.2 Other intangible assets**

| | Computer software | Total |
|---|---|---|
| **Gross carrying value** | | |
| **Balance as at 01 April 2022** | **13.53** | **13.53** |
| Additions during the year | - | - |
| Disposals / adjustments during the year | - | - |
| **Balance as at 31 March 2023** | **13.53** | **13.53** |
| Additions during the year | - | - |
| Disposals / adjustments during the year | - | - |
| **Balance as at 31 March 2024** | **13.53** | **13.53** |
| **Accumulated depreciation** | | |
| **Up to 01 April 2022** | **12.71** | **12.71** |
| Charge for the year | - | - |
| Deletions/Disposals | - | - |
| **Up to 31 March 2023** | **12.71** | **12.71** |
| Charge for the year | - | - |
| Deletions/Disposals | - | - |
| **Up to 31 March 2024** | **12.71** | **12.71** |
| **Net book value** | | |
| **As at 31 March 2024** | **0.82** | **0.82** |
| **As at 31 March 2023** | **0.82** | **0.82** |

## 2.3 Non Current Investments

(All amounts are in INR Lakhs except share data or unless otherwise stated)

In equity instruments

| Particulas | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Jayanti Pte Ltd<br>2,80,84,784 (31 March 2023:2,80,84,784 )<br>equity shares face value of S$ 1/- each) | 11,125.57 | 11,125.57 |
| Ngon Coffee Company<br>5,30,00,00,00,000 ( 31 March 2023 :5,30,00,00,00,000)<br>equity shares face value of VND 1/- each) | 3,877.18 | 3,877.18 |
| Continental Coffee SA (earlier known as Grandsaugreen SA)<br>1,11,00,000 (31 March 2023 :1,11,00,000) equity shares face value of CHF 1/- each) | 6.92 | 6.92 |
| Continental Coffee Private Limited<br>70,00,000 ( 31 March 2023 :70,00,000) equity shares face value of Rs.10/- each) | 700.00 | 700.00 |
| CCL Food & Beverages Private Lmited<br>10,000 (31 March 2023:10,000) equity shares face value of Rs.10/- each) | 5,256.61 | 1.00 |
| Total of investments measured at cost | 20,966.28 | 15,710.68 |
| In other companies (unquoted) - measured at fair value through other comprehensive income | | |
| Coffee Futures Exchange India Ltd<br>1 ( 31 March 2023 : 1 ) equity share value of Rs.10,000/- each) | 0.10 | 0.10 |
| In subsidiaries (unquoted) - measured at amortised cost<br>In optionally convertible debentures<br>CCL Food & Beverages Private Lmited | 2,747.98 | - |
| | **23,714.36** | **15,710.78** |

| | | |
|---|---|---|
| **Aggregate value of unquoted investments** | **23,714.36** | **15,710.78** |
| **Aggregate amount of impairment in value of investments** | **-** | **-** |

## 2.4 Other Financial Assets

| Particulas | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **(i) Non-current** | | |
| **Considered good, unsecured** | | |
| Rental deposits | 66.67 | 73.73 |
| Electricity and other security deposits | 713.94 | 868.69 |
| Bank deposits with maturity period greater than 12 months | 274.67 | 191.32 |
| | **1,055.29** | **1,133.75** |
| **(ii) Current** | | |
| **Considered good, unsecured** | | |
| Other receivables | 805.73 | 2,970.17 |
| Interest receivables | 93.10 | 77.87 |
| | **898.83** | **3,048.04** |

(All amounts are in INR Lakhs except share data or unless otherwise stated)

### 2.5 Other Assets

| Particulas | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **(i) Non-current** | | |
| **Unsecured, considered good** | | |
| Deposits with statutory authorities | 2,883.28 | 2,883.28 |
| Balances with government authorities | 186.96 | - |
| | **3,070.24** | **2,883.28** |
| **(ii) Current** | | |
| Advance tax (net of provision for tax) | 531.32 | - |
| Advances to employees | 54.11 | 514.20 |
| Prepaid expenses | 260.77 | 223.41 |
| Input tax and other taxes receivables | 2,863.42 | 3,246.01 |
| Advance to suppliers | 267.20 | 1,457.81 |
| Advances for capital goods/services | 1,763.58 | 737.61 |
| Others | 1,949.35 | 857.76 |
| | **7,689.76** | **7,036.80** |

### 2.6 Inventories

| Particulas | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Raw materials | 26,973.13 | 24,853.44 |
| Work-in-progress | 1,745.90 | 1,489.03 |
| Finished goods | 10,998.89 | 10,040.46 |
| Stores, spares and consumables | 3,660.10 | 2,977.07 |
| Packing materials | 2,585.21 | 3,541.70 |
| | **45,963.23** | **42,901.70** |

### 2.7 Trade receivables

| Particulas | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Unsecured,considered good | 31,358.26 | 17,676.48 |
| Less:Allowance for expected credit loss | (712.82) | (223.95) |
| | **30,645.44** | **17,452.53** |

(All amounts are in INR Lakhs except share data or unless otherwise stated)

**(a) Trade receivables ageing:**

| Particulas | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Undisputed outstanding for following periods from due date of payment | | |
| (i) Not due | 28,768.72 | 5,989.14 |
| (ii) Less than 6 months | 1,255.94 | 10,337.50 |
| (iii) 6 months - 1 year | 141.41 | 504.43 |
| (iv) 1 - 2 years | 790.02 | 308.77 |
| (v) 2 - 3 years | 385.57 | 407.69 |
| (vi) More than 3 years | 16.60 | 128.95 |
| | **31,358.26** | **17,676.48** |

There are no disputed receivables outstanding as at 31 March 2024 and 31 March 2023.

**(b) Movement in the allowance for trade receivables for the period ended 31 March 2024 and 31 March 2023 is as follows:**

| Particulas | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Opening balance at beginning of the year | 223.95 | 154.59 |
| Provision made/(reversed) during the year | 488.87 | 69.36 |
| Bad debts written off during the year | - | - |
| **Closing balance at end of the year** | **712.82** | **223.95** |

## 2.8 Cash and cash Equivalents

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **(a) Cash and cash equivalents** | | |
| i) Cash on hand | 4.08 | 5.37 |
| ii) Balances with banks | | |
| - Current accounts | 3,267.31 | 3,088.27 |
| | **3,271.39** | **3,093.65** |
| **(b) Bank balances other than (ii) above** | | |
| (i) Unclaimed dividend account | 72.28 | 82.89 |
| | **72.28** | **82.89** |

(All amounts are in INR Lakhs except share data or unless otherwise stated)

## 2.9 Equity share capital

| Particulars | 31 March 2024 | | 31 March 2023 | |
|---|---|---|---|---|
| | No. of shares | Amount | No. of shares | Amount |
| **Authorized Share Capital** | | | | |
| Equity shares of ₹2 each (31 March 2023: Equity shares of ₹2 each) | 15,05,00,000 | 3,010.00 | **15,05,00,000** | **3,010.00** |
| **Issued, subscribed and fully paid up** | | | | |
| Equity shares of ₹2 each (31 March 2023: Equity shares of ₹2 each) | 13,30,27,920 | 2,660.56 | 13,30,27,920 | 2,660.56 |
| | **13,30,27,920** | **2,660.56** | **13,30,27,920** | **2,660.56** |

**(i) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year:**

| Particulars | 31 March 2024 | | 31 March 2023 | |
|---|---|---|---|---|
| | No. of shares | Amount | No. of shares | Amount |
| Balance at the beginning of the year | 13,30,27,920 | 2,660.56 | 13,30,27,920 | 2,660.56 |
| Add : Shares issued during the year | - | - | - | - |
| less: shares buy backed during the year | - | - | - | - |
| **Balance at the end of the year** | **13,30,27,920** | **2,660.56** | **13,30,27,920** | **2,660.56** |

**(ii) Details of shareholders holding more than 5% shares in the Company:**

| Name of the equity shareholders | 31 March 2024 | | 31 March 2023 | |
|---|---|---|---|---|
| | No. of shares | % Holding | No. of shares | % Holding |
| Challa Rajendra Prasad | 1,33,76,759 | 10.06% | 1,33,76,759 | 10.06% |
| Challa Shantha Prasad | 3,20,38,520 | 24.08% | 1,85,65,334 | 13.96% |
| Challa Soumya | - | 0.00% | 1,34,73,186 | 10.13% |
| Challa Srishant | 1,41,15,723 | 10.61% | 1,41,15,723 | 10.61% |
| Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Capital Builder Fund – Series 4 | 79,30,707 | 5.96% | 72,34,610 | 5.44% |

**(iii) Details of shares held by promoters**

| Name of promoter | 31 March 2024 | | 31 March 2023 | | % Change during the year |
|---|---|---|---|---|---|
| | No. of shares | % Holding | No. of shares | % Holding | |
| Challa Rajendra Prasad | 1,33,76,759 | 10.06% | 1,33,76,759 | 10.06% | 0.00% |
| Challa Shantha Prasad | 3,20,38,520 | 24.08% | 1,85,65,334 | 13.96% | 10.13% |
| Challa Soumya | - | 0.00% | 1,34,73,186 | 10.13% | -10.13% |
| Challa Srishant | 1,41,15,723 | 10.61% | 1,41,15,723 | 10.61% | 0.00% |
| Challa Ajitha | 10,09,390 | 0.76% | 10,09,390 | 0.76% | 0.00% |
| B. Mohan Krishna | 10,00,000 | 0.75% | 10,00,000 | 0.75% | 0.00% |

**(iv) 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. Payment of dividend is also made in foreign currency to shareholders outside India. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, all preferential amounts, if any, shall be discharged by the Company. The remaining assets of the Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date.

**2.10 Other Equity**

(All amounts are in INR Lakhs except share data or unless otherwise stated)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **Retained Earnings** | | |
| Opening balance | 75,504.09 | 64,619.23 |
| Add: Current year transfer | 9,530.62 | 17,536.25 |
| Less: Dividend paid | (6,651.40) | (6,651.40) |
| **Total** | **78,383.31** | **75,504.09** |
| **General Reserve** | | |
| Opening balance | 28,820.70 | 28,820.70 |
| Add: Current year transfer | - | - |
| Less: Written back in current year | - | - |
| **Total** | **28,820.70** | **28,820.70** |
| **Acturial Gains or Losses (OCI)** | **-** | **-** |
| Opening balance | (218.65) | (148.60) |
| Add: Current year transfer | 86.17 | (70.05) |
| Less: Written back in current year | - | - |
| **Total** | **(132.48)** | **(218.65)** |
| **Measurement of Derivative instrument at fair value (OCI)** | **-** | **-** |
| Opening balance | 25.78 | (57.19) |
| Add: Current year transfer | (25.78) | 82.97 |
| **Total** | **0.00** | **25.78** |
| **Share options outstanding account** | | |
| Opening balance | 1,073.46 | - |
| Add: Current year transfer | 612.01 | 1,073.46 |
| **Total** | **1,685.47** | **1,073.46** |
| **Total Other Equity** | **1,08,756.98** | **1,05,205.38** |

## 2.11 Borrowings

(All amounts are in INR Lakhs except share data or unless otherwise stated)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **(i) Non-current** | | |
| Secured | | |
| Term loans from banks | 4,709.63 | 3,515.63 |
| | **4,709.63** | **3,515.63** |
| **(ii) Current** | | |
| Secured | | |
| Loans repayable on demand from banks | 70,068.66 | 45,920.71 |
| Current maturities of long term borrowings | 3,416.40 | 7,856.78 |
| | **73,485.06** | **53,777.48** |

| Bank name | Currency | Sanctioned Amount | Rate of Interest (31.03.2024 Int Rate) | Security | Repayment terms | Amount Outstanding as on 31.03.2024 |
|---|---|---|---|---|---|---|
| CITI Bank N.A. | INR | 2,250.00 | 8.65% | first pari passu charge on movable assets and second pari passu charge on current assets | 4 Years - Quarterly | 1,265.63 |
| CITI Bank N.A. | INR | 4,500.00 | 8.65% | first pari passu charge on movable assets and second pari passu charge on current assets | 4 Years - Quarterly | 2,250.00 |
| State Bank of India | INR | 10,000.00 | 8.65% | first pari passu charge on movable assets and second pari passu charge on current assets | 2 Years - Quarterly | 4,610.40 |

(All amounts are in INR Lakhs except share data or unless otherwise stated)

## 2.12 Deferred tax liabilities, net

| | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Property, plant and equipment | 10,816.67 | 7,871.71 |
| MAT Credit available | (4,226.93) | (1,623.93) |
| Provision for employee benefits | (228.30) | (228.30) |
| Provision for expected credit losses | (1.96) | (13.51) |
| 80JJAA deduction | (56.43) | (65.10) |
| Others | 26.87 | 6.94 |
| | **6,329.92** | **5,947.82** |

The following is the analysis of deferred tax assets/(liabilities), net, recognised in the Standalone Statement of profit and loss ("SPL") and OCI:

| | As at 01 April 2023 | Charged / (credited) to SPL | Charged / (credited) to OCI | As at 31 March 2024 |
|---|---|---|---|---|
| Property, plant and equipment | 7,871.71 | 2,944.95 | - | 10,816.66 |
| MAT Credit available | (1,623.93) | (2,603.00) | - | (4,226.93) |
| Provision for employee benefits | (228.30) | 45.90 | (45.90) | (228.30) |
| Provision for expected credit losses | (13.51) | 11.55 | - | (1.96) |
| 80JJAA deduction | (65.10) | 8.67 | - | (56.43) |
| Others | 6.94 | (15.47) | - | 26.87 |
| | **5,947.82** | **392.61** | **(45.90)** | **6,329.92** |

| | As at 01 April 2022 | Charged / (credited) to SPL | Charged / (credited) to OCI | As at 31 March 2023 |
|---|---|---|---|---|
| Property, plant and equipment | 8,131.20 | (259.49) | - | 7,871.71 |
| MAT Credit available | (796.16) | (827.77) | - | (1,623.93) |
| Provision for employee benefits | - | (228.30) | (22.05) | (228.30) |
| Provision for expected credit losses | - | (13.51) | - | (13.51) |
| 80JJAA deduction | (38.31) | (26.79) | - | (65.10) |
| Others | - | - | - | 6.94 |
| | **7,296.73** | **(1,355.85)** | **(22.05)** | **5,947.82** |

(All amounts are in INR Lakhs except share data or unless otherwise stated)

### 2.13 Other Current liabilities

| | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Employees payables | 245.42 | 178.97 |
| Statutory dues payables | 194.14 | 139.07 |
| Advance from customers | 364.53 | 207.78 |
| | **804.10** | **525.82** |

### 2.14 Trade payables

| | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| - total outstanding dues of micro and small enterprises; (MSME) | 1,280.66 | 781.31 |
| - total outstanding dues of creditors other than micro and small enterprises (Others) | 3,199.35 | 4,028.16 |
| | **4,480.01** | **4,809.47** |

**a) Trade payables ageing schedule as at 31 March 2024:**

| Outstanding for following periods from due date of payment | Undisputed | | |
|---|---|---|---|
| | MSME | Others | Total |
| Not due | 1280.66 | 2693.35 | 3974.01 |
| Less than 1 year | - | 423.76 | 423.76 |
| 1-2 years | - | 78.92 | 78.92 |
| 2-3 years | - | - | 0.00 |
| More than 3 years | - | 3.32 | 3.32 |
| | **1,280.66** | **3,199.35** | **4,480.01** |

**b) Trade payables ageing schedule as at 31 March 2023:**

| Outstanding for following periods from due date of payment | Undisputed | | |
|---|---|---|---|
| | MSME | Others | Total |
| Not due | 764.40 | 2673.69 | 3438.09 |
| Less than 1 year | 16.91 | 1,241.60 | 1258.51 |
| 1-2 years | - | 59.58 | 59.58 |
| 2-3 years | - | 33.24 | 33.24 |
| More than 3 years | - | 20.05 | 20.05 |
| | **781.31** | **4,028.16** | **4,809.47** |

Note: There are no outstanding disputed dues payables as at 31 March 2024 and 31 March 2023.

The creditors covered by Micro, Small and Medium Enterprises Development Act, 2006 ("the MSMED Act, 2006") have been identified on the basis of information available with the Company. Disclosures in respect of the amounts payable to such parties are given below:

(All amounts are in INR Lakhs except share data or unless otherwise stated)

| | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| (i) The principal amount remaining unpaid as at the end of the year | 1,280.66 | 781.31 |
| (ii) The amount of interest accrued and remaining unpaid on (i) above | - | - |
| (iii) Amount of interest paid by the Company in terms of Section 16, of the MSMED Act, 2006 along with the amounts of payments made beyond the appointed date during the year." | - | - |
| (iv) The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)" | - | - |
| (v) The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006." | - | - |
| | **1,280.66** | **781.31** |

(All amounts are in INR Lakhs except share data or unless otherwise stated)

**2.15 Other financial liabilities**

| | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **(i) Non-current** | | |
| Other payables | 101.16 | 244.23 |
| | **101.16** | **244.23** |
| **(ii) Current** | | |
| Creditors for capital goods | 454.11 | 460.51 |
| Unpaid dividends payables | 72.28 | 82.89 |
| Interest accrued but not due on borrowings | 32.06 | 80.84 |
| Other payables | 987.21 | 1,233.01 |
| | **1,545.66** | **1,857.24** |

**2.16 Provisions**

| | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **(i) Non-current** | | |
| Other payables | 329.48 | 256.97 |
| | **329.48** | **256.97** |
| **(ii) Current** | | |
| Provision for tax (net of advance tax) | (278.81) | (86.55) |
| Provision for others | 820.74 | 579.46 |
| | **541.91** | **492.90** |

(All amounts are in INR Lakhs except share data or unless otherwise stated)

**2.17 Revenue from operations**

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| Revenue from sale of products - coffee | 1,45,616.98 | 1,35,405.02 |
| Revenue from trade licences | - | 207.95 |
| | **1,45,616.98** | **1,35,612.97** |

**2.18 Other income**

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| Interest income | 49.64 | 68.04 |
| Dividend income | - | 3,723.69 |
| Miscellaneous Income | 510.13 | 266.73 |
| | **559.78** | **4,058.46** |

**2.19 Cost of materials consumed**

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| **Raw Material** | | |
| Purchases | 80,844.51 | 71,226.77 |
| Add: Inventory of materials at the beginning of the year | 24,853.44 | 26,962.55 |
| | **1,05,697.96** | **98,189.32** |
| Less: Inventory of materials at the end of the year | 26,973.13 | 24,853.44 |
| | **78,724.83** | **73,335.88** |

**2.20 Changes in inventories of finished goods, stock-in-trade and work in progress**

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| **Work-in-progress** | | |
| Opening | 1,489.03 | 372.42 |
| Closing | 1,870.31 | 1,489.03 |
| | **(381.28)** | **(1,116.59)** |
| **Finished goods** | | |
| Opening | 10,040.45 | 11,094.39 |
| Closing | 13,186.89 | 10,040.45 |
| | **(3,146.44)** | **1,053.94** |
| | **(3,527.73)** | **(62.65)** |

(All amounts are in INR Lakhs except share data or unless otherwise stated)

### 2.21 Employee benefits expense

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| Salaries, Wages and Bonus | 8,174.17 | 6,500.81 |
| Contribution to provident and other funds | 744.89 | 889.47 |
| Staff welfare | 1,159.93 | 542.59 |
| | **10,078.99** | **7,932.87** |

### 2.22 Finance costs

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| Interest expense on borrowings | 4,362.25 | 2,446.96 |
| Other borrowing costs | 155.95 | 211.78 |
| | **4,518.20** | **2,658.73** |

### 2.1 & 2.2 Depreciation and amortization expenses

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| Depreciation on property, plant and equipment | 4,982.36 | 3,541.30 |
| Depreciation on right of use assets | 198.96 | 97.78 |
| Depreciation on intangible assets | - | - |
| | **5,181.32** | **3,639.08** |

### 2.23 Other expenses

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| Packing material consumed | 11,376.51 | 6,801.47 |
| Stores and consumable consumed | 685.11 | 604.63 |
| Power and fuel | 10,555.46 | 9,803.40 |
| Repairs and maintenance to buildings | 150.90 | 74.31 |
| Repairs and maintenance to machinery | 4,743.80 | 3,541.57 |
| Repairs and maintenance to other assets | 213.12 | 183.40 |
| Transportation, ocean freight, clearing and forwarding | 4,297.33 | 5,770.65 |
| Insurance | 395.01 | 326.30 |
| Rent | 174.03 | 129.62 |
| Rates and taxes | 217.42 | 186.19 |
| Directors' sitting fee | 50.75 | 51.95 |
| Non-whole time directors' commission | 120.00 | 135.00 |
| Selling expenses | 4,073.66 | 3,035.58 |
| Travelling and conveyance | 825.30 | 354.79 |
| Communication expenses | 106.15 | 80.16 |
| Printing and stationery | 18.25 | 18.41 |
| Office maintenance | 1,401.73 | 1,152.96 |

(All amounts are in INR Lakhs except share data or unless otherwise stated)

| | | |
|---|---|---|
| Donations | 42.38 | 42.35 |
| CSR Expenses | 491.09 | 479.27 |
| Professional fees & expenses | 647.76 | 561.41 |
| Subscription and membership fee | 14.02 | 15.58 |
| Audit fees | 16.26 | 18.10 |
| Foreign exchange loss (net) | (1,933.94) | (908.34) |
| Miscellaneous expenses | 13.10 | (0.64) |
| Provision for expected credit loss | 488.87 | 99.83 |
| Bad debts written off | 0.00 | (17.50) |
| | **39,184.06** | **32,540.44** |

**Other expenses (cont'd)**

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| **(i) Auditors Remuneration** | | |
| a) Audit fees | 11.00 | 12.50 |
| b) Other charges | | |
| Taxation matters | 2.50 | 2.50 |
| Certification fee | 2.40 | 2.50 |
| c) Reimbursement of out of pocket expenses | 0.36 | 0.60 |
| | **16.26** | **18.10** |
| **(ii) Details of CSR expenditure:** | | |
| (a) Gross amount required to be spent during the period | 398.69 | 462.03 |
| (b) Amount spent during the period | | |
| i) Construction/ acquisition of any asset | 258.04 | 193.46 |
| ii) on purposes other than (i) above | 233.05 | 285.81 |
| (c) Shortfall at the end of the period | - | - |
| (d) Total of previous periods shortfall | - | - |
| (e) Reason for shortfall<br>Amounts are not annualized and hence not applicable | | |
| (f) Nature of CSR activities | setting up of old age homes, setting up of orphanages, promotion of education, promotion of health activities, infrastructural development, women empowerment skill development and rural development. | |
| (g) Details of related party transactions | NA | NA |
| (h) Provision made during the period | - | - |

(All amounts are in INR Lakhs except share data or unless otherwise stated)

### 2.24 Changes in liabilities arising from financing activities

For the year ended 31 March 2024

| Particulars | Current Borrowings | Non-current Borrowings | Lease Liabilities |
|---|---|---|---|
| **As on 1 April 2023** | 45,920.71 | 11,372.40 | 350.43 |
| Borrowings made during the year | 24,147.95 | - | - |
| Borrowings repaid during the year | - | (3,246.37) | - |
| Effect of changes in foreign exchange rates | - | - | - |
| Recognition of right of use liability during the year | - | - | - |
| Payment of lease liability | - | - | (200.37) |
| **As on 31 March 2024** | **70,068.66** | **8,126.03** | **150.06** |

For the year ended 31 March 2024

| Particulars | Current Borrowings | Non-current Borrowings | Lease Liabilities |
|---|---|---|---|
| **As on 1 April 2022** | **27,982.82** | **20,156.92** | **429.95** |
| Borrowings made during the year | 17,937.89 | - | - |
| Borrowings repaid during the year | - | (8,784.52) | - |
| Effect of changes in foreign exchange rates | - | - | - |
| Recognition of right of use liability during the year | - | - | - |
| Payment of lease liability | - | - | (79.52) |
| **As on 31 March 2023** | **45,920.71** | **11,372.40** | **350.43** |

### 2.25 Tax expense

The Company has elected the option provided under Section 115BAA of the Income-tax Act, 1961 for measurement of its income tax expense for the period ended 31 March 2024 and 31 March 2023 and has accordingly recognised the income tax expense at the prescribed domestic effective tax rate of 25.17% (31 December 2022: 25.17%). The major components of income tax expense and the reconciliation between expected tax expense based on the domestic effective tax rate and the reported tax expense in the statement of profit and loss is as follows:

**(i) Income tax expense reported in the Standalone Statement of Profit and Loss**

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| Current tax expense | 2,093.86 | 3,446.69 |
| Deferred tax expense | 392.62 | (1,355.85) |
| | **2,486.48** | **2,090.83** |

(All amounts are in INR Lakhs except share data or unless otherwise stated)

**(ii) Reconciliation of effective tax rate :**

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| Profit before tax | 12,017.09 | 19,627.07 |
| Statutory income tax rate | 17.47% | 17.47% |
| **Expected tax expense** | **2,099.39** | **3,428.85** |
| *Tax effect of amounts which are not deductible / taxable in calculating taxable income:* | | |
| Effect of expenses not deductible under the IT Act, 1961 | 93.20 | 91.13 |
| Effect of carry forwardwed losses under the IT Act, 1961 | - | (253.83) |
| Other adjustments | 293.89 | (1,175.32) |
| **Income tax expense** | **2,486.48** | **2,090.83** |

## 2.26 Earnings per equity share (EPS)

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| Profit for the period | 9,530.62 | 17,536.25 |
| Weighted average number of equity shares outstanding during the period for the basic EPS | 13,30,27,920 | 13,30,27,920 |
| Weighted average number of equity shares outstanding during the period for the diluted EPS | 13,32,91,767 | 13,30,27,920 |
| Earnings per equity share (in absolute ₹ terms): | | |
| Basic EPS | 7.16 | 13.18 |
| Diluted EPS | 7.15 | 13.18 |
| Nominal value per equity share | 2.00 | 2.00 |

## 2.27 Contingent liabilities

| | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **a) Claims against the company/disputed liabilities** | | |
| Income Tax (*) | 4,945.11 | 4,945.11 |
| Service Tax | - | 995.92 |
| **b) Guarantees** | | |
| Bank Guarantee | 1,962.65 | 1,825.37 |

*Tax deposited under protest ₹ 2883.28 Lakhs

Note:

1. The Company has created the mortgage over its land in favour of the bank towards the Funding availed by subsidiary company which aggregate to 32000.00 Lakhs (March 31, 2023 is NIL).

2. The Company has given the undertaking to ensure that the subsidiary company meets its Outstanding Debt Obligations to the Bank as stipulated in the Financing documents to the extent of Rs. 32000.00 lakhs.

3. The same are subject to uncertain future events not wholly within the control of the Company. The Management does not expect the same to have materially adverse effect on its financial position, as it believes the likely hood of any loss is not probable.

**2.28 Leases**

**Leases as lessee**

The Company has lease arrangements for its office premises located at various locations with-in India. These leases have original terms for a period between 2-10 periods with renewal option at the discretion of lessee. There are no residual value guarantees provided to the third parties.

**(i) Break-up of lease liabilities is as under:**

| | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Current lease liabilities | 48.90 | 106.20 |
| Non-current lease liabilities | 101.16 | 244.23 |

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| **(ii) Movement in lease liabilities is as follows:** | | |
| Balance at the beginning of the year | 350.43 | - |
| Additions during the year | - | 350.43 |
| Deletions during the year | - | - |
| Finance cost accrued during the year | - | - |
| Payment of lease liabilities | (200.37) | - |
| **Lease liabilities at the end of the year** | **150.06** | **350.43** |

| | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **(iii) The details of contractual maturities of lease liabilities on an undiscounted basis is as follows:** | | |
| Less than one year | 57.26 | 106.20 |
| One to five year | 97.94 | 273.25 |
| More than five years | - | - |
| | **155.20** | **379.45** |

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| **(iv) Following amount has been recognized in statement of profit and loss:** | | |
| Amortisation on right to use asset | 198.96 | 97.78 |
| Interest on lease liability | 14.46 | 19.99 |
| Expenses related to short term lease (included under other expenses) | 174.03 | 129.62 |
| **Total amount recognized in the statement of profit and loss** | **387.45** | **247.39** |

### 2.29 Defined benefit plans

The Company has a defined benefit gratuity plan, according to which every employee who has completed five periods or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed period of service (service of six months and above is rounded off as one period) after deduction of necessary taxes at the time of retirement / exit, restricted to a sum of ₹2 million in accordance with Payment of Gratuity Act, 1972. The following tables summarize the reconciliation of opening and closing balances of the present value and defined benefit obligation:

(All amounts are in INR Lakhs except share data or unless otherwise stated)

| | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **(i) Reconciliation of present value of defined benefit obligation** | | |
| Defined benefit obligation at the beginning of the year | 795.65 | 632.52 |
| Current service cost | 111.55 | 84.88 |
| Interest cost | 58.80 | 46.09 |
| Benefits paid | (23.89) | (9.29) |
| Actuarial loss/(gain) recognised during the year | | |
| - due to change in financial assumptions | 21.48 | (9.98) |
| - due to experience | 71.71 | 51.43 |
| - due to demographic assumptions | - | - |
| **Defined benefit obligation at the end of the year** | **1,035.30** | **795.65** |
| **(ii) Reconciliation of fair value of plan asset** | | |
| Fair value of plan assets, beginning of the year | 1,203.42 | 803.27 |
| Interest on plan assets | 94.26 | 72.17 |
| Employer contribution * | 129.82 | 368.27 |
| Benefits paid | (23.89) | (9.29) |
| Other (Employee Contribution, Taxes, Expenses, adj to Opening Balance) | (2.62) | (31.00) |
| **Fair value of plan assets, at the end of the year** | **1,400.99** | **1,203.42** |

** During the current period, to fund its gratuity plan, the Company has made contributions to recognized insurance funds in India.*

| | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **(iii) Reconciliation of present value of defined benefit obligation and fair value of plan assets** | | |
| Present value of defined benefit obligation | 1,035.30 | 795.65 |
| Fair value of plan assets | (1,400.99) | (1,203.42) |
| Liability recognised in the Balance Sheet | (365.69) | (407.77) |

(All amounts are in INR Lakhs except share data or unless otherwise stated)

| | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **(iii) Expenses recognised in the Statement of profit and loss / OCI** | | |
| Recognised in statement of profit and loss | 111.55 | 84.88 |
| Current service cost | 58.80 | 46.09 |
| **Interest cost** | **170.35** | **130.97** |
| **Recognised in statement of other comprehensive income** | | |
| Actuarial loss/(gain) | 93.19 | 41.45 |
| | **93.19** | **41.45** |

| | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **(iv) Key actuarial assumptions** | | |
| Discount rate | 7.22% | 7.50% |
| Retirement age | 58 years | 58 years |
| Salary escalation rate | 4.00% | 4.00% |
| Withdrawal rate | 6.00% | 6.00% |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

| | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **(v) Maturity profile of defined benefit obligation:** | | |
| Within 1 year | 10.11 | 8.28 |
| 2 to 5 years | 33.20 | 26.35 |
| 6 to 10 years | 43.32 | 29.73 |
| Above 10 years | 127.53 | 100.47 |

| | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **(vi) Sensitivity analysis** | | |
| Discount rate (+ 1% movement) | 92.43 | 69.32 |
| Discount rate (- 1% movement) | 109.20 | 81.53 |
| Salary escalation (+ 1% movement) | 109.76 | 81.99 |
| Salary escalation (- 1% movement) | 91.83 | 68.84 |

(All amounts are in INR Lakhs except share data or unless otherwise stated)

## 2.30 Related Parties

**List of Subsidiaries:**
M/s. Jayanti Pte Ltd., Singapore
M/s. Continental Coffee Private Ltd., India
M/s. CCL Food and Beverages Private Ltd., India
M/s. Continental Coffee SA, Switzerland
M/s. Ngon Coffee Company Ltd., Vietnam

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

- Sri Challa Rajendra Prasad, Executive Chairman
- Sri Challa Srishant, Managing Director
- Sri B. Mohan Krishna, Executive Director
- Sri Praveen Jaipuriar, Chief Executive Officer
- Sri V. Lakshmi Narayana, Chief Financial Officer
- Smt. Sridevi Dasari, Company Secretary

**The following is a summary of significant related party transactions:**

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| **a) Key Managerial Personnel** | | |
| **i) Remuneration & Commission** | | |
| Challa Rajendra Prasad | 420.00 | 420.00 |
| Challa Srishant | 364.66 | 684.00 |
| B. Mohan Krishna | 304.66 | 513.00 |
| Praveen Jaipuriar | 256.54 | 254.36 |
| V. Lakshmi Narayana | 119.89 | 115.33 |
| Sridevi Dasari | 29.83 | 29.57 |
| **ii) Rent** | | |
| Challa Srishant | 30.24 | 30.24 |
| **b) Non-whole time Directors** | | |
| **i) Sitting Fee** | | |
| Vipin K Singal | 4.25 | 6.55 |
| Kata Chandrahas | 6.25 | 6.55 |
| K. K. Sarma | 5.25 | 6.05 |
| G. V. Krishna Rau | 6.25 | 6.55 |
| Kulsoom Noor Saifullah | 5.00 | 6.55 |
| Challa Shantha Prasad | 3.00 | 2.85 |
| Durga Prasad Kode | 4.25 | 6.30 |
| Dr. Krishnanand Lanka | 5.25 | 6.05 |
| K. V. Chowdary | 4.75 | 4.50 |
| S. V. Ramachandra Rao | 3.00 | - |
| Sudhakar Ambati | 3.50 | - |

(All amounts are in INR Lakhs except share data or unless otherwise stated)

| | | |
|---|---|---|
| **ii) Commission** | | |
| Vipin K Singal | 9.85 | 15.00 |
| Kata Chandrahas | 11.80 | 15.00 |
| K. K. Sarma | 11.80 | 15.00 |
| G. V. Krishna Rau | 11.80 | 15.00 |
| Kulsoom Noor Saifullah | 11.80 | 15.00 |
| Challa Shantha Prasad | 11.80 | 15.00 |
| Durga Prasad Kode | 11.80 | 15.00 |
| Dr. Krishnanand Lanka | 11.80 | 15.00 |
| K. V. Chowdary | 11.80 | 15.00 |
| S. V. Ramachandra Rao | 8.86 | - |
| Sudhakar Ambati | 6.89 | - |
| **iii) Rent** | | |
| Challa Shantha Prasad | 25.76 | 25.76 |
| **c) Relatives of Key Managerial Personnel** | | |
| **Rent:** | | |
| Challa Soumya | 8.40 | 8.40 |
| **d) Related Party transactions** | | |
| **Karafa Products Private Limited** | | |
| Sale of Goods | 9.34 | 17.29 |
| Trade Receivable | 1.94 | - |
| **Re-cog Infotechnologies Private Limited** | | |
| Purchase of goods - Advance payment | - | 16.74 |

**Transactions with Subsidiaries and Outstanding amounts:**

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| **Continental Coffee SA, Switzerland** | | |
| Sale of Instant Coffee | 23,467.27 | 25,195.90 |
| Trade Receivables | 6,454.29 | 4,309.92 |
| **CCL Food & Beverages Private Limited, India** | | |
| Equity investment | 8,000.00 | 1.00 |
| Loans & Advances | 449.77 | 2,204.33 |
| **Continental Coffee Private Limited, India** | | |
| Loans & Advances | 626.94 | 314.47 |

(All amounts are in INR Lakhs except share data or unless otherwise stated)

## 2.31 Segment information

The company is engaged in production, trading and distribution of Coffee and related products. Hence, the same becomes the reportable segment for the Company. Accordingly, disclosure of segment information as prescribed in the Indian accounting standard 108 "Operating segments" is not applicable

## 2.32 Categories of Financial instruments and their fair values

The carrying amount of all financial assets and financial liabilities appearing in the financial statements are reasonable approximation of their fair values.

### Categories of financial instruments

| | As at 31 March 2024 | | As at 31 March 2023 | |
|---|---|---|---|---|
| | Total carrying value | Total fair value/ Amortised | Total carrying value | Total fair value/ Amortised |
| **Financial assets** | | | | |
| Investments | 23,714.36 | 23,714.36 | 15,710.78 | 15,710.78 |
| Trade receivables | 30,645.44 | 30,645.44 | 17,452.53 | 17,452.53 |
| Cash and bank balances | 3,343.67 | 3,343.67 | 3,176.54 | 3,176.54 |
| Others | 1,954.11 | 1,954.11 | 4,181.79 | 4,181.79 |
| | **59,657.58** | **59,657.58** | **40,521.63** | **40,521.63** |
| **Financial liabilities** | | | | |
| Borrowings | 78,194.69 | 78,194.69 | 57,293.11 | 57,293.11 |
| Lease liabilities | 150.06 | 150.06 | 350.43 | 350.43 |
| Trade payables | 4,480.01 | 4,480.01 | 4,809.47 | 4,809.47 |
| Other financial liabilities | 1,545.66 | 1,545.66 | 1,857.24 | 1,857.24 |
| | **84,370.42** | **84,370.42** | **64,310.26** | **64,310.26** |

The fair value of the financial assets and financial liabilities are included at an amount at which the instruments could be exchanged in a current transaction between the willing parties, other than in a forced or liquidation sale.

## 2.33 Financial risk management objectives and policies

### Financial Risk Management Framework

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, market risk and liquidity risk. The Company's risk management policies are established to identify and analyse the risks faced by the Company and seek to, where appropriate, minimize potential impact of the risk and to control and monitor such risks. There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

The following sections provide details regarding the Company's exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives, policies and processes for management of these risks.

(All amounts are in INR Lakhs except share data or unless otherwise stated)

**(i) Credit risk**

**Financial assets that are neither past due nor impaired**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk arises primarily from financial assets such as trade receivables, balances with banks and loan and other receivables.

Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and bank balances and loans. None of the financial instruments of the Company result in material concentration of credit risk.

**Exposure to credit risk**

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position. No other financial assets carry a significant exposure to credit risk.

None of the Company's cash equivalents, loans and other financial assets were either past due or impaired as at the respective reporting period. The Company has diversified its portfolio of investment in cash and cash equivalents and term deposits with various banks which have secure credit ratings, hence the risk is reduced. Loans given to related parties and others are tested for impairment where there is an indicator and the assessed credit risk associated with such loans is relatively low. Other financial assets represent security deposits given to lessors and other assets. Credit risk associated with such deposits and other assets is relatively low.

The Company's credit period for trade receivables from its customers generally ranges from 60 - 180 days. The ageing of trade receivables is given below:

| | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Neither past due nor impaired | 28,768.72 | 5,989.14 |
| Past due but not impaired: | | |
| Less than 180 days | 1,255.94 | 10,337.50 |
| More than 180 days | 1,333.60 | 1,349.84 |
| Less: Allowance for credit losses | (712.82) | (223.95) |
| | **30,645.44** | **17,452.53** |

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each balance sheet date whether a financial asset or a group of financial assets are impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix if they past due. The provision matrix takes into account historical credit loss experience and is adjusted for forward-looking information.

(All amounts are in INR Lakhs except share data or unless otherwise stated)

**(ii) Liquidity risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining cash and cash equivalents and the cash flows generated from operations.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

| | Upto 1 year | More than 1 year | Total |
|---|---|---|---|
| **As at 31 March 2024** | | | |
| Non-current borrowings | 3,416.40 | 4,709.63 | 8,126.03 |
| Lease liabilities | 57.26 | 97.94 | 155.20 |
| Current borrowings | 70,068.66 | - | 70,068.66 |
| Trade payables | 4,480.01 | - | 4,480.01 |
| Other financial liabilities | 1,545.66 | - | 1,545.66 |
| **Total** | **79,567.99** | **4,807.57** | **84,375.56** |
| **As at 31 March 2023** | | | |
| Non-current borrowings | 7,856.78 | 3,515.63 | 11,372.40 |
| Lease liabilities | 106.20 | 273.25 | 379.45 |
| Current borrowings | 45,920.71 | - | 45,920.71 |
| Trade payables | 4,809.47 | - | 4,809.47 |
| Other financial liabilities | 1,857.24 | - | 1,857.24 |
| **Total** | **60,550.40** | **3,788.88** | **64,339.28** |

**(iii) Market risk:**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**(a) Foreign currency risk:**

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The majority of Company's revenue is generated in foreign currencies (primarily in United States Dollars), while a significant portion of its costs are in Indian rupees. As a result, as the rupee appreciates or depreciates against foreign currencies, the results of the entity's operations are impacted. The Company does not use financial derivatives such as foreign currency forward contracts.

Significant unhedged foreign currency risk exposure relating to financial assets and financial liabilities expressed in ₹ terms are as follows:

(All amounts are in INR Lakhs except share data or unless otherwise stated)

| | 31 March 2024 | 31 March 2023 |
|---|---|---|
| **USD & EUR** | | |
| Trade receivables | 25,967.26 | 14,272.79 |
| Trade payables | 350.17 | 600.18 |
| Borrowings | 0.00 | 2,569.28 |

**Foreign currency sensitivity:**

The following table demonstrates the sensitivity to a reasonably possible change in foreign currencies ('FC'), with all other variables held constant:

| | Impact on profit after tax / equity for the year ended | | | |
|---|---|---|---|---|
| | Appreciation in FC by 5% | | Depreciation in FC by 5% | |
| | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 |
| **Foreign currency** | | | | |
| USD & EUR | 1,280.85 | 555.17 | (1,280.85) | (555.17) |

**(b) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Company and the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk relates primarily to the floating interest rate borrowings. The Company's investment in deposits with banks and loans are fixed interest rates and therefore do not expose the Company to significant interest rate risk.

The Company's exposure to changes in interest rates relates primarily to the Company's outstanding floating rate borrowings. The exposure of the Company to variable rate borrowings at the end of the reporting period are as follows:

| | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Variable rate borrowings | 78,194.69 | 57,293.11 |

**Interest rate sensitivity**

The Company noted that any reasonably possible change in interest rates on the variable rate instruments will not have any material impact on the Company's profit after tax and its equity.

**(c) Price risk**

The fair value of some of the Company's investments measured at fair value through other comprehensive income exposes the Company to equity price risks. These investments are subject to changes in the market price of securities. The Company periodically monitors the sectors it has invested in, performance of the investee companies, measures mark- to- market gains/losses and reviews the same to manage the price risk.

(All amounts are in INR Lakhs except share data or unless otherwise stated)

| | Carrying value | Fair value | Sensitivity to fair value | |
|---|---|---|---|---|
| | | | 10% increase | 10% decrease |
| **Sensitivity analysis as at 31 March 2024** | | | | |
| Investment in equity shares of Coffee Futures Exchange India Ltd | 0.10 | 0.10 | 0.01 | (0.01) |

| | Carrying value | Fair value | Sensitivity to fair value | |
|---|---|---|---|---|
| | | | 10% increase | 10% decrease |
| **Sensitivity analysis as at 31 March 2023** | | | | |
| Investment in equity shares of Coffee Futures Exchange India Ltd | 0.10 | 0.10 | 0.01 | (0.01) |

### 2.34 Capital risk management

Capital includes equity capital and all reserves attributable to the equity holders of the Company. The primary objective of the capital management is to ensure that it maintain an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder's value. The Company manages its capital structure and make adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders return capital to shareholders or issue new shares.

The Company monitors capital using a debt to capital employed ratio which is debt divided by total capital plus debt. The Company's policy is to keep this ratio at an optimal level.

| | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Debt (includes lease liabilities) | 78,344.75 | 57,643.54 |
| Less: Cash and cash equivalents | (3,271.39) | (3,093.65) |
| Net debt | 75,073.36 | 54,549.89 |
| **Total equity** | **1,11,417.54** | **1,07,865.94** |
| Capital and net debt | 1,86,491 | 1,62,416 |
| Net debt to equity ratio (%) | 40.26% | 33.59% |

(All amounts are in INR Lakhs except share data or unless otherwise stated)

**2.35 Ratios as per the Schedule III requirements**

| Ratio | 31 March 2024 | 31 March 2023 | % Change | Note |
|---|---|---|---|---|
| Current Ratio | 1.09 | 1.20 | -8.47% | a. |
| Debt Equity Ratio | 0.70 | 0.53 | 31.58% | b. |
| Debt Service Coverage Ratio | -0.44 | 0.53 | -16.13 | c. |
| Return on Equity | 8.69% | 16.93% | -48.65% | d. |
| Inventory Turnover Ratio | 1.69 | 1.73 | -2.11% | e. |
| Trade Receivables turnover ratio | 5.94 | 9.12 | -34.85% | f. |
| Trade Payables turnover ratio | 25.28 | 26.15 | -3.33% | g. |
| Net Capital Turnover Ratio | 19.07 | 11.26 | 69.41% | h. |
| Net profit ratio | 6.54% | 12.93% | -49.39% | i. |
| Return on Capital employed | 13.36% | 15.89% | -15.93% | j. |

**a. Current Ratio = Current assets divided by Current liabilities**

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Current assets | 88,540.92 | 73,615.61 |
| Current liabilities | 80,905.64 | 61,569.12 |
| Ratio | 1.09 | 1.20 |
| **% Change from previous year** | **-8.47%** | **-** |

**Reason for change more than 25%: Not applicable**

**b. Debt Equity ratio = Total debt divided by Shareholder's Equity where total debt refers to sum of current & non current borrowings**

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Total debt (including lease liabilities) | 78,344.75 | 57,643.54 |
| Shareholder's Equity | 1,11,417.54 | 1,07,865.94 |
| **Ratio** | **0.70** | **0.53** |
| **% Change from previous year** | **31.58%** | **-** |

**Reason for change more than 25% :** Mainly due to increase in debt on account of enhanced working capital utilization (owing to sharp rise in green coffee prices.)

(All amounts are in INR Lakhs except share data or unless otherwise stated)

**c. Debt Service Coverage Ratio = Earnings available for debt service divided by interest and lease payments + principal repayments**

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Net Profit after tax | 9,530.62 | 17,536.25 |
| Add: Non cash operating expenses and finance cost | | |
| -Depreciation and amortizations | 5,181.32 | 3,639.08 |
| -Finance cost | 4,518.20 | 2,658.73 |
| - Provision for bad debts | 488.87 | 99.83 |
| Less: Non operating income | - | - |
| **Earnings available for debt service** | **19,719.01** | **23,933.89** |
| Interest cost on borrowings | 711.66 | 797.27 |
| Lease payments | 200.37 | 79.52 |
| Principal repayments for long-term borrowings | 7856.78 | 11813.18 |
| **Total Interest and principal repayments** | **8768.81** | **12689.97** |
| **Ratio** | **0.44** | **0.53** |
| **% Change from previous year** | **-16.13%** | |

**Reason for change more than 25%: Not applicable**

**d. Return on Equity Ratio / Return on Investment Ratio = Net profit after taxes divided by average shareholder's equity**

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Net profit after taxes | 9,530.62 | 17,536.25 |
| Less: Preference dividend | - | - |
| **Earning available to equity shareholders** | **9,530.62** | **17,536.25** |
| Average Shareholder's Equity | 1,09,641.74 | 1,03,600.87 |
| **Ratio** | **8.69%** | **16.93%** |
| **% Change from previous year** | **-48.65%** | |

**Reason for change more than 25%:** Decrease in profits due to non-receipt of dividend income from Vietnam subsidiary in FY 2023-24 and also increase in finance cost and deprection

**e. Inventory Turnover Ratio = Cost of goods sold divided by average inventory**

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Cost of Inventory consumed | 75,197.10 | 73,273.23 |
| Average Inventory | 44,432.46 | 42,382.12 |
| **Inventory Turnover Ratio** | **1.69** | **1.73** |
| **% Change from previous  year** | **-2.11%** | **-** |

**Reason for change more than 25%: Not applicable**

**f. Trade Receivables turnover ratio = Revenue from operations divided by Average Trade Receivables**

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Net Credit Sales | 1,45,616.98 | 1,35,612.97 |
| Average Trade Receivables | 24,517.37 | 14,874.64 |
| **Ratio** | **5.94** | **9.12** |
| **% Change from previous year** | **-34.85%** | **-** |

**Reason for change more than 25% :** Due to incease in average trade receivable on account of extended sailing periods owing to red sea issue and Russia - Ukraine war.

**g. Trade Payables turnover ratio = Puchases of stock-in-trade and other expenses divided by average Trade Payables**

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Purchase of stock-in-trade | 78,724.83 | 73,335.88 |
| Other expenses (excluding other adjustments like allowance for trade receivables etc) | 38,695.19 | 32,440.61 |
| **Total** | **1,17,420.02** | **1,05,776.49** |
| Average Trade payables and provision for expenses | 4,644.74 | 4,044.87 |
| **Ratio** | **25.28** | **26.15** |
| **% Change from previous year** | **-3.33%** | **-** |

**Reason for change more than 25%:** Not applicable

**h. Net Capital Turnover Ratio = Sales divided by Working Capital where Working Capital = Current Assets - Current Liabilities**

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Revenue from operations | 1,45,616.98 | 1,35,612.97 |
| Working capital | 7,635.28 | 12,046.49 |
| **Ratio** | **19.07** | **11.26** |
| **% Change from previous year** | **69.41%** | **-** |

**Reason for change more than 25% :** Despite of decrease in net working capital, we could achieve enhanced turnover compared to previous year.

**i. Net profit ratio = Net profit after taxes divided by Net Sales**

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Net profit after taxes | 9,530.62 | 17,536.25 |
| Net Sales | 1,45,616.98 | 1,35,612.97 |
| **Ratio** | **6.54%** | **12.93%** |
| **% Change from previous year** | **-49.39%** | **-** |

**Reason for change more than 25% :** Decrease in net profit after taxes due to non-receipt of dividend from Vietnam subsidiary company and higher interest cost and depreciation.

(All amounts are in INR Lakhs except share data or unless otherwise stated)

**j. Return on Capital employed (pre cash)=Earnings Before Interest and Taxes (EBIT) divided by Capital Employed**

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Profit before tax (A) | 12,017.09 | 19,627.07 |
| Finance costs (B) | 4,518.20 | 2,658.73 |
| Other income (C) | 559.78 | 4,058.46 |
| **EBIT (D) = (A)+(B)-(C)** | **15,975.53** | **18,227.34** |
| **Capital Employed (Pre Cash) (J)= (E)-(F)-(G)** | **1,19,616.34** | **1,14,736.93** |
| Total Assets (E) | 2,03,793.37 | 1,79,399.70 |
| Current liabilities (F) | 80,905.64 | 61,569.12 |
| Cash and Cash equivalents (G) | 3,271.39 | 3,093.65 |
| **Ratio (D)/(J)** | **13.36%** | **15.89%** |
| **% Change from previous year** | **-15.93%** | |

**Reason for change more than 25%: Not applicable**

**2.36 Additional disclosures**

(i) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) The Company have not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iii) No transactions are carried out with companies struck off under Section 248 of the Act or Section 560 of Companies Act, 1956.

(iv) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(v) The Company has entered into a scheme of arrangement which has an accounting impact on current and/or previous financial year. Please refer note number 2.39 for details.

(vi) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(vii) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(viii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.”

(ix) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries."

(x) There are no charges or satisfaction which are yet to be registered with the registrar of companies beyond the statutory period.

**2.37** The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company, in respect of financial year commencing on 1 April 2023 has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log). Audit trail (edit log) is enabled at the application level, and the Company's users have access to perform transactions only from the application level.

**2.38 Business Combination**

Demerger of Marketing and Distribution of Coffee and FMCG Products Division of Continental Coffee Products Private Limited into CCL Products (India) Limited

On October 18, 2023, The Hon'ble National Company Law Tribunal (NCL T) approved the Scheme of Demerger of Marketing and Distribution of Coffee and FMCG Products Division of Continental Coffee Products Private Limited into CCL Products (India) Limited with an appointed date as October 1, 2022. Following the guidance available under Appendix C of Ind AS 103, the financial information in the financial statements in respect of prior periods has been restated from that date. Consequently, the financial information for the year ended March 31, 2023, quarter ended June 30, 2023 and September 30, 2023 were restated to give effect to this demerger.

The business combination referred to above, being a "common control" transaction, has been accounted as per 'Pooling of Interest' method as prescribed under Appendix C of Ind AS 103 – "Business Combination". In accordance with the requirements of para 9 (iii) of Appendix C to Ind AS 103, the Standalone financial statements of the Company in respect of the prior period have been restated with an appointed date as October 1, 2022, the impact of which is detailed below:

(All amounts are in INR Lakhs except share data or unless otherwise stated)

| Particulars | As at 31 March 2023 Reported | As at 31 March 2023 Restated |
|---|---|---|
| Total assets | 1,81,803.78 | 1,79,399.70 |
| Total liabilities | 1,81,803.78 | 1,79,399.70 |
| Total income | 1,37,623.59 | 1,39,671.43 |
| Total expenses | 1,17,230.65 | 1,20,044.35 |
| Profit after tax | 16,793.57 | 17,536.25 |
| Total comprehensive income | 16,806.48 | 17,549.17 |
| Cash flows from operating activities | 5,444.40 | 10,192.88 |
| Cash flows from investing activities | (3,885.27) | (5,497.68) |
| Cash flows from financing activities | (94.82) | (3,203.04) |

Capital Reserve on acquisition due to the excess of the net assets taken over against the amount paid by the Holding Company.

| Particulars | Amount |
|---|---|
| Assets taken over (A) | 8,840.40 |
| Liabilities taken over (B) | 11,417.39 |
| Net assets taken over (C = A – B) | (2,576.99) |
| Reserves of Marketing and Distribution of Coffee and FMCG Products Division of Continental Coffee Products Private Limited | (2,576.99) |
| Issue of shares to erstwhile owners (E) | 0.00 |
| Capital reserve on acquisition (F = C - D - E) | -0.00 |

## 2.39 Employee stock incentive plans

**CCL Employee Stock Option Scheme, 2022 (CCL ESOP 2022 Plan):**

The Company instituted the CCL ESOP 2022 Plan for eligible employees pursuant to the special resolution approved by the shareholders in the Annual General Meeting held on August 30, 2022. The CCL ESOP 2022 Plan covers eligible employees (excluding promoter directors) of the parent company and its subsidiaries (collectively, “eligible employees”).

The Nomination, Governance and Compensation Committee of the Board of the parent company (the “Committee”) administers the CCL ESOP 2022 Plan and grants stock options to eligible employees. The Committee determines which eligible employees will receive options, the number of options to be granted, the exercise price, the vesting period and the exercise period. The vesting period is determined for all options issued on the date of grant. The options issued under the CCL ESOP 2022 Plan vest in periods ranging between one and four years subject to a maximum period of five years from the date of grant of such options.

The company has established CCL Employee Stock Option Scheme, 2022 (CCL ESOP 2022 Plan with 5,00,000 equity shares.

The exercise price of the options is INR 2 per share. The fair value of the share options is estimated at the grant date using a Black-Scholes Method, taking into account the terms and conditions upon which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

The carrying amount of the liability at 31 March 2024 was INR 1,685.47 lacs (31 March 2023: INR 1,073.46 lacs.).

The expense recognised for employee services received during the year is shown in the following table:

| | 31 March 2024 INR lacs | 31 March 2023 INR lacs |
|---|---|---|
| Expense arising from equity-settled share-based payment transactions | 612.01 | 397.67 |
| Total expense arising from share-based payment transactions | 612.01 | 397.67 |

There were no cancellations or modifications to the awards in year ending 31 March 2024 or 31 March 2023.

**Movements during the year**
The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year

| | 31 March 2024 Number | 31 March 2023 Number |
|---|---|---|
| Options outstanding at the beginning of the year | 3,64,750* | - |
| Granted during the year | 14,610 | 2,64,750 |
| Forfeited during the year | (31,000) | - |
| Vested during the year | 1,25,075) | - |
| Exercised during the year | - | - |
| Expired during the year | - | - |
| **Options outstanding at the end of the year** | **2,54,285** | **2,64,750** |
| Exercisable at 31 March | 2,54,285 | 2,64,750 |

*The difference of 1,00,000 options between the number of options exercisable at the end of FY 2022-23 and outstanding at the beginning of FY 2023-24 is due to the grant of 1,00,000 options to Mr. Praveen Jaipuriar, CEO pursuant to the resolution passed by the Compensation Committee whereby the options granted under Continental Coffee Private Limited Employee Stock Option Plan, 2021 (CCPL ESOP Plan) were converted into 1,00,000 options under CCL Employee Stock Option Scheme – 2022 ( CCL ESOP Scheme) as contemplated in the Scheme of Arrangement between Continental Coffee Private Limited, Demerged Company and CCL Products (India) Limited, Resulting Company.

During the year a reserve was made towards outstanding of ESOPs and Share based payment expenses for the year ended 31 March 2024 of ₹ 1,685.47 lacs (31 March 2023 - ₹ 1,073.46 lacs).

The Weighted average grant date fair value of the options granted during the year ended 31 March 2024 was ₹ 548.06 per option.

(All amounts are in INR Lakhs except share data or unless otherwise stated)

The following tables list the inputs to the models used for the three plans for the years ended 31 March 2024 and 31 March 2023, respectively:

| | 31 March, 2024 | 31 March, 2023 |
|---|---|---|
| Weighted average fair values at the measurement date | INR 548.06 | INR 548.06 |
| Dividend yield (%) | 1.60% | 1.60% |
| Expected Annualized Volatility (%) | 34.91% | 34.91% |
| Risk–free interest rate (%) | 7.12% | 7.12% |
| Expected life of share options(years) | 4.00 | 4.00 |
| Weighted average share price (INR) | INR 2 | INR 2 |
| Model used | Black-Scholes Method | Black-Scholes Method |

This is the notes to standalone financial statements referred to in our report of even date.

As per our report of even date
**For RAMANATHAM & RAO**
Chartered Accountants
Firm Registration No.002934S

Sd/-
**V V LakshmiPrasanna A**
Partner
M.No.243569

Place : Hyderabad
Date : May 11, 2024

For and on behalf of the Board of Directors of
**CCL Products (India) Limited**

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

Sd/-
**Praveen Jaipuriar**
Chief Executive Officer

Sd/-
**Kata Chandrahas**
Director
DIN : 02994302

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

Sd/-
**Challa Rajendra Prasad**
Executive Chairman
DIN : 00702292

Sd/-
**Challa Srishant**
Managing Director
DIN : 00016035

**Independent Auditor's Report**

**To the Members of CCL Products (India) Limited**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of M/s. CCL Products (India) Limited (hereinafter referred to as "the Holding Company") and its subsidiaries Jayanti Pte Ltd, Singapore; Continental Coffee SA, Switzerland Ngon Coffee Company Limited, Vietnam, Continental Coffee Private Limited, India and CCL Food and Beverages Private Limited, India (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act"), in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2024,of its consolidated profit (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significant in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| **Key Audit Matter** | **Auditor's Response** |
|---|---|
| **Revenue recognition**<br><br>The Revenues of the Company consists primarily of sale of products and is recognized when control of products being sold is transferred to customer and there is no unfulfilled obligation.<br><br>Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognised when the company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such revenue recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery.<br><br>The timing of revenue recognition is relevant to the reported performance of the Group. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.<br><br>The accuracy and of revenue amounts recorded is an inherent industry risk<br><br>Disclosures relating revenue recognition are in Note 1.1 K | **<u>Principal Audit Procedures</u>**<br><br>Evaluated the effectiveness of key controls over the capture and measurement of revenue transactions across all material revenue streams Assessed the Group's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and tested thereof.<br><br>Evaluated the design, implementation and operating effectiveness of Group's controls in respect of revenue recognition.<br><br>Tested the effectiveness of such controls over revenue cut off at year-end. On a sample basis, tested supporting documentation for sales transactions recorded during the year which included sales invoices, customer contracts and shipping documents.<br><br>Performed an increased level of substantive testing in respect of sales transactions recorded during the period closer to the year end and subsequent to the year end.<br><br>Compared revenue with historical trends and where appropriate, conducted further enquiries and testing.<br><br>Assessed disclosures in financial statements in respect of revenue, as specified in Ind AS 115.<br><br>Evaluated the adequacy of the disclosures included in Note 1.1 K |

**Other Information**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Directors Report is expected to be made available to us after the date of this auditor's report.

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

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

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

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

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

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

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

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

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

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

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

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

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

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

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

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

**Other matters**

**Report on Other Legal and Regulatory Requirements**

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

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

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

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

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian 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, 2024 taken on record by the Board of Directors of the Holding Company and its subsidiary, none of the directors is disqualified as on 31st March, 2024 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 with reference to the Consolidated Financial Statements of the Holding Company and its subsidiary, which is incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company and its subsidiary, which is incorporated in India to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

i. The Group does not have any pending litigations which would impact the standalone financial statements;

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There is no amount required to be transferred to the Investor Education and Protection Fund by the Holding Company and subsidiary company incorporated in India.

iv. (a) The respective Management of the Company and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any undertaking, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Management of the Company and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any undertaking, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement

v. As stated in Note 2.10 to the consolidated financial statements:

(a) The dividend proposed in the previous year by the Holding Company, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The Board of Directors of the Holding Company have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Based on our examination, which included test checks, performed by us on the Company and its subsidiary incorporated in India, except for the instances mentioned below, have used accounting software for maintaining their respective books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of audit, we have not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiary included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

**For Ramanatham & Rao**
Chartered accountants
Firm Registration No. 002934S

Sd/-
**(V V LakshmiPrasanna A)**
Partner
Membership No. 243569
UDIN: 24243569BKDEWR1966

Place : Hyderabad
Date : May 11, 2024

**Annexure "A" to the Independent Auditor's Report**
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**Report on the Internal Financial Controls with reference to the Consolidated Financial statements 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 with reference to the Consolidated Financial statements of CCL Products (India)Limited ("the Holding Company") and its subsidiary, which is incorporated in India, as of 31st March, 2024 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Holding Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 the Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting with reference to these Consolidated Financial Statements 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 prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Consolidated Financial Statements were 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 with reference to these Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to these Consolidated Financial Statements included obtaining an understanding of internal financial controls over financial reporting with reference to these Consolidated Financial statements, 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 consolidated 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 Group's internal financial controls system over financial reporting with reference to these Consolidated Financial statements.

**Meaning of Internal Financial Controls over Financial Reporting with reference to these Consolidated Financial Statements**

A Company's internal financial control over financial reporting with reference to these Consolidated Financial Statements 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 with reference to these Consolidated Financial Statements 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 with reference to these Consolidated Financial Statements, 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 with reference to these Consolidated Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Consolidated Financial Statements 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, to the best of our information and according to the explanations given to us, the Holding Company and its Subsidiary Companies, incorporated in India have in all material respects, an adequate internal financial controls system over financial reporting with reference to these Consolidated Financial Statements and such internal financial controls over financial reporting with reference to these Consolidated Financial Statements were operating effectively as at 31stMarch, 2024, based on the internal control over financial reporting criteria established by the Holding Company and Subsidiary 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.

**Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to the two subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries.

**For Ramanatham & Rao**
Chartered accountants
Firm Registration No. 002934S

Sd/-
**(V V LakshmiPrasanna A)**
Partner
Membership No. 243569
UDIN: 24243569BKDEWR1966

Place : Hyderabad
Date : May 11, 2024

## CONSOLIDATED BALANCE SHEET AS AT 31/03/2024

(All amounts are In INR lakhs except share data or unless otherwise stated)

| Particulars | Note No. | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| (a) Property, plant and equipment | 2.1 | 1,25,023.63 | 1,25,366.82 |
| (b) Right-of-use assets | 2.1 | 128.47 | 327.43 |
| (c) Capital work-in-progress | 2.1.1 | 50,105.17 | 5,401.40 |
| (d) Other intangible assets | 2.2 | 0.82 | 0.82 |
| (e ) Financial assets | | | |
| (i) Investments | 2.3 | 0.10 | 0.10 |
| (ii) Other financial assets | 2.4 | 1,155.43 | 993.25 |
| (f) Other non current assets | 2.5 | 3,070.24 | 2,883.28 |
| | | **1,79,483.87** | **1,34,973.10** |
| Current assets | | | |
| (a) Inventories | 2.6 | 78,842.12 | 57,828.84 |
| (b) Financial assets | | | |
| (i) Trade receivables | 2.7 | 49,680.69 | 44,140.66 |
| (ii) Cash and cash equivalent | 2.8 | 16,908.52 | 8,259.92 |
| (iii) Bank balances other than (ii) above | 2.8 | 72.28 | 82.89 |
| (iv) Other financial assets | 2.4 | 449.06 | 1,032.62 |
| (c ) Other current assets | 2.5 | 28,154.68 | 13,375.27 |
| | | **1,74,107.34** | **1,24,720.20** |
| **Total assets** | | **3,53,591.20** | **2,59,693.30** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity share capital | 2.9 | 2,660.56 | 2,660.56 |
| (b) Other Equity | 2.10 | 1,64,720.68 | 1,47,068.88 |
| **Total equity attributable to equity holders of Company** | | **1,67,381.24** | **1,49,729.44** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 2.11 | 51,862.57 | 20,083.74 |
| (ii) Lease liabilities | | 101.16 | 244.23 |
| (b) Provisions | 2.16 | 329.48 | 256.97 |
| (c) Deferred tax liabilities (net) | 2.12 | 6,195.93 | 5,880.84 |
| | | **58,489.15** | **26,465.78** |
| **Current liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 2.11 | 1,10,221.37 | 71,526.24 |
| (ii) Lease liabilities | | 48.90 | 106.20 |
| (iii) Trade payables | 2.14 | | |
| - Total outstanding dues of micro and small enterprises | | 1,280.66 | 781.31 |
| " - Total outstanding dues of creditors other than micro and small enterprises" | | 8,692.74 | 6,601.63 |
| (iv) Other financial liabilities | 2.15 | 4,113.74 | 2,230.11 |
| (b) Other current liabilities | 2.13 | 2,821.49 | 1,835.58 |
| (c ) Provisions | 2.16 | 541.91 | 417.01 |
| | | **1,27,720.82** | **83,498.08** |
| **Total equity and liabilities** | | **3,53,591.20** | **2,59,693.30** |

The accompanying notes form an integral part of these consolidated financial statements.
This is the Consolidated Balance Sheet referred to in our report of even date.

As per our report of even date
**For RAMANATHAM & RAO**
Chartered Accountants
Firm Registration No.002934S

Sd/-
**V V LakshmiPrasanna A**
Partner
M.No.243569

Place : Hyderabad
Date : May 11, 2024

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

Sd/-
**Praveen Jaipuriar**
Chief Executive Officer

For and on behalf of the Board of Directors of
**CCL Products (India) Limited**

Sd/-
**Kata Chandrahas**
Director
DIN : 02994302

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

Sd/-
**Challa Rajendra Prasad**
Executive Chairman
DIN : 00702292

Sd/-
**Challa Srishant**
Managing Director
DIN : 00016035

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31/03/2024

(All amounts are In INR lakhs except share data or unless otherwise stated)

| Particulars | Note No. | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 2.17 | 2,65,370.08 | 2,07,121.60 |
| Other income | 2.18 | 631.59 | 325.58 |
| **Total Revenue** | | **2,66,001.66** | **2,07,447.18** |
| **Expenses** | | | |
| Cost of materials consumed | 2.19 | 1,62,936.55 | 1,14,047.35 |
| Changes in inventories of finished goods, stock-in-trade and work in progress | 2.20 | (7,732.80) | (1,089.34) |
| Employee benefits expense | 2.21 | 14,559.78 | 11,346.96 |
| Finance costs | 2.22 | 7,771.34 | 3,440.09 |
| Depreciation and amortization expense | 2.1 & 2.2 | 9,767.20 | 6,370.45 |
| Other expenses | 2.23 | 51,075.83 | 42,831.41 |
| **Total Expenses** | | **2,38,377.90** | **1,76,946.92** |
| **Profit before tax** | | **27,623.77** | **30,500.26** |
| **Tax expense** | | | |
| (1) Current tax | | 2,290.39 | 3,484.96 |
| (2) Deferred tax | | 325.60 | (1,381.07) |
| **Total tax expenses** | | **2,615.99** | **2,103.89** |
| **Profit for the year** | | **25,007.77** | **28,396.37** |
| Other Comprehensive Income ('OCI') | | | |
| (i) Items that will not be reclassified subsequently to profit or loss | | | |
| - Re-measurement gains/(losses) on defined benefit plans | | (105.57) | (63.12) |
| - Income tax effect on the above | | 36.89 | 22.05 |
| (ii) Items that will be reclassified subsequently to profit or loss | | | |
| - Effective portion of changes in fair value of cashflow hedges,net | | (25.78) | 82.97 |
| "- Exchange differences on translating the financial statements of a foreign operation" | | (1,376.97) | 2,504.49 |
| - Income tax effect on the above | | 9.01 | (28.99) |
| **Total other comprehensive income/(loss) for the year, net of tax** | | **(1,462.43)** | **2,517.41** |
| **Total comprehensive income for the year** | | **23,545.35** | **30,913.77** |
| **Profit for the period attributable to:** | | | |
| Owners of the Company | | 25,007.77 | 28,396.37 |
| Non-controlling interests | | - | - |
| | | **25,007.77** | **28,396.37** |
| Other Comprehensive Income attributable to: | | | |
| Owners of the Company | | (1,462.43) | 2,517.41 |
| Non-controlling interests | | - | - |
| | | **(1,462.43)** | **2,517.41** |
| Total Comprehensive Income attributable to: | | | |
| Owners of the Company | | 23,545.35 | 30,913.77 |
| Non-controlling interests | | - | - |
| | | **23,545.35** | **30,913.77** |
| Earnings per equity share (EPES) | | | |
| Basic earnings per share (in absolute ₹ terms) | | 18.80 | 21.35 |
| Diluted earnings per share (in absolute ₹ terms) | | 18.76 | 21.35 |
| Nominal value per equity share (in absolute ₹ terms) | | 2.00 | 2.00 |

The accompanying notes form an integral part of these consolidated financial statements.
This is the Consolidated Balance Sheet referred to in our report of even date

As per our report of even date
**For RAMANATHAM & RAO**
Chartered Accountants
Firm Registration No.002934S

Sd/-
**V V LakshmiPrasanna A**
Partner
M.No.243569

Place : Hyderabad
Date : May 11, 2024

For and on behalf of the Board of Directors of
**CCL Products (India) Limited**

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

Sd/-
**Praveen Jaipuriar**
Chief Executive Officer

Sd/-
**Kata Chandrahas**
Director
DIN : 02994302

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

Sd/-
**Challa Rajendra Prasad**
Executive Chairman
DIN : 00702292

Sd/-
**Challa Srishant**
Managing Director
DIN : 00016035

## Statement of changes in equity

**Statement of changes in equity for the period ended 31.03.2024** (All amounts are in INR Lakhs except share data or unless otherwise stated)

| Equity share capital | Opening balance as at 1 Apr 2023 | Changes in equity share capital during the year | Closing balance as at 31 Mar 2024 |
|---|---|---|---|
| 133027920 Equity Shares of ₹ 2 each, fully paid up | 266055840 | - | 266055840 |
| | **266055840** | | **266055840** |

| Equity share capital | Opening balance as at 1 Apr 2022 | Changes in equity share capital during the year | Closing balance as at 31 Mar 2023 |
|---|---|---|---|
| 133027920 Equity Shares of ₹ 2 each, fully paid up | 266055840 | - | 266055840 |
| | **266055840** | **-** | **266055840** |

(All amounts are In INR lakhs except share data or unless otherwise stated)

| | Reserves and surplus | | | Items of Other comprehensive income | | | |
|---|---|---|---|---|---|---|---|
| **Particulars** | **Retained earnings** | **General reservice** | **Share-based payment reserve** | **Acturial Gains or Losses** | **Derivative at Fair Value** | **Foreign Currency translation** | **Total Equity** |
| **Balance as at 1 April 2023** | **1,08,332.61** | **28,820.70** | **1,073.46** | **(228.95)** | **(3.21)** | **9,074** | **1,47,068.89** |
| Profit for the year | 25,007.77 | - | - | - | - | | 25,007.77 |
| Additions during the year | - | | | | | (1,376.97) | (1,376.97) |
| Dividend paid | (6,651.40) | - | - | - | - | - | (6,651.40) |
| Measurement of derivatives at fair value | - | - | - | | (25.78) | - | (25.78) |
| Actuarial gain/(loss) on post-employment benefit obligations, net of tax benefit | - | - | - | 86.17 | - | - | 86.17 |
| Share based payment expense | - | | 612.01 | - | - | - | 612.01 |
| **Balance as at 31 March 2024** | **1,26,688.98** | **28,820.70** | **1,685.47** | **(142.78)** | **(28.99)** | **7,697.30** | **1,64,720.68** |

| | Reserves and surplus | | | Items of Other comprehensive income | | | |
|---|---|---|---|---|---|---|---|
| **Particulars** | **Retained earnings** | **General reservice** | **Share-based payment reserve** | **Acturial Gains or Losses** | **Derivative at Fair Value** | **Foreign Currency translation** | **Total other Equity** |
| **Balance as at 1 April 2022** | **86,587.63** | **28,820.70** | **675.79** | **(187.89)** | **(57.19)** | **6,569.79** | **1,22,408.83** |
| Profit for the year | 28,396.37 | - | - | - | - | - | 28,396.37 |
| Additions during the year | - | - | - | - | - | 2,504.49 | 2,504.49 |
| Dividend paid | (6,651.40) | - | - | - | - | - | (6,651.40) |
| Measurement of derivatives at fair value | - | - | - | - | 53.98 | - | 53.98 |
| Actuarial gain/(loss) on post-employment benefit obligations, net of tax benefit | - | - | - | (41.06) | - | - | (41.06) |
| Share based payment expense | - | - | 397.67 | - | - | - | 397.67 |
| **Balance as at 31 March 2023** | **1,08,332.61** | **28,820.70** | **1,073.46** | **(228.95)** | **(3.21)** | **9,074.28** | **1,47,068.88** |

**Nature and purpose of reserves**

**Retained eanings**

"The balance in the retained earnings primarily represents the surplus after payment of dividend and transfer to reserves."

**General reserve**

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

**Re-measurement gains/ (losses) on defined benefit plans**

Remeasurements of the net defined benefits plan reserve comprises the cumulative net gains/ (losses) on actuarial valuation of post-employment obligations.

**Cash flow hedge reserve**

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to statement of profit and loss in the period in which the hedged transaction occurs .

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31/03/2024

(All amounts are In INR lakhs except share data or unless otherwise stated)

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| **Profit before tax** | **27,623.77** | **30,500.26** |
| **Adjustments for :** | | |
| Depreciation and amortization expenses | 9,767.20 | 6,370.45 |
| Provision for expected credit losses | 387.98 | 208.10 |
| Interest income | (49.70) | (14.35) |
| Finance cost | 7,771.34 | 3,440.09 |
| Foreign exchange loss/(gain), net | (1,716.60) | (1,335.11) |
| Share based payments to employees | 612.01 | 397.67 |
| **Operating profit before working capital changes** | **44,395.99** | **39,567.11** |
| **Movements in working capital:** | | |
| Changes in trade receivables | (4,211.41) | (11,058.34) |
| Changes in other financial assets | 404.61 | (679.31) |
| Changes in inventories | (21,013.28) | (5,914.80) |
| Changes in other current assets | (16,474.67) | (4,080.57) |
| Changes in other non current assets | 87.71 | (0.00) |
| Changes in trade payables | 2,590.46 | 2,816.42 |
| Changes in other financial liabilities | 788.30 | (219.56) |
| Changes in other current liabilities and provisions | 1,870.09 | 397.14 |
| | **(35,958.19)** | **(18,739.03)** |
| **Cash flows generated from operating activities** | **8,437.80** | **20,828.08** |
| Income-taxes paid | (2,900.00) | (3,500.00) |
| **Net cash flows generated from operating activities** | **5,537.80** | **17,328.08** |
| **Cash flows from investing activities** | | |
| Purchase of Property, plant and equipment (Including CWIP) and advance for capital goods and capital creditors | (51,327.12) | (33,226.38) |
| Interest income | 49.70 | 14.35 |
| Movement in other bank balances | (85.76) | (2.50) |
| **Net cash flows used in investing activities** | **(51,363.19)** | **(33,214.53)** |
| **Cash flows from financing activities** | | |
| Proceeds from non current borrowings | 48757.36 | 16768.41 |
| Repayment of non current borrowings | (7856.78) | (8984.82) |
| Proceeds from current borrowings | 29,573.49 | 18,751.21 |
| Repayment of principle lease liabilities | (200.37) | (79.52) |
| Interest paid | (7,771.34) | (3,440.09) |
| Dividend paid | (6,651.40) | (6,651.40) |
| **Net cash flows (used) in/from financing activities** | **55,850.95** | **16,363.80** |
| Net change in cash and cash equivalents | 10,025.56 | 477.33 |
| Cash and cash equivalents at the beginning of the year | 8,259.92 | 5,278.10 |
| Effect of currency translation adjustment | (1,376.97) | 2,504.49 |
| **Cash and cash equivalents at the end of the year** | **16,908.52** | **8,259.92** |
| **Cash and Cash Equivalents include the following for Cash flow purpose** | | |
| | **31 March 2024** | **31 March 2023** |
| **Cash and Cash Equivalents/ Bank Balances** | **16,980.79** | **8,342.81** |
| Less: Other bank balances (Restricted use) | 72.28 | 82.89 |
| **Cash and Cash Equivalents/ Bank Balances** | **16,908.52** | **8,259.92** |

As per our report of even date
**For RAMANATHAM & RAO**
Chartered Accountants
Firm Registration No.002934S

Sd/-
**V V LakshmiPrasanna A**
Partner
M.No.243569

Place : Hyderabad
Date : May 11, 2024

For and on behalf of the Board of Directors of
**CCL Products (India) Limited**

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

Sd/-
**Kata Chandrahas**
Director
DIN : 02994302

Sd/-
**Challa Rajendra Prasad**
Executive Chairman
DIN : 00702292

Sd/-
**Praveen Jaipuriar**
Chief Executive Officer

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

Sd/-
**Challa Srishant**
Managing Director
DIN : 00016035

## 1. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**Summary of material accounting policies and other explanatory information**

**All amounts in ₹ lakhs unless otherwise stated**

### 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 and Coffee related products. The Company has business operations mainly in India, Vietnam and Switzerland. 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

**a) Statement of compliance**

The Consolidated Financial Statements of CCL Products (India) Limited ("CCL" or "the Company") along with its subsidiaries (collectively termed as "group" or "the consolidated entities") have been prepared and presented in accordance with and in compliance, in all material aspects, with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") read along with the Companies (Indian Accounting Standards) Rules, 2015 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, and as amended from time to time together with the comparative period data as at and for the year ended March 31, 2023.

These consolidated financial statements have been prepared by the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date, March 31, 2024. These financial statements for the year ended March 31, 2024 were approved by the Company's Board of Directors on May 11, 2024.

### 1.3 Basis of Measurement

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

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

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

c) Long-term borrowings, except obligations under finance leases, are measured at amortized cost using the effective interest rate method.

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

**1.4 Current and non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/ 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 and Ind AS 1, presentation of financial statements.

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

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

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

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

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

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

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

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

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

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

Current assets/ liabilities include the current portion of 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.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**1.5 Functional and Presentation Currency**

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

**1.6 Fair value measurement**

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Ind AS financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Ind AS financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for sale in discontinued operations.

External valuers are involved, wherever considered necessary. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

**1.7 Significant accounting judgements, estimates, and assumption**

The preparation of the 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 Judgement are :

**Property, plant and equipment**

The depreciation of property, plant and equipment is derived on determining of an asset's expected useful life and the expected residual value at the end of its life. The residual values of Company's assets are determined by management at the time of acquisition of asset and is reviewed periodically, including at each financial year end.

**Impairment of financial and non-financial assets**

Significant management judgement is required to determine the amounts of impairment loss on the financial and nonfinancial assets. The calculations of impairment loss are sensitive to underlying assumptions.

**Tax provisions and contingencies**

Significant management judgement is required to determine the amounts of tax provisions and contingencies. Deferred tax assets are recognised for unused tax losses and MAT credit entitlements to the extent it is probable that taxable profit will be available against which these losses and credit entitlements can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**Defined benefit plans**

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuation. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

**Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using internal valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**2. Summary of material accounting policies**

On 31 March 2023, the Ministry of Corporate Affairs notified Companies (Indian Accounting Standards) Amendment Rules, 2023 amending the Companies (Indian Accounting Standards) Rules, 2015. The amendments come into force with effect from 1 April 2023, i.e., Financial Year 2023-24. One of the major changes is in Ind AS 1 'Preparation of Financial Statements, which requires companies to disclose in their financial statements 'material accounting policies' as against the erstwhile requirement to disclose 'significant accounting policies'. The word 'significant' is substituted by 'material'.

Accounting policy information is expected to be material if users of an entity's financial statements would need it to understand other material information in the financial statements.

The Company applied the guidance available under paragraph 117B of Ind AS 1, Presentation of Financial Statements in evaluating the material nature of the accounting policies.

The following are the material accounting policies for the Company:

**A) Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and entities controlled by the Company and its subsidiaries as at March 31, 2024.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

- Exposure, or rights, to variable returns from its involvement with the investee, and

- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

**Consolidation procedure:**

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income are attributed to the equity holder of the parent of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- De-recognises the carrying amount of any non-controlling interests
- De-recognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities

**Details of entities controlled by the company are as under :**

| Name of Enterprise | Country of Incorporation | Nature of Business | Shareholding/ Controlling interest |
|---|---|---|---|
| Jayanti Pte Limited | Singapore | Investment Vehicle | 100% |
| Ngon Coffee Company Limited | Vietnam | Manufacturing of Instant Coffee | 100% |
| Continental Coffee Private Limited | India | Trading of Instant Coffee | 100% |
| Continental Coffee SA | Switzerland | Manufacturing of Instant Coffee | 100% |
| CCL Food & Beverages Private Limited | India | Manufacturing of Instant Coffee | 100% |

**Business combinations and goodwill**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.

- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss in accordance with Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

**B) Foreign Currency Transaction**

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date, the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the initial transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income (“OCI”) or profit or loss are also recognised in OCI or profit or loss, respectively).

**C) Property Plant & Equipment**

**Recognition and measurement**

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

**Directly attributable costs include:**

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

b) Cost of Site Preparation.

c) Initial Delivery & Handling costs.

d) Professional Fees and

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

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

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

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

**Depreciation**

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

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

The estimated useful lives are as follows:

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

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

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

**D) 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 benefit 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 in years |
|---|---|
| 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.

**E) Financial Instruments**

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

**a. Financial assets**

**Initial recognition and measurement**

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

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)

- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL);
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost, if both of the following conditions are met: (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and (ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

**Debt instrument at FVTOCI**

A 'debt instrument' is classified as FVTOCI, if both of the following criteria are met: (i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and (ii) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Company recognizes interest income, impairment losses and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

**Equity Instruments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. If the Company decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

**De-recognition**

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

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

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass- through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also 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 Financial Assets**

The company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired.

In accordance with Ind AS 109, the company uses "Expected Credit Loss" (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL). Expected credit losses are measured through a loss allowance at an amount equal to

- The 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date);

- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

The company follows simplified approach for recognition of impairment loss allowance on trade receivables and under the simplified approach, the company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL at each reporting date right from its initial recognition. The company uses a provision matrix to determine impairment loss allowance on trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated

For other assets, the company uses 12-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

**b. Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value i.e., loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification.

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to the statement of profit and loss.

However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

**Loans and borrowings**

Borrowings is the category most relevant to the Company. After initial recognition, interest-bearing 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 amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

**De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**Reclassification of financial assets and liabilities**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no re-classification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a re-classification is made only if there is a change in the business model for managing those assets. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the re-classification prospectively from the re-classification date, which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**Derivative financial instruments and hedging activities:**

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

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

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

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

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

**(a) Fair value hedge**

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

**(b) Cash flow hedge**

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

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

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

**F) Cash & Cash Equivalents**

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

**G) Inventories**

Inventories are valued at the lower of cost and net realisable value.

Inventories consist of raw materials, stores and spares, work-in-progress and finished goods are measured at the lower of cost and net realizable value.

The cost of all categories of inventories is based on the weighted average method.

Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity. Stores and spares, that do not qualify to be recognized as property, plant and equipment, consists of packing materials, engineering spares (such as machinery spare parts) and consumables which are used in operating machines or consumed as indirect materials in the manufacturing process.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

**H) 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 inflow of other assets or groups of assets (the "cash-generating unit").

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the entity operates, or for the market in which the asset is used.

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.

**Reversal of Impairment of Assets**

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.

**l) Employee Benefits**

**a) Short term employee benefits**

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

**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.

**b) 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 of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market interest rates on government bonds are used. 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 the statement of profit and loss.

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 for defined benefit obligation and plan assets are recognized in OCI in the period in which they arise. When the benefits under a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The group recognises gains or losses on the settlement of a defined benefit plan obligation when the settlement occurs.

**c) 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.

**d) 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.

**e) Compensated absences**

The Company's current policies permit certain categories of its employees to accumulate and carry forward a portion of their unutilised compensated absences and utilise them in future periods or receive cash in lieu thereof in accordance with the terms of such policies. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company incurs as a result of the unused entitlement that has accumulated at the reporting date. Such measurement is based on actuarial valuation as at the reporting date carried out by a qualified actuary.

**f) Share-based payments**

Employees of the group receive remuneration in the form of Share-based payments, whereby employees render services as consideration for equity instruments.

**Equity-settled transactions**

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using Black Scholes valuation model.

That cost is recognized, together with a corresponding increase in share- based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The Statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

**J) Provisions, Contingent Liabilities and Contingent Assets**

**Provisions**

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

**Contingent liabilities**

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

**Contingent assets**

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

**K) Revenue Recognition**

**Revenue from contracts with customers**

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

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

**L) Other Income**

**Interest Income**

Interest Income mainly comprises of dividend and 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.

**Dividend**

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

**Government Grants**

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

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

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

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

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

**M) 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 cost also include Exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

**N) Tax Expenses**

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in Other comprehensive income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities and assets are recognized for all taxable temporary differences and deductible temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the Company will pay normal income tax during the specified year, i.e., the year for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

**Goods and Service Tax (GST) paid on acquisition of assets or on incurring expenses**

When the tax incurred on purchase of assets or services is not recoverable from the taxation authority, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable. Otherwise, expenses and assets are recognized net of the amount of taxes paid. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

**O) Leases**

The group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**The group as a lessee**

The group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**Right-of-use assets**

The group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section of Impairment of non-financial assets.

**Lease liabilities**

At the commencement date of the lease, the group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the group and payments of penalties for terminating the lease, if the lease term reflects the Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily, determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The group's lease liabilities are included in Borrowings.

**Short-term leases and leases of low-value assets**

The group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### P) Earnings Per Share

**Basic 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.

**Diluted earnings per share**

Diluted earnings per share is computed by dividing the profit (considered in determination of basic earnings per share) after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share adjusted for the weighted average number of equity shares that would have been issued upon conversion of all dilutive potential equity shares.

### Q) Trade receivables

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

### R) 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.

### S) Determination of fair values

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

**i. Property, plant and equipment**

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

**ii. Intangible assets**

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

**iii. Inventories**

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

**iv. Investments in equity and debt securities and units of mutual funds**

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

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

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

**v. Derivatives**

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

**vi. Non-derivative financial liabilities**

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

**T) New standards adopted by the group**

**Ind AS 1 – Presentation of Restated financial information**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its Consolidated financial statement.

**Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group does not expect this amendment to have any significant impact in its Consolidated financial statements.

**Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in Restated financial information to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its Consolidated financial statements.

**R) New Accounting pronouncements**

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

## 2.1: Property, plant and equipment & Right-of-use assets

(All amounts are In INR lakhs except share data or unless otherwise stated)

| Particulars | Land | Buildings | Plant and Machinery | Lab equipment | Material handling equipment | Vehicles | Computers | Office equipment | Furniture & Fixtures | Total | Right of use of Assets |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Deemed carrying amount** | | | | | | | | | | | |
| **Balance as at 01 April 2022** | **3,853.59** | **26,660.13** | **81,485.18** | **321.53** | **68.05** | **921.13** | **265.55** | **483.55** | **107.51** | **1,14,166.22** | **451.69** |
| Additions during the year | 490.79 | 10,789.71 | 29,574.59 | 9.49 | 2.63 | 964.51 | 115.24 | 237.95 | 304.38 | 42,489.29 | - |
| Exchange differences on translation of foreign operations | 113.25 | 822.69 | 2,012.18 | 0.00 | 0.00 | 3.89 | 0.00 | 4.41 | 9.06 | 2,965.48 | - |
| Disposals / adjustments during the year | - | - | (9.33) | - | - | (14.62) | - | (2.58) | - | (26.53) | - |
| **Balance as at 31 March 2023** | **4,457.63** | **38,272.53** | **1,13,062.62** | **331.02** | **70.68** | **1,874.91** | **380.79** | **723.33** | **420.95** | **1,59,594.46** | **451.69** |
| Additions during the year | - | 3,430.32 | 6,260.24 | - | 24.67 | 282.72 | 731.72 | 117.87 | 85.43 | 10,932.97 | - |
| Exchange differences on translation of foreign operations | 36.96 | (276.00) | (2,124.65) | - | - | (3.12) | - | (2.19) | 2.96 | (2,366.04) | - |
| Disposals / adjustments during the year | - | - | (138.10) | - | - | (114.08) | (16.71) | (28.36) | (5.43) | (302.69) | - |
| **Balance as at 31 March 2024** | **4,494.59** | **41,426.85** | **1,17,060.11** | **331.02** | **95.35** | **2,040.43** | **1,095.80** | **810.65** | **503.91** | **1,67,858.70** | **451.69** |
| **Accumulated depreciation** | | | | | | | | | | | |
| **Up to 01 April 2022** | **-** | **3,716.17** | **21,553.91** | **93.31** | **40.86** | **449.96** | **164.73** | **305.52** | **44.21** | **26,368.67** | **26.48** |
| Charge for the year | - | 1,126.21 | 4,776.83 | 38.50 | 9.69 | 160.43 | 53.53 | 85.62 | 21.19 | 6,272.00 | 97.78 |
| Exchange differences on translation of foreign operations | - | 302.46 | 1,278.52 | - | - | 3.91 | - | 4.85 | 7.74 | 1,597.48 | - |
| Deletions/Disposals | - | - | (0.34) | - | - | (7.59) | - | (2.58) | - | (10.51) | - |
| **Up to 31 March 2023** | **-** | **5,144.84** | **27,608.92** | **131.81** | **50.55** | **606.71** | **218.26** | **393.41** | **73.14** | **34,227.64** | **124.26** |
| Charge for the year | - | 1,364.74 | 7,633.17 | 38.86 | 12.33 | 220.16 | 137.52 | 109.20 | 52.26 | 9,568.24 | 198.96 |
| Exchange differences on translation of foreign operations | - | (85.77) | (699.84) | - | - | (3.55) | - | (2.72) | 2.55 | (789.33) | - |
| Deletions/Disposals | - | - | (17.29) | - | - | (104.31) | (15.73) | (16.74) | (17.42) | (171.49) | - |
| **Up to 31 March 2024** | **-** | **6,423.81** | **34,524.96** | **170.67** | **62.88** | **719.01** | **340.05** | **483.15** | **110.53** | **42,835.06** | **323.22** |
| **Net book value** | | | | | | | | | | | |
| **As at 31 March 2024** | **4,494.59** | **35,003.04** | **82,535.15** | **160.35** | **32.47** | **1,321.42** | **755.75** | **327.50** | **393.38** | **1,25,023.63** | **128.47** |
| **As at 31 March 2023** | **4,457.63** | **33,127.69** | **85,453.70** | **199.21** | **20.13** | **1,268.20** | **162.53** | **329.92** | **347.81** | **1,25,366.82** | **327.43** |

Notes:

(i) Title Deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(ii) The Company has not revalued its Property, Plant and Equipment (including Right-of Use Assets).

(All amounts are In INR lakhs except share data or unless otherwise stated)

**2.1.1 Capital work in progress**

| Particulars | | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|---|
| (i) | **Ageing schedule of capital work-in-progress (CWIP)** | | |
| | **Projects in progress** | | |
| | < 1 Year | 50,105.17 | 4,638.90 |
| | 1-2 Years | - | 762.50 |
| | 2-3 Years | - | - |
| | >3 Years | - | - |
| | **Projects in progress (total)** | **50,105.17** | **5,401.40** |
| | Projects temporarily suspended | | |

(ii) The Company does not have any material CWIP which is overdue or has exceeded its cost compared to its original plan and hence the disclosure of CWIP completion schedule is not applicable.

**2.2 Other intangible assets**

| Particulars | Computer software | Total |
|---|---|---|
| **Gross carrying value** | | |
| **Balance as at 01 April 2022** | **13.53** | **13.53** |
| Additions during the year | - | - |
| Disposals / adjustments during the year | - | - |
| **Balance as at 31 March 2023** | **13.53** | **13.53** |
| Additions during the year | - | - |
| Disposals / adjustments during the year | - | - |
| **Balance as at 31 March 2024** | **13.53** | **13.53** |
| **Accumulated depreciation** | | |
| **Up to 01 April 2022** | **12.71** | **12.71** |
| Charge for the year | - | - |
| Deletions/Disposals | - | - |
| **Up to 31 March 2023** | **12.71** | **12.71** |
| Charge for the year | - | - |
| Deletions/Disposals | - | - |
| **Up to 31 March 2024** | **12.71** | **12.71** |
| **Net book value** | | |
| **As at 31 March 2024** | **0.82** | **0.82** |
| **As at 31 March 2023** | **0.82** | **0.82** |

(All amounts are In INR lakhs except share data or unless otherwise stated)

## 2.3 Non Current Investments

*In equity instruments*

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **In other companies (unquoted) - measured at fair value through other comprehensive income** | | |
| Coffee Futures Exchange India Ltd | 0.10 | 0.10 |
| 1 ( 31 March 2023 : 1 ) equity share value of Rs.10,000/- each) | | |
| | **0.10** | **0.10** |
| Aggregate value of unquoted investments | 0.10 | 0.10 |
| Aggregate amount of impairment in value of investments | - | - |

## 2.4 Other Financial Assets

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **(i) Non-current** | | |
| **Unsecured,considered good** | | |
| Rental deposits | 102.31 | 93.92 |
| Electricity and other security deposits | 778.45 | 899.33 |
| Margin money deposit accounts (against bank guarantees) more than 12 months maturity | 274.67 | - |
| | **1,155.43** | **993.25** |
| **(ii) Current** | | |
| **Unsecured,considered good** | | |
| Other receivables | 355.96 | 765.84 |
| Interest receivables | 93.10 | 77.87 |
| Margin money deposit accounts (against bank guarantees) more than 12 months maturity | - | 188.91 |
| | **449.06** | **1,032.62** |

## 2.5 Other Assets

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **(i) Non-current** | | |
| **Unsecured, considered good** | | |
| Deposits with statutory authorities | 2,883.28 | 2,883.28 |
| Balances with government authorities | 186.96 | - |
| | **3,070.24** | **2,883.28** |
| **(ii) Current** | | |
| Advance tax (net of provision for tax) | 531.32 | - |
| Advances to employees | 55.67 | 516.14 |
| Prepaid expenses | 390.24 | 290.31 |
| Input tax and other taxes receivables | 8,065.75 | 5,388.50 |
| Advance to suppliers | 267.20 | 1,444.69 |
| Advances for capital assets | 3,130.85 | 4,637.21 |
| Other receivables | 15,713.64 | 1,098.44 |
| | **28,154.68** | **13,375.27** |

(All amounts are In INR lakhs except share data or unless otherwise stated)

### 2.6 Inventories

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Raw materials | 49,550.75 | 33,904.68 |
| Work-in-progress | 2,194.82 | 1,681.15 |
| Finished goods | 19,047.18 | 14,140.49 |
| Stores, spares and consumables | 5,327.61 | 4,483.19 |
| Packing materials | 2,721.76 | 3,619.35 |
| | **78,842.12** | **57,828.84** |

### 2.7 Trade receivables

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| considered good-unsecured | 50,292.61 | 44,348.12 |
| considered good-unsecured, disputed | - | 85.50 |
| Less:Allowance for expected credit loss | (611.93) | (292.96) |
| | **49,680.69** | **44,140.66** |

**(a) Trade receivables ageing:**

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Undisputed outstanding for following periods from due date of payment | | |
| (i) Not due | 47,703.08 | 36,872.55 |
| (ii) Less than 6 months | 1,255.94 | 5,832.77 |
| (iii) 6 months - 1 year | 141.41 | 504.43 |
| (iv) 1 - 2 years | 790.02 | 308.77 |
| (v) 2 - 3 years | 385.57 | 407.69 |
| (vi) More than 3 years | 16.60 | 421.91 |
| Disputed Trade receivables - considered good | | |
| (i) More than 3 Years | - | 85.50 |
| | **50,292.61** | **44,433.62** |

**(b) Movement in the allowance for trade receivables for the period ended 31 March 2024 and 31 March 2023 is as follows:**

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Opening balance at beginning of the year | 292.96 | 154.59 |
| Provision made/(reversed) during the year | 318.96 | 138.37 |
| Bad debts written off during the year | - | - |
| **Closing balance at end of the year** | **611.93** | **292.96** |

(All amounts are In INR lakhs except share data or unless otherwise stated)

## 2.8 Cash and cash Equivalents

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **(a) Cash and cash equivalents** | | |
| i) Cash on hand | 14.31 | 16.22 |
| ii) Balances with banks | | |
| - In current accounts | 16,894.20 | 8,243.70 |
| | **16,908.52** | **8,259.92** |
| **(b) Bank balances other than cash and cash equivalents** | | |
| (i) Unclaimed dividend account | 72.28 | 82.89 |
| | **72.28** | **82.89** |

## 2.9 Equity share capital

| Particulars | 31 March 2024 | | 31 March 2023 | |
|---|---|---|---|---|
| | No. of shares | Amount | No. of shares | Amount |
| **Authorized Share Capital** | | | | |
| Equity shares of ₹2 each (31 March 2023: Equity shares of ₹2 each) | 15,05,00,000 | 3,010.00 | 15,05,00,000 | 3,010.00 |
| Issued, subscribed and fully paid up Equity shares of ₹2 each (31 March 2023: Equity shares of ₹2 each) | 13,30,27,920 | 2,660.56 | 13,30,27,920 | 2,660.56 |
| | **13,30,27,920** | **2,660.56** | **13,30,27,920** | **2,660.56** |

**(i) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year:**

| Equity shares of ₹2 each (31 March 2023: Equity shares of ₹2 each) | 31 March 2024 | | 31 March 2023 | |
|---|---|---|---|---|
| | No. of shares | Amount | No. of shares | Amount |
| Balance at the beginning of the year | 13,30,27,920 | 2,660.56 | 13,30,27,920 | 2,660.56 |
| Add : Shares issued during the year | - | - | - | - |
| less: shares buy backed during the year | - | - | - | - |
| **Balance at the end of the year** | **13,30,27,920** | **2,660.56** | **13,30,27,920** | **2,660.56** |

**(ii) Details of shareholders holding more than 5% shares in the Company:**

| Name of the equity shareholders | 31 March 2024 | | 31 March 2023 | |
|---|---|---|---|---|
| | No. of shares | % Holding | No. of shares | % Holding |
| Challa Rajendra Prasad | 1,33,76,759 | 10.06% | 1,33,76,759 | 10.06% |
| Challa Shantha Prasad | 3,20,38,520 | 24.08% | 1,85,65,334 | 13.96% |
| Challa Soumya | - | 0.00% | 1,34,73,186 | 10.13% |
| Challa Srishant | 1,41,15,723 | 10.61% | 1,41,15,723 | 10.61% |
| Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Capital Builder Fund – Series 4 | 79,30,707 | 5.96% | 72,34,610 | 5.44% |

(All amounts are In INR lakhs except share data or unless otherwise stated)

**(iii) Details of shareholding of promoters:**

| Name of promoter | 31 March 2024 | | 31 March 2023 | | % Change during the year |
|---|---|---|---|---|---|
| | No. of shares | % Holding | No. of shares | % Holding | |
| Challa Rajendra Prasad | 1,33,76,759 | 10.06% | 1,33,76,759 | 10.06% | 0.00% |
| Challa Shantha Prasad | 3,20,38,520 | 24.08% | 1,85,65,334 | 13.96% | 10.13% |
| Challa Soumya | - | 0.00% | 1,34,73,186 | 10.13% | -10.13% |
| Challa Srishant | 1,41,15,723 | 10.61% | 1,41,15,723 | 10.61% | 0.00% |
| Challa Ajitha | 10,09,390 | 0.76% | 10,09,390 | 0.76% | 0.00% |
| B. Mohan Krishna | 10,00,000 | 0.75% | 10,00,000 | 0.75% | 0.00% |

**(iv) 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. Payment of dividend is also made in foreign currency to shareholders outside India. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, all preferential amounts, if any, shall be discharged by the Company. The remaining assets of the Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date.

**2.10 Other Equity**

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **Retained Earnings** | | |
| Opening balance | 1,08,332.61 | 86,587.63 |
| Add: Current year transfer | 25,007.77 | 28,396.37 |
| Less: Dividend paid | (6,651.40) | (6,651.40) |
| **Total** | **1,26,688.98** | **1,08,332.61** |
| **General Reserve** | | |
| Opening balance | 28,820.70 | 28,820.70 |
| Add: Current year transfer | - | - |
| Less: Written back in current year | - | - |
| **Total** | **28,820.70** | **28,820.70** |
| **Foreign Currency Translation Reserve** | | |
| Opening Balance | 9,074.28 | 6,569.79 |
| Add: Current year Transfer | (1,376.97) | 2,504.49 |
| Less: Written Back in Current year | - | - |
| **Total** | **7,697.30** | **9,074.28** |

(All amounts are In INR lakhs except share data or unless otherwise stated)

| | | |
|---|---|---|
| **Acturial Gains or Losses (OCI)** | | |
| Opening balance | (228.95) | (187.89) |
| Add: Current year transfer | 86.17 | (41.06) |
| Less: Written back in current year | 0 | 0 |
| **Total** | **(142.78)** | **(228.95)** |
| **Measurement of Derivative instrument at fair value (OCI)** | | |
| Opening balance | (3.21) | (57.19) |
| Add: Current year transfer | - | 53.98 |
| Less: Written Back in Current year | (25.78) | - |
| **Total** | **(28.99)** | **(3.21)** |
| **Share options outstanding account** | | |
| Opening balance | 1,073.46 | 675.79 |
| Add: Current year transfer | 612.01 | 397.67 |
| **Total** | **1,685.47** | **1,073.46** |
| **Total Other Equity** | **1,64,720.68** | **1,47,068.88** |

### 2.11 Borrowings

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **(i) Non-current** | | |
| Secured | | |
| Term loans from banks | 51,862.57 | 20,083.74 |
| | **51,862.57** | **20,083.74** |
| **(ii) Current** | | |
| Secured | | |
| Loans repayable on demand from banks | 1,01,099.73 | 63,669.46 |
| Current maturities of long term borrowings | 9,121.64 | 7,856.78 |
| | **1,10,221.37** | **71,526.24** |

(All amounts are In INR lakhs except share data or unless otherwise stated)

| Bank name | Currency | Sanctioned Amount | Rate of Interest (31.03.2024 Int Rate) | Security | Repayment terms | Amount Outstanding as on 31.03.2024 |
|---|---|---|---|---|---|---|
| HDFC Bank Ltd | INR Rs. in lakhs | 32000.00 | 8.68% | first pari passu charge on movable assets | Repayment in 16 instalments Quarterly from December 2024 | 23643.00 |
| | | | | | | |
| HSBC | USD in Mn | 20.00 | 7.1428% | first pari passu charge on movable assets | Repayment in 14 instalments Quarterly from June 2024 | 20.00 |
| | | | | | | |
| HSBC | USD in Mn | 15.00 | 6.7257% | first pari passu charge on movable assets | Repayment in 15 instalments Quarterly from January 2025 | 15.00 |

**2.12 Deferred tax liabilities, net**

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Property, plant and equipment | 10,774.89 | 7,829.94 |
| MAT Credit available | (4,226.92) | (1,623.93) |
| Provision for employee benefits | (228.30) | (228.30) |
| Provision for expected credit losses | (1.96) | (13.51) |
| 80JJAA deduction | (56.43) | (65.10) |
| Others | (65.36) | (18.27) |
| | **6,195.93** | **5,880.84** |

The following is the analysis of deferred tax assets/(liabilities), net, recognised in the Standalone Statement of profit and loss ("SPL") and OCI:

| | As at 01 April 2023 | Charged / (credited) to SPL | Charged / (credited) to OCI | As at 31 March 2024 |
|---|---|---|---|---|
| Property, plant and equipment | 7,829.94 | 2,944.95 | - | 10,774.89 |
| MAT Credit available | (1,623.93) | (2,602.99) | - | (4,226.92) |
| Provision for employee benefits | (228.30) | 45.90 | (45.90) | (228.30) |
| Provision for expected credit losses | (13.51) | 11.55 | - | (1.96) |
| 80JJAA deduction | (65.10) | 8.67 | - | (56.43) |
| Others | (18.27) | (82.49) | - | (65.36) |
| | **5,880.84** | **325.60** | **(45.90)** | **6,195.93** |

(All amounts are In INR lakhs except share data or unless otherwise stated)

| | As at 01 April 2022 | Charged / (credited) to SPL | Charged / (credited) to OCI | As at 31 March 2023 |
|---|---|---|---|---|
| Property, plant and equipment | 8,131.20 | (259.49) | - | 7,829.94 |
| MAT Credit available | (796.16) | (827.77) | - | (1,623.93) |
| Provision for employee benefits | - | (235.24) | 6.94 | (228.30) |
| Provision for expected credit losses | - | (13.51) | - | (13.51) |
| 80JJAA deduction | (38.31) | (26.79) | - | (65.10) |
| Others | - | (18.27) | - | (18.27) |
| | **7,296.73** | **(1,381.07)** | **6.94** | **5,880.84** |

**2.13 Other Current liabilities**

| | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Salaries and employee benefits | 964.78 | 178.98 |
| Withholding and other taxes payable | 215.42 | 155.93 |
| Advance from customers | 428.34 | 207.78 |
| Others | 1,212.94 | 1,292.89 |
| | **2,821.49** | **1,835.58** |

**2.14 Trade payables**

| | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| - total outstanding dues of micro and small enterprises; (MSME) | 1,280.66 | 781.31 |
| - total outstanding dues of creditors other than micro and small enterprises (Others) | 8,692.74 | 6,601.63 |
| | **9,973.40** | **7,382.94** |

a) Trade payables ageing schedule as at 31 March 2024:

**a) Trade payables ageing schedule as at 31 March 2024:**

| | Undisputed | | |
|---|---|---|---|
| | MSME | Others | Total |
| **Outstanding for following periods from due date of payment** | | | |
| Not due | 1280.66 | 2732.66 | 4013.32 |
| Less than 1 year | - | 5,877.84 | 5877.84 |
| 1-2 years | - | 78.92 | 78.92 |
| 2-3 years | - | - | 0.00 |
| More than 3 years | - | 3.32 | 3.32 |
| | **1,280.66** | **8,692.74** | **9,973.40** |

(All amounts are In INR lakhs except share data or unless otherwise stated)

**b) Trade payables ageing schedule as at 31 March 2023:**

| | Undisputed | | |
|---|---|---|---|
| | **MSME** | **Others** | **Total** |
| **Outstanding for following periods from due date of payment** | | | |
| Not due | 764.40 | 2673.68 | 3438.08 |
| Less than 1 year | 16.91 | 3,814.98 | 3831.89 |
| 1-2 years | - | 59.68 | 59.68 |
| 2-3 years | - | 33.24 | 33.24 |
| More than 3 years | - | 20.05 | 20.05 |
| | **781.31** | **6,601.63** | **7,382.94** |

Note: There are no outstanding disputed dues payables as at 31 March 2024 and 31 March 2023.

The creditors covered by Micro, Small and Medium Enterprises Development Act, 2006 ("the MSMED Act, 2006") have been identified on the basis of information available with the Company. Disclosures in respect of the amounts payable to such parties are given below:

| | **As at 31 March 2024** | **As at 31 March 2023** |
|---|---|---|
| (i) The principal amount remaining unpaid as at the end of the year | 1,280.66 | 781.31 |
| (ii) The amount of interest accrued and remaining unpaid on (i) above | - | - |
| (iii) Amount of interest paid by the Company in terms of Section 16, of the MSMED Act, 2006 along with the amounts of payments made beyond the appointed date during the year. | - | - |
| (iv) The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid) | - | - |
| (v) The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006. | - | - |
| | **1,280.66** | **781.31** |

(All amounts are In INR lakhs except share data or unless otherwise stated)

## 2.15 Other financial liabilities

| | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **(i) Non-current** | | |
| Other payables | - | 244.23 |
| | **-** | **244.23** |
| **(ii) Current** | | |
| Creditors for capital goods | 1,618.46 | 523.12 |
| Unpaid dividends | 72.28 | 82.89 |
| Interest accrued but not due on borrowings | 808.85 | 80.84 |
| Other payables | 1,614.15 | 1,649.46 |
| | **4,113.74** | **2,230.11** |

## 2.16 Provisions

| | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **(i) Non-current** | | |
| Other payables | 329.48 | 256.97 |
| | **329.48** | **256.97** |
| **(ii) Current** | | |
| Provision for tax (net of advance tax) | (278.82) | (83.18) |
| Provision for others | 820.74 | 500.19 |
| | **541.91** | **417.01** |

(All amounts are In INR lakhs except share data or unless otherwise stated)

**2.17 Revenue from operations**

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| **Revenue from** | | |
| Revenue from sale of products - coffee | 2,65,370.08 | 2,06,913.65 |
| Revenue from trade licences | - | 207.95 |
| | **2,65,370.08** | **2,07,121.60** |

**2.18 Other income**

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| Interest income | 49.70 | 14.35 |
| Miscellaneous Income | 581.90 | 311.23 |
| | **631.59** | **325.58** |

**2.19 Cost of materials consumed**

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| **Raw Material** | | |
| Purchases | 1,78,592.62 | 1,16,267.70 |
| Add: Inventory of materials at the beginning of the year | 33,904.68 | 31,684.25 |
| | 2,12,497.29 | 1,47,951.95 |
| Less: Inventory of materials at the end of the year | 49,560.74 | 33,904.68 |
| | **1,62,936.55** | **1,14,047.35** |

**2.20 Changes in inventories of finished goods, stock-in-trade and work in progress**

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| **Work-in-progress** | | |
| Opening | 1,681.13 | 572.83 |
| Closing | 2,319.23 | 1,681.13 |
| | **(638.11)** | **(1,108.30)** |
| Finished goods | | |
| Opening | 14,140.48 | 14,159.44 |
| Closing | 21,235.18 | 14,140.48 |
| | **(7,094.69)** | **18.96** |
| | **(7,732.80)** | **(1,089.34)** |

(All amounts are In INR lakhs except share data or unless otherwise stated)

**2.21 Employee benefits expense**

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| Salaries, Wages and Bonus | 12,549.93 | 9,388.51 |
| Contribution to provident and other funds | 744.89 | 764.95 |
| Staff welfare | 1,264.96 | 1,193.50 |
| | **14,559.78** | **11,346.96** |

**2.22 Finance costs**

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| Interest expense on borrowings | 7,503.70 | 3,126.30 |
| Other borrowing costs | 267.64 | 313.79 |
| | **7,771.34** | **3,440.09** |

**2.23 Other expenses**

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| Packing material consumed | 12,929.48 | 7,986.17 |
| Stores and consumable consumed | 2,803.07 | 2,056.41 |
| Power and fuel | 15,419.01 | 13,501.90 |
| Repairs and maintenance to buildings | 244.28 | 98.48 |
| Repairs and maintenance to machinery | 4,979.12 | 3,658.19 |
| Repairs and maintenance to other assets | 226.27 | 244.16 |
| Transportation, ocean freight, clearing and forwarding | 5,476.48 | 7,770.91 |
| Insurance | 597.11 | 390.86 |
| Rent | 267.94 | 151.41 |
| Rates and taxes | 240.78 | 223.02 |
| Directors’ sitting fee | 50.75 | 51.95 |
| Non-whole time directors’ commission | 120.00 | 135.00 |
| Selling expenses | 4,558.87 | 4,028.71 |
| Travelling and conveyance | 915.43 | 577.45 |
| Communication expenses | 116.76 | 103.62 |
| Printing and stationery | 31.86 | 37.09 |
| Office maintenance | 1,849.58 | 1,671.67 |
| Donations | 196.39 | 42.35 |
| CSR Expenses | 491.09 | 479.27 |
| Professional fees & expenses | 817.63 | 674.92 |
| Subscription and membership fee | 15.42 | 22.47 |
| Audit fees | 43.86 | 42.40 |
| Foreign exchange loss (net) | (1,716.60) | (1,335.11) |
| Miscellaneous expenses | 13.27 | 9.76 |
| Provision for expected credit loss | 387.98 | 208.11 |
| Loss on Sale of Vehicle | - | 0.25 |
| | **51,075.83** | **42,831.41** |

(All amounts are In INR lakhs except share data or unless otherwise stated)

**Other expenses (cont'd)**
**(i) Auditors Remuneration**

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| a) Audit fees | 38.60 | 36.80 |
| b) Other charges | | |
| Taxation matters | 2.50 | 2.50 |
| Certification fee | 2.40 | 2.50 |
| c) Reimbursement of out of pocket expenses | 0.36 | 0.60 |
| | **43.86** | **42.40** |

**(ii) Details of CSR expenditure:**

| | Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|---|
| (a) | Gross amount required to be spent during the period | 398.69 | 462.03 |
| (b) | Amount spent during the period | | |
| | i) Construction/ acquisition of any asset | 258.04 | 193.46 |
| | ii) on purposes other than (i) above | 233.05 | 285.81 |
| (c) | Shortfall at the end of the period | - | - |
| (d) | Total of previous periods shortfall | - | - |
| (e) | Reason for shortfall | Amounts are not annualized and hence not applicable " | |
| (f) | Nature of CSR activities | setting up of old age homes, setting up of orphanages, promotion of education, promotion of health activities, infrastructural development, women empowerment skill development and rural development. | |
| (g) | Details of related party transactions | NA | NA |
| (h) | Provision made during the period | - | - |

(All amounts are In INR lakhs except share data or unless otherwise stated)

**2.24 Changes in liabilities arising from financing activities**

For the year ended 31 March 2024

| Particulars | Current Borrowings | Non-current Borrowings | Lease liabilities |
|---|---|---|---|
| **As on 1 April 2023** | **63,669.47** | **27,940.51** | **350.43** |
| Borrowings made during the year | 37,430.26 | 33,043.70 | - |
| Borrowings repaid during the year | - | - | - |
| Effect of changes in foreign exchange rates | - | - | - |
| Recognition of right of use liability during the year | - | - | - |
| Payment of lease liability | - | - | (200.37) |
| **As on 31 March 2024** | **1,01,099.73** | **60,984.21** | **150.06** |

For the year ended 31 March 2023

| Particulars | Current Borrowings | Non-current Borrowings | Lease liabilities |
|---|---|---|---|
| **As on 1 April 2022** | **53,903.08** | **11,172.10** | **429.95** |
| Borrowings made during the year | 9,766.39 | 16,768.41 | - |
| Borrowings repaid during the year | - | - | - |
| Effect of changes in foreign exchange rates | - | - | - |
| Recognition of right of use liability during the year | - | - | - |
| Payment of lease liability | - | - | (79.52) |
| **As on 31 March 2023** | **63,669.47** | **27,940.51** | **350.43** |

**2.25 Tax expense**

The Company has elected the option provided under Section 115BAA of the Income-tax Act, 1961 for measurement of its income tax expense for the period ended 31 March 2024 and 31 March 2023 and has accordingly recognised the income tax expense at the prescribed domestic effective tax rate of 25.17% (31 December 2022: 25.17%). The major components of income tax expense and the reconciliation between expected tax expense based on the domestic effective tax rate and the reported tax expense in the statement of profit and loss is as follows:

**(i) Income tax expense reported in the Consolidated Statement of Profit and Loss:**

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| Current tax expense | 2,290.39 | 3,484.96 |
| Deferred tax expense | 325.60 | (1,381.07) |
| Taxes in respect of prior periods | | - |
| | **2,615.99** | **2,103.89** |

(All amounts are In INR lakhs except share data or unless otherwise stated)

**(ii) Reconciliation of effective tax rate :**

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| Profit before tax | 27,623.77 | 30,500.26 |
| Statutory income tax rate | 17.47% | 17.47% |
| **Expected tax expense** | **4,825.87** | **5,328.40** |
| Tax effect of amounts which are not deductible / taxable in calculating taxable income: | | |
| Effect of expenses not deductible under the IT Act, 1961 | 120.10 | 91.13 |
| Effect of carry forwardwed losses under the IT Act, 1961 | - | (253.83) |
| Other adjustments | (2,329.98) | (3,061.81) |
| **Income tax expense** | **2,615.99** | **2,103.89** |

## 2.26 Earnings per equity share (EPS)

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| Profit for the period | 25,007.77 | 28,396.37 |
| Weighted average number of equity shares outstanding during the period for the basic EPS | 13,30,27,920 | 13,30,27,920 |
| Weighted average number of equity shares outstanding during the period for the diluted EPS | 13,32,91,767 | 13,30,27,920 |
| **Earnings per equity share (in absolute ₹ terms):** | | |
| Basic EPS | 18.80 | 21.35 |
| Diluted EPS | 18.76 | 21.35 |
| Nominal value per equity share | 2.00 | 2.00 |

## 2.27 Contingent liabilities

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **(a) Claims against the company/disputed liabilities** | | |
| Income Tax (*) | 4,945.11 | 4,945.11 |
| Service Tax | - | 995.92 |
| **(b) Guarantees** | | |
| Bank Guarantee | 1,962.65 | 1,825.37 |

*Tax deposited under protest Rs.2883.28 Lakhs

Note:

1. The Company has created the mortgage over its land in favour of the bank towards the Funding availed which aggregate to 32000.00 Lakhs (March 31, 2023 is NIL).
2. The same are subject to uncertain future events not wholly within the control of the Company. The Management does not expect the same to have materially adverse effect on its financial position, as it believes the likely hood of any loss is not probable.

(All amounts are In INR lakhs except share data or unless otherwise stated)

**2.28 Leases**

**Leases as lessee**

The Company has lease arrangements for its office premises located at various locations with-in India. These leases have original terms for a period between 2-10 periods with renewal opt ion at the discretion of lessee. There are no residual value guarantees provided to the third parties.

**(i) Break-up of lease liabilities is as under:**

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Current lease liabilities | 48.90 | 106.20 |
| Non-current lease liabilities | 101.16 | 244.23 |

**(ii) Movement in lease liabilities is as follows:**

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| Balance at the beginning of the year | 350.43 | - |
| Additions during the year | - | 350.43 |
| Deletions during the year | - | - |
| Finance cost accrued during the year | - | - |
| Payment of lease liabilities | (200.37) | - |
| **Lease liabilities at the end of the year** | **150.06** | **350.43** |

**(iii)The details of contractual maturities of lease liabilities on an undiscounted basis is as follows:**

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Less than one year | 57.26 | 106.20 |
| One to five year | 97.94 | 273.25 |
| More than five years | - | |
| | **155.20** | **379.45** |

**(iv) Following amount has been recognized in statement of profit and loss:**

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| Amortisation on right to use asset | 198.96 | 97.78 |
| Interest on lease liability | 14.46 | 19.99 |
| Expenses related to short term lease (included under other expenses) | 267.94 | 151.41 |
| **Total amount recognized in the statement of profit and loss** | **481.36** | **269.19** |

(All amounts are In INR lakhs except share data or unless otherwise stated)

**2.29 Defined benefit plans**

The Company has a defined benefit gratuity plan, according to which every employee who has completed five periods or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed period of service (service of six months and above is rounded off as one period) after deduction of necessary taxes at the time of retirement / exit, restricted to a sum of ₹2 millions in accordance with Payment of Gratuity Act, 1972. The following tables summarize the reconciliation of opening and closing balances of the present value and defined benefit obligation:

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **(i) Reconciliation of present value of defined benefit obligation** | | |
| Defined benefit obligation at the beginning of the year | 795.65 | 632.52 |
| Current service cost | 111.55 | 84.88 |
| Interest cost | 58.80 | 46.09 |
| Benefits paid | (23.89) | (9.29) |
| Actuarial loss/(gain) recognised during the year | | |
| - due to change in financial assumptions | 21.48 | (9.98) |
| - due to experience | 71.71 | 51.43 |
| - due to demographic assumptions | - | - |
| **Defined benefit obligation at the end of the year** | **1,035.30** | **795.65** |

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **(ii) Reconciliation of fair value of plan asset** | | |
| Fair value of plan assets, beginning of the year | 1,203.42 | 803.27 |
| Interest on plan assets | 94.26 | 72.17 |
| Employer contribution * | 129.82 | 368.27 |
| Benefits paid | (23.89) | (9.29) |
| Other (Employee Contribution, Taxes, Expenses, adj to Opening Balance) | (2.62) | (31.00) |
| **Fair value of plan assets, at the end of the year** | **1,400.99** | **1,203.42** |

* During the current period, to fund its gratuity plan, the Company has made contributions to recognized insurance funds in India.

**(iii) Reconciliation of present value of defined benefit obligation and fair value of plan assets**

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Present value of defined benefit obligation | 1,035.30 | 795.65 |
| Fair value of plan assets | (1,400.99) | (1,203.42) |
| Liability recognised in the Balance Sheet | **(365.69)** | **(407.77)** |

(All amounts are In INR lakhs except share data or unless otherwise stated)

**(iii) Expenses recognised in the Statement of profit and loss / OCI**

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Recognised in statement of profit and loss | | |
| Current service cost | 111.55 | 84.88 |
| Interest cost | 58.80 | 46.09 |
| | 170.35 | 130.97 |
| Recognised in statement of other comprehensive income Actuarial loss/(gain) | 93.19 | 41.45 |
| | **93.19** | **41.45** |

**(iv) Key actuarial assumptions**

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Discount rate | 7.22% | 7.50% |
| Retirement age | 58 years | 58 years |
| Salary escalation rate | 4.00% | 4.00% |
| Withdrawal rate | 6.00% | 6.00% |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**(v) Maturity profile of defined benefit obligation:**

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Within 1 year | 10.11 | 8.28 |
| 2 to 5 years | 33.20 | 26.35 |
| 6 to 10 years | 43.32 | 29.73 |
| Above 10 years | 127.53 | 100.47 |

**(vi) Sensitivity analysis**

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Discount rate (+ 1% movement) | 92.43 | 69.32 |
| Discount rate (- 1% movement) | 109.20 | 81.53 |
| Salary escalation (+ 1% movement) | 109.76 | 81.99 |
| Salary escalation (- 1% movement) | 91.83 | 68.84 |

(All amounts are In INR lakhs except share data or unless otherwise stated)

**2.30 Related Parties**

List of Subsidiaries:
M/s. Jayanti Pte Ltd., Singapore
M/s. Continental Coffee Private Ltd., India
M/s. CCL Food and Beverages Private Ltd., India
M/s. Continental Coffee SA, Switzerland
M/s. Ngon Coffee Company Ltd., Vietnam

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

• Sri Challa Rajendra Prasad, Executive Chairman
• Sri Challa Srishant, Managing Director
• Sri B. Mohan Krishna, Executive Director
• Sri Praveen Jaipuriar, Chief Executive Officer
• Sri V. Lakshmi Narayana, Chief Financial Officer
• Smt. Sridevi Dasari, Company Secretary

The following is a summary of significant related party transactions:

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| **a) Key Managerial Personnel** | | |
| **i) Remuneration & Commission** | | |
| Challa Rajendra Prasad | 420.00 | 420.00 |
| Challa Srishant | 364.66 | 684.00 |
| B. Mohan Krishna | 304.66 | 513.00 |
| Praveen Jaipuriar | 256.54 | 254.36 |
| V. Lakshmi Narayana | 119.89 | 115.33 |
| Sridevi Dasari | 29.83 | 29.57 |
| ii) Rent | | |
| Challa Srishant | 30.24 | 30.24 |
| **b) Non-whole time Directors** | | |
| **i) Sitting Fee** | | |
| Vipin K Singal | 4.25 | 6.55 |
| Kata Chandrahas | 6.25 | 6.55 |
| K.K.Sarma | 5.25 | 6.05 |
| G.V. Krishna Rau | 6.25 | 6.55 |
| Kulsoom Noor Saifullah | 5.00 | 6.55 |
| Challa Shantha Prasad | 3.00 | 2.85 |
| Durga Prasad Kode | 4.25 | 6.30 |
| Dr. Krishnanand Lanka | 5.25 | 6.05 |
| K. V. Chowdary | 4.75 | 4.50 |
| S. V. Ramachandra Rao | 3.00 | - |
| Sudhakar Ambati | 3.50 | - |

(All amounts are In INR lakhs except share data or unless otherwise stated)

| | | |
|---|---|---|
| **ii) Commission** | | |
| Vipin K Singal | 9.85 | 15.00 |
| Kata Chandrahas | 11.80 | 15.00 |
| K. K. Sarma | 11.80 | 15.00 |
| G. V. Krishna Rau | 11.80 | 15.00 |
| Kulsoom Noor Saifullah | 11.80 | 15.00 |
| Challa Shantha Prasad | 11.80 | 15.00 |
| Durga Prasad Kode | 11.80 | 15.00 |
| Dr.Krishnanand Lanka | 11.80 | 15.00 |
| K.V. Chowdary | 11.80 | 15.00 |
| S.V.Ramachandra Rao | 8.86 | - |
| Sudhakar Ambati | 6.89 | - |
| **iii) Rent** | | |
| Challa Shantha Prasad | 25.76 | 25.76 |
| **c) Relatives of Key Managerial Personnel** | | |
| **Rent:** | | |
| Challa Soumya | 8.40 | 8.40 |
| **d) Related Party transactions** | | |
| **Karafa Products Private Limited** | | |
| Sale of Goods | 9.34 | 17.29 |
| Trade Receivable | 1.94 | |
| **Recog Infotechnologies Private Limited** | | |
| Purchase of goods - Advance payment | - | 16.74 |

**2.31 Categories of Financial instruments and their fair values**

The carrying amount of all financial assets and financial liabilities appearing in the financial statements are reasonable approximation of their fair values.

**Categories of financial instruments**

| | **As at 31 March 2024** | | **As at 31 March 2023** | |
|---|---|---|---|---|
| | **Fair value** | **"Amortised cost"** | **Fair value** | **"Amortised cost"** |
| **Financial assets** | | | | |
| Investments | 0.10 | 0.10 | 0.10 | 0.10 |
| Trade receivables | 49,680.69 | 49,680.69 | 44,140.66 | 44,140.66 |
| Cash and bank balances | 16,980.79 | 16,980.79 | 8,342.81 | 8,342.81 |
| Others | 1,604.49 | 1,604.49 | 2,025.87 | 2,025.87 |
| | **68,266.07** | **68,266.07** | **54,509.43** | **54,509.43** |
| Financial liabilities | | | | |
| Borrowings | 1,62,083.94 | 1,62,083.94 | 91,609.98 | 91,609.98 |
| Lease liabilities | 150.06 | 150.06 | 350.43 | 350.43 |
| Trade payables | 9,973.40 | 9,973.40 | 7,382.94 | 7,382.94 |
| Other financial liabilities | 4,113.74 | 4,113.74 | 2,230.11 | 2,230.11 |
| | **1,76,321.15** | **1,76,321.15** | **1,01,573.46** | **1,01,573.46** |

The fair value of the financial assets and financial liabilities are included at an amount at which the instruments could be exchanged in a current transaction between the willing parties, other than in a forced or liquidation sale.

(All amounts are In INR lakhs except share data or unless otherwise stated)

**The following table presents the fair value hierarchy of assets measured at fair value as at 31 March 2024:**

| Particulars | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| FVTOCI - Financial asset - Investment in equity securities (Coffee Futures Exchange India Ltd) | - | - | 0.10 | 0.10 |

**The following table presents the fair value hierarchy of assets measured at fair value as at 31 March 2023:**

| Particulars | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| FVTOCI - Financial asset - Investment in equity securities (Coffee Futures Exchange India Ltd) | - | - | 0.10 | 0.10 |

## 2.32 Financial risk management objectives and policies

**Financial Risk Management Framework**

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, market risk and liquidity risk. The Company's risk management policies are established to identify and analyse the risks faced by the Company and seek to, where appropriate, minimize potential impact of the risk and to control and monitor such risks. There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

The following sections provide details regarding the Company's exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives, policies and processes for management of these risks.

**(i) Credit risk**

**Financial assets that are neither past due nor impaired**

None of the Company's cash equivalents, loans and other financial assets were either past due or impaired as at the respective reporting period. The Company has diversified its portfolio of investment in cash and cash equivalents and term deposits with various banks which have secure credit ratings, hence the risk is reduced. Loans given to related parties and others are tested for impairment where there is an indicator and the assessed credit risk associated with such loans is relatively low. Other financial assets represent security deposits given to lessors and other assets. Credit risk associated with such deposits and other assets is relatively low.

**The Group's credit period for trade receivables from its customers generally ranges from 60 - 180 days. The ageing of trade receivables is given below:**

| Particulars | As at March 31 2024 | As at March 31 2023 |
|---|---|---|
| Neither past due nor impaired | 47,703.08 | 36,872.55 |
| Past due but not impaired: | | |
| Less than 180 days | 1,255.94 | 5,832.77 |
| More than 180 days | 1,333.60 | 1,728.30 |
| Less: Allowance for credit losses | (611.93) | (292.96) |
| | **49,680.69** | **44,140.66** |

(All amounts are In INR lakhs except share data or unless otherwise stated)

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each balance sheet date whether a financial asset or a group of financial assets are impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix if they past due. The provision matrix takes into account historical credit loss experience and is adjusted for forward-looking information.

**(ii) Liquidity risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining cash and cash equivalents and the cash flows generated from operations.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

| | Upto 1 year | More than 1 year | Total |
|---|---|---|---|
| **As at 31 March 2024** | | | |
| Borrowings | 1,10,221.37 | 51,862.57 | 1,62,083.94 |
| Lease liabilities | 48.90 | 101.16 | 150.06 |
| Trade payables | 9,891.16 | 82.24 | 9,973.40 |
| Other financial liabilities | 4,113.74 | - | 4,113.74 |
| **Total** | **1,24,275.18** | **52,045.97** | **1,76,321.15** |
| **As at 31 March 2023** | | | |
| Borrowings | 71,526.24 | 20,083.74 | 91,609.98 |
| Lease liabilities | 106.20 | 244.23 | 350.43 |
| Trade payables | 7,269.97 | 112.97 | 7,382.94 |
| Other financial liabilities | 2,230.11 | - | 2,230.11 |
| **Total** | **81,132.52** | **20,440.94** | **1,01,573.46** |

**(iii) Market risk:**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(All amounts are In INR lakhs except share data or unless otherwise stated)

**(a) Foreign currency risk:**

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The majority of Company's revenue is generated in foreign currencies (primarily in United States Dollars), while a significant portion of its costs are in Indian rupees. As a result, as the rupee appreciates or depreciates against foreign currencies, the results of the entity's operations are impacted. The Company does not use financial derivatives such as foreign currency forward contracts. Significant unhedged foreign currency risk exposure relating to financial assets and financial liabilities expressed in ₹ terms are as follows:

| | 31 March 2024 | 31 March 2023 |
|---|---|---|
| **USD & EUR** | | |
| Trade receivables | 25,967.26 | 14,272.79 |
| Trade payables | 350.17 | 600.18 |
| Borrowings | 0.00 | 2,569.28 |

**Foreign currency sensitivity:**

The following table demonstrates the sensitivity to a reasonably possible change in foreign currencies ('FC'), with all other variables held constant:

| | Impact on profit after tax / equity for the year ended | | | |
|---|---|---|---|---|
| | Appreciation in FC by 5% | | Depreciation in FC by 5% | |
| | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 |
| **Foreign currency** | | | | |
| USD | 1,280.85 | 555.17 | (1,280.85) | (555.17) |

**(b) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Company and the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk relates primarily to the floating interest rate borrowings. The Company's investment in deposits with banks and loans are fixed interest rates and therefore do not expose the Company to significant interest rate risk.

The Company's exposure to changes in interest rates relates primarily to the Company's outstanding floating rate borrowings. The exposure of the Company to variable rate borrowings at the end of the reporting period are as follows:

| | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Variable rate borrowings | 1,62,083.94 | 91,609.97 |

(All amounts are In INR lakhs except share data or unless otherwise stated)

**Interest rate sensitivity**

The Company noted that any reasonably possible change in interest rates on the variable rate instruments will not have any material impact on the Company's profit after tax and its equity.

**(c) Price risk**

The fair value of some of the Company's investments measured at fair value through other comprehensive income exposes the Company to equity price risks. These investments are subject to changes in the market price of securities. The Company periodically monitors the sectors it has invested in, performance of the investee companies, measures mark- to- market gains/losses and reviews the same to manage the price risk.

| | Carrying value | Fair value | Sensitivity to fair value | |
|---|---|---|---|---|
| | | | 10% increase | 10% decrease |
| **Sensitivity analysis as at 31 March 2024**<br>Investment in equity shares of<br>Coffee Futures Exchange India Ltd | 0.10 | 0.10 | 0.01 | (0.01) |

| | Carrying value | Fair value | Sensitivity to fair value | |
|---|---|---|---|---|
| | | | 10% increase | 10% decrease |
| **Sensitivity analysis as at 31 March 2023**<br>Investment in equity shares of<br>Coffee Futures Exchange India Ltd | 0.10 | 0.10 | 0.01 | (0.01) |

**2.33 Capital risk management**

"Capital includes equity capital and all reserves attributable to the equity holders of the Company. The primary objective of the capital management is to ensure that it maintain an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder's value. The Company manages its capital structure and make adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders return capital to shareholders or issue new shares.

The Company monitors capital using a debt to capital employed ratio which is debt divided by total capital plus debt. The Company's policy is to keep this ratio at an optimal level."

| | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Debt (includes lease liabilities)<br>Less: Cash and cash equivalents<br>Net debt | 1,62,234.00<br>(16,908.52)<br>1,45,325.49 | 91,960.41<br>(8,259.92)<br>83,700.49 |
| **Total equity** | **1,67,381.24** | **1,49,729.44** |
| Capital and net debt | 3,12,706.72 | 2,33,429.94 |
| **Net debt to equity ratio (%)** | **46.47%** | **35.86%** |

(All amounts are In INR lakhs except share data or unless otherwise stated)

**2.34 Segment information**

The company is engaged in production, trading and distribution of Coffee and related products. Hence, the same becomes the reportable segment for the Company. Accordingly, disclosure of segment information as prescribed in the Indian accounting standard 108 “Operating segments” is not applicable

**2.35 Ratios as per the Schedule III requirements**

| Ratio | 31 March 2024 | 31 March 2023 | % Change | Note |
|---|---|---|---|---|
| Current Ratio | 1.36 | 1.49 | -8.74% | a. |
| Debt Equity Ratio | 0.97 | 0.61 | 57.81% | b. |
| Debt Service Coverage Ratio | 0.23 | 0.26 | -10.45% | c. |
| Return on Equity | 15.77% | 22.80% | -30.83% | d. |
| Inventory Turnover Ratio | 2.27 | 2.27 | 0.22% | e. |
| Trade Receivables turnover ratio | 10.82 | 13.92 | -22.27% | f. |
| Trade Payables turnover ratio | 23.23 | 27.48 | -15.44% | g. |
| Net Capital Turnover Ratio | 5.72 | 5.02 | 13.86% | h. |
| Net profit ratio | 9.42% | 13.71% | -31.26% | i. |
| Return on Capital employed | 16.64% | 20.02% | -16.89% | j. |

**a. Current Ratio = Current assets divided by Current liabilities**

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Current assets | 1,74,107.34 | 1,24,720.20 |
| Current liabilities | 1,27,720.82 | 83,498.08 |
| Ratio | 1.36 | 1.49 |
| **% Change from previous year** | **-8.74%** | |

**Reason for change more than 25%:** Not applicable

**b.Debt Equity ratio = Total debt divided by Shareholder’s Equity where total debt refers to sum of current & non current borrowings**

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Total debt (including lease liabilities) | 1,62,234.00 | 91,960.41 |
| Shareholder’s Equity | 1,67,381.24 | 1,49,729.44 |
| **Ratio** | **0.97** | **0.61** |
| **% Change from previous year** | **57.81%** | |

**Reason for change more than 25% :** Mainly due to increase in debt on account of enhanced working capital utilization (owing to sharp rise in green coffee prices.

(All amounts are In INR lakhs except share data or unless otherwise stated)

**c.Debt Service Coverage Ratio = Earnings available for debt service divided by interest and lease payments + principal repayments**

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Net Profit after tax | 25,007.77 | 28,396.37 |
| Add: Non cash operating expenses and finance cost | | |
| -Depreciation and amortizations | 9,767.20 | 6,370.45 |
| -Finance cost | 7,771.34 | 3,440.09 |
| - Provision for bad debts | 488.87 | 99.83 |
| Less: Non operating income | - | - |
| **Earnings available for debt service** | **43,035.18** | **38,306.74** |
| Interest cost on borrowings | 1,863.61 | 797.27 |
| Lease payments | 200.37 | 79.52 |
| Principal repayments for long-term borrowings | 7,856.78 | 8,984.82 |
| **Total Interest and principal repayments** | **9,920.76** | **9,861.61** |
| **Ratio** | **0.23** | **0.26** |
| **% Change from previous year** | **-10.45%** | |

**Reason for change more than 25% :** Not applicable

**d. Return on Equity Ratio / Return on Investment Ratio = Net profit after taxes divided by average shareholder's equity**

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Net profit after taxes | 25,007.77 | 28,396.37 |
| Less: Preference dividend | - | - |
| **Earning available to equity shareholders** | **25,007.77** | **28,396.37** |
| Average Shareholder's Equity | 1,58,555.34 | 1,24,532.62 |
| **Ratio** | **15.77%** | **22.80%** |
| **% Change from previous year** | **-30.83%** | |

**Reason for change more than 25%:** Due to decrease in profits and increase in shareholder's equity

**e.Inventory Turnover Ratio = Cost of goods sold divided by average inventory**

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Cost of Inventory consumed | 1,55,203.75 | 1,12,958.01 |
| Average Inventory | 68,335.48 | 49,845.69 |
| Inventory Turnover Ratio | 2.27 | 2.27 |
| **% Change from previous year** | **0.22%** | |

**Reason for change more than 25%:** Not applicable

(All amounts are In INR lakhs except share data or unless otherwise stated)

**f.Trade Receivables turnover ratio = Revenue from operations divided by Average Trade Receivables**

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Net Credit Sales | 2,65,370.08 | 2,07,121.60 |
| Average Trade Receivables | 24,517.37 | 14,874.64 |
| Ratio | 10.82 | 13.92 |
| **% Change from previous year** | **-22.27%** | |

**Reason for change more than 25% :** Not applicable

**g.Trade Payables turnover ratio = Puchases of stock-in-trade and other expenses divided by average Trade Payables**

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Purchase of stock-in-trade | 1,62,936.55 | 1,14,047.35 |
| Other expenses (excluding other adjustments like allowance for trade receivables etc) | 38,695.19 | 32,440.61 |
| **Total** | **2,01,631.75** | **1,46,487.96** |
| Average Trade payables and provision for expenses | 8,678.17 | 5,331.60 |
| Ratio | 23.23 | 27.48 |
| **% Change from previous year** | **-15.44%** | |

**Reason for change more than 25%:** Not applicable

**h. Net Capital Turnover Ratio = Sales divided by Working Capital where Working Capital = Current Assets - Current Liabilities**

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Revenue from operations | 2,65,370.08 | 2,07,121.60 |
| Working capital | 46,386.51 | 41,222.12 |
| Ratio | 5.72 | 5.02 |
| **% Change from previous year** | **13.86%** | |

**Reason for change more than 25% :** Not applicable

**i. Net profit ratio = Net profit after taxes divided by Net Sales**

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Net profit after taxes | 25,007.77 | 28,396.37 |
| Net Sales | 2,65,370.08 | 2,07,121.60 |
| Ratio | 9.42% | 13.71% |
| **% Change from previous year** | **-31.26%** | |

**Reason for change more than 25% :** The decrease in net profit taxes owing to higher intrest cost and depreciation dispite increase in revenue

(All amounts are In INR lakhs except share data or unless otherwise stated)

**j.Return on Capital employed (pre cash)=Earnings Before Interest and Taxes (EBIT) divided by Capital Employed**

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Profit before tax (A) | 27,623.77 | 30,500.26 |
| Finance costs (B) | 7,771.34 | 3,440.09 |
| Other income (C) | 631.59 | 325.58 |
| **EBIT (D) = (A)+(B)-(C)** | **34,763.51** | **33,614.77** |
| **Capital Employed (Pre Cash) (J)= (E)-(F)-(G)** | **2,08,961.86** | **1,67,935.30** |
| Total Assets (E) | 3,53,591.20 | 2,59,693.30 |
| Current liabilities (F) | 1,27,720.82 | 83,498.08 |
| Cash and Cash equivalents (G) | 16,908.52 | 8,259.92 |
| Ratio (D)/(J) | 16.64% | 20.02% |
| **% Change from previous yea** | **-16.89%** | |

**Reason for change more than 25%:** Not applicable

(All amounts are In INR lakhs except share data or unless otherwise stated)

**2.36 Additional disclosure as required under paragraph 2 of 'General Instructions for the preparation of Consolidated Financial Statements' of the Schedule III to the Act:**

| Name of the Entity | "Share in net assets (Total assets - Total liabilities)" | | Share in profit or loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|---|---|---|---|---|---|---|---|---|
| | as at 31 March 2024 | | for the year ended 31 March 2024 | | for the year ended 31 March 2024 | | for the year ended 31 March 2024 | |
| | % | Amount | % | Amount | % | Amount | % | Amount |
| **Parent Company** | | | | | | | | |
| CCL Products (India) Limited | 66.57% | 1,11,417.54 | 37.77% | 9445.16 | 100.00% | -1,462.43 | 33.90% | 7982.73 |
| **Foreign subsidiaries** | | | | | | | | |
| Jayanti Pte Ltd | 0.08% | 137.95 | -0.03% | (6.89) | - | - | -0.03% | -6.89 |
| Ngon Coffee Company | 36.69% | 61,409.52 | 57.82% | 14,460.22 | - | - | 61.41% | 14,460.22 |
| Continental Coffee SA | 6.40% | 10,719.54 | 5.02% | 1,254.94 | - | - | 5.33% | 1,254.94 |
| Continental Coffee Private Limited | -0.29% | (481.04) | -1.09% | (272.48) | - | - | -1.16% | -272.48 |
| CCL Food & Beverages Private Lmited | 4.76% | 7,968.60 | -0.08% | (20.76) | - | - | -0.09% | -20.76 |
| **Total** | **114.21%** | **1,91,172.11** | **99.41%** | **24860.18** | **100.00%** | **(1,462.43)** | **99.37%** | **23397.76** |
| Consolidation adjustments | -14.21% | (23,790.87) | 0.59% | 147.59 | - | - | 0.63% | 147.59 |
| **Total** | **100.00%** | **1,67,381.24** | **100.00%** | **25,007.77** | **100.00%** | **(1,462.43)** | **100.00%** | **23,545.35** |
| Non-Controlling Interests | - | - | - | - | 0.00% | - | 0.00% | 0.00 |
| **Net Amount** | **100.00%** | **1,67,381.24** | **100.00%** | **25,007.77** | **100.00%** | **(1,462.43)** | **100.00%** | **23,545.35** |

(All amounts are In INR lakhs except share data or unless otherwise stated)

| Name of the Entity | "Share in net assets (Total assets - Total liabilities)" | | Share in profit or loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|---|---|---|---|---|---|---|---|---|
| | as at 31 March 2023 | | for the year ended 31 March 2023 | | for the year ended 31 March 2023 | | for the year ended 31 March 2023 | |
| | % | Amount | % | Amount | % | Amount | % | Amount |
| **Parent Company** | | | | | | | | |
| CCL Products (India) Limited | 72.04% | 1,07,865.94 | 61.80% | 17549.17 | 100.00% | 2,517.41 | 64.91% | 20066.58 |
| Foreign subsidiaries | | | | | | | | |
| Jayanti Pte Ltd | 0.10% | 142.87 | -0.03% | (7.65) | - | | -0.02% | (7.65) |
| Ngon Coffee Company Ltd. | 32.44% | 48,567.65 | 51.45% | 14,609.77 | - | | 47.26% | 14,609.77 |
| Continental Coffee SA | 6.21% | 9,297.60 | 4.25% | 1,207.58 | - | | 3.91% | 1,207.58 |
| Continental Coffee Private Ltd. | -2.23% | (3,346.42) | -6.52% | (1,852.51) | - | | -5.99% | (1,852.51) |
| CCL Food & Beverages Private Ltd. | -0.01% | (10.64) | -0.04% | (11.64) | | | -0.04% | (11.64) |
| **Total** | **108.54%** | **1,62,517.00** | **110.91%** | **31494.72** | **100.00%** | **2,517.41** | **110.02%** | **34012.13** |
| Consolidation adjustments | -8.54% | (12,787.56) | -10.91% | (3098.35) | 0.00% | | -10.02% | (3098.36) |
| **Total** | **100.00%** | **1,49,729.44** | **100.00%** | **28,396.37** | **100.00%** | **2,517.41** | **100.00%** | **30,913.77** |
| Non-Controlling Interests | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% | - |
| **Net Amount** | **100.00%** | **1,49,729.44** | **100.00%** | **28,396.37** | **100.00%** | **2,517.41** | **100.00%** | **30,913.77** |

**2.37 Additional disclosures**

(i) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) The Group have not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iii) No transactions are carried out with companies struck off under Section 248 of the Act or Section 560 of Companies Act, 1956.

(iv) The Group has complied with the number of layers prescribed under the Companies Act, 2013.

(v) The Group has entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vi) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(vii) The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(viii) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ix) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(x) There are no charges or satisfaction which are yet to be registered with the registrar of companies beyond the statutory period.

**2.38** "The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

(All amounts are In INR lakhs except share data or unless otherwise stated)

The Company, in respect of financial year commencing on 1 April 2023 has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log). Audit trail (edit log) is enabled at the application level, and the Company's users have access to perform transactions only from the application level."

**2.39 Business Combination**

Demerger of Marketing and Distribution of Coffee and FMCG Products Division of Continental Coffee Products Private Limited into CCL Products (India) Limited

On October 18, 2023, The Hon'ble National Company Law Tribunal (NCL T) approved the Scheme of Demerger of Marketing and Distribution of Coffee and FMCG Products Division of Continental Coffee Products Private Limited into CCL Products (India) Limited with an appointed date as October 1, 2022. Following the guidance available under Appendix C of Ind AS 103, the financial information in the financial statements in respect of prior periods has been restated from that date. Consequently, the financial information for the year ended March 31, 2023, quarter ended June 30, 2023 and September 30, 2023 were restated to give effect to this demerger.

The business combination referred to above, being a "common control" transaction, has been accounted as per 'Pooling of Interest' method as prescribed under Appendix C of Ind AS 103 – "Business Combination". In accordance with the requirements of para 9 (iii) of Appendix C to Ind AS 103, the Standalone financial statements of the Company in respect of the prior period have been restated with an appointed date as October 1, 2022, the impact of which is detailed below:

| Particulars | As at 31 March 2023 Reported | As at 31 March 2023 Restated |
|---|---|---|
| Total assets | 1,81,803.78 | 1,79,399.70 |
| Total liabilities | 1,81,803.78 | 1,79,399.70 |
| Total income | 1,37,623.59 | 1,39,671.43 |
| Total expenses | 1,17,230.65 | 1,20,044.35 |
| Profit after tax | 16,793.57 | 17,536.25 |
| Total comprehensive income | 16,806.48 | 17,549.17 |
| Cash flows from operating activities | 5,444.40 | 10,192.88 |
| Cash flows from investing activities | (3,885.27) | (5,497.68) |
| Cash flows from financing activities | (94.82) | (3,203.04) |

Capital Reserve on acquisition due to the excess of the net assets taken over against the amount paid by the Holding Company.

| Particulars | Amount |
|---|---|
| Assets taken over (A) | 8,840.40 |
| Liabilities taken over (B) | 11,417.39 |
| Net assets taken over (C = A – B) | (2,576.99) |
| Reserves of Marketing and Distribution of Coffee and FMCG Products Division of Continental Coffee Products Private Limited | (2,576.99) |
| Issue of shares to erstwhile owners (E) | 0.00 |
| Capital reserve on acquisition (F = C - D - E) | -0.00 |

(All amounts are In INR lakhs except share data or unless otherwise stated)

## 2.40 Employee stock incentive plans

CCL Employee Stock Option Scheme, 2022 (CCL ESOP 2022 Plan):

The Company instituted the CCL ESOP 2022 Plan for eligible employees pursuant to the special resolution approved by the shareholders in the Annual General Meeting held on August 30, 2022. The CCL ESOP 2022 Plan covers eligible employees (excluding promoter directors) of the parent company and its subsidiaries (collectively, “eligible employees”).

The Nomination, Governance and Compensation Committee of the Board of the parent company (the “Committee”) administers the CCL ESOP 2022 Plan and grants stock options to eligible employees. The Committee determines which eligible employees will receive options, the number of options to be granted, the exercise price, the vesting period and the exercise period. The vesting period is determined for all options issued on the date of grant. The options issued under the CCL ESOP 2022 Plan vest in periods ranging between one and four years subject to a maximum period of five years from the date of grant of such options.

The company has established CCL Employee Stock Option Scheme, 2022 (CCL ESOP 2022 Plan with 5,00,000 equity shares.

The exercise price of the options is INR 2 per share. The fair value of the share options is estimated at the grant date using a Black-Scholes Method, taking into account the terms and conditions upon which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

The carrying amount of the liability at 31 March 2024 was INR 1,685.47 lacs (31 March 2023: INR 1,073.46 lacs.).

The expense recognised for employee services received during the year is shown in the following table:

| | 31 March 2024 INR lacs | 31 March 2023 INR lacs |
|---|---|---|
| Expense arising from equity-settled share-based payment transactions | 612.01 | 397.67 |
| Total expense arising from share-based payment transactions | 612.01 | 397.67 |

There were no cancellations or modifications to the awards in year ending 31 March 2024 or 31 March 2023.

**Movements during the year**

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year

| | 31 March 2024 Number | 31 March 2023 Number |
|---|---|---|
| Options outstanding at the beginning of the year | 3,64,750* | - |
| Granted during the year | 14,610 | 2,64,750 |
| Forfeited during the year | (31,000) | - |
| Vested during the year | 1,25,075) | - |
| Exercised during the year | - | - |
| Expired during the year | - | - |
| **Options outstanding at the end of the year** | **2,54,285** | **2,64,750** |
| Exercisable at 31 March | 2,54,285 | 2,64,750 |

(All amounts are In INR lakhs except share data or unless otherwise stated)

*The difference of 1,00,000 options between the number of options exercisable at the end of FY 2022-23 and outstanding at the beginning of FY 2023-24 is due to the grant of 1,00,000 options to Mr. Praveen Jaipuriar, CEO pursuant to the resolution passed by the Compensation Committee whereby the options granted under Continental Coffee Private Limited Employee Stock Option Plan, 2021 (CCPL ESOP Plan) were converted into 1,00,000 options under CCL Employee Stock Option Scheme – 2022 ( CCL ESOP Scheme) as contemplated in the Scheme of Arrangement between Continental Coffee Private Limited, Demerged Company and CCL Products (India) Limited, Resulting Company.

During the year a reserve was made towards outstanding of ESOPs and Share based payment expenses for the year ended 31 March 2024 of ₹ 1,685.47 lacs (31 March 2023 - ₹ 1,073.46 lacs).

The Weighted average grant date fair value of the options granted during the years ended 31 March 2024 was ₹ 548.06 per option.

The following tables list the inputs to the models used for the three plans for the year ended 31 March 2024 and 31 March 2023, respectively:

| | 31 March, 2024 | 31 March, 2023 |
|---|---|---|
| Weighted average fair values at the measurement date | INR 548.06 | INR 548.06 |
| Dividend yield (%) | 1.60% | 1.60% |
| Expected Annualized Volatility (%) | 34.91% | 34.91% |
| Risk–free interest rate (%) | 7.12% | 7.12% |
| Expected life of share options(years) | 4.00 | 4.00 |
| Weighted average share price (INR) | INR 2 | INR 2 |
| Model used | Black-Scholes Method | Black-Scholes Method |

This is the notes to consolidated financial statements referred to in our report of even date.

As per our report of even date
**For RAMANATHAM & RAO**
Chartered Accountants
Firm Registration No.002934S

Sd/-
**V V LakshmiPrasanna A**
Partner
M.No.243569

Place : Hyderabad
Date : May 11, 2024

For and on behalf of the Board of Directors of
**CCL Products (India) Limited**

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

Sd/-
**Praveen Jaipuriar**
Chief Executive Officer

Sd/-
**Kata Chandrahas**
Director
DIN : 02994302

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

Sd/-
**Challa Rajendra Prasad**
Executive Chairman
DIN : 00702292

Sd/-
**Challa Srishant**
Managing Director
DIN : 00016035


CONTINENTAL ®
Malgudi
FRESH FILTER COFFEE
Authentic and
Traditional Filter Coffee
CONTINENTAL
Malgudi
FRESH FILTER COFFEE
80 degree
www.continental.coffee
continentalcoffeeindia
officialcontinentalcoffee

CONTINENTAL COFFEE ®

1500+ CUPS PER SECOND

EXPORTING TO 100+ COUNTRIES

BREWING 1000+ BLENDS

# CCL PRODUCTS (INDIA) LIMITED

ANNUAL REPORT 2023-24