

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

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 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 is in consonance with the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on 31st March, 2020, CCL’s Board consisted of 12 Members. The Board of directors of the Company has an optimum combination of Executive, Non-Executive and Independent Directors with one woman Independent Director.

The details of the Board of Directors including their attendance at the meetings of Board 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 Listing Regulations are as below:

Name	Category	No. of Board Meetings		Attendance at the last AGM (7 th August, 2019)	No. of Directorships in other Companies		Chairmanships/ memberships in Committees of other Public Companies		Name of other listed entities where he/she is a director and the category of directorship
		Held	Attended		Private	Public	Member ship	Chairman ship	
Mr. C.Rajendra Prasad	Promoter & Executive Director	6	6	Yes	3	-	-	-	
Mr. Vipin K Singal	Independent Non-Executive Director	6	4	Yes	3	-	-	-	
Mr. Kata Chandrahas	Independent Non-Executive Director	6	6	No	-	-	-	-	
Mr. K. K. Sarma	Non-Executive Director	6	6	No	2	-	-	-	
Mr. B. Mohan Krishna	Promoter & Executive Director	6	6	Yes	3	-	-	-	
Mr. G. V. Krishna Rau	Independent Non-Executive Director	6	5	Yes	-	-	-	-	
Ms. Kulsoom Noor Saifullah	Independent Non-Executive Director	6	3	No	1	-	-	-	

Mr. K.V. Chowdary	Independent Non-Executive Director	6	5	Yes	-	2	5	-	1. Reliance Industries Limited: Non-Executive Director 2. Divi's Laboratories Limited: Independent Director
Ms. Challa Shantha Prasad	Promoter & Non-Executive Director	6	5	Yes	-	2	-	-	1. Unijolly Investments Company Ltd-Non-Executive Director 2. Healthy Investments Ltd. Whole Time Director
Dr. Krishnanand Lanka	Non-Executive Director	6	5	No	-	-	-	-	
Mr. Durga Prasad Kode	Independent Non-Executive Director	6	6	Yes	-	2	2	1	Navabharat Ventures Ltd.- Independent Director
Mr. Challa Srishant	Promoter & Executive Director	6	6	Yes	5	-	-	-	

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

None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees across all the companies in which they are directors. None of the Directors hold office in more than 10 public companies. None of the Directors serve as Independent Director in more than seven listed companies.

(b) Number of meetings of the Board of directors held and dates on which held:

The Board met 6 times in the financial year 2019-20 on the following dates, with a gap not exceeding one hundred and twenty days between any two meetings:

13 th May, 2019	11 th July, 2019	22 nd October, 2019	11 th November, 2019	27 th January, 2020	26 th February, 2020
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(c) Disclosure of relationships between directors inter-se:

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

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

(d) 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
1	Mr. Vipin K Singal, Independent Director	5,000
2	Mr. Kata Chandrahas, Independent Director	24,686
3	Mr. Kode Durga Prasad, Independent Director	10,000
4	Ms. Challa Shantha Prasad, Non-Executive Director	1,84,31,659

(e) Web link where details of familiarization programmes imparted to Independent directors:

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

It is the general practice of the Company to notify the changes in all the applicable laws from time to time to the Board of Directors regularly.

The details of such familiarization programmes for Independent Directors are posted on the website of the Company and the web link is <https://www.cclproducts.com/wp-content/uploads/2020/04/Familiarization-programme-for-Independent-Directors.pdf>

(f) 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, legal and regulatory matters, the environment, sustainability and operations 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	Mr. Challa Srishant, Mr. K. Chandrahas, Mr. K. V. Chowdary, Mr.G.V. Krishna Rau, Mr. Kode Durga Prasad
Technical knowledge on operations, Production	Mr. Challa Rajendra Prasad, Mr. B. Mohan Krishna, Dr.L. Krishnanand
Corporate Governance, Strategic Management	Ms. Challa Shantha Prasad, Ms. Kulsoom Noor Saifullah, Mr. K.K. Sarma
International Marketing and Sales	Mr. G.V. Krishna Rau, Mr. Vipin K Singal, Ms. Kulsoom Noor Saifullah

- (g) 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 be and is hereby confirm that in the opinion of the Board, the Independent Directors fulfil the conditions specified by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the management.

Committees of the Board

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

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

(3) Audit Committee

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

(a) Brief description of terms of reference

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

i) Powers of the Audit Committee includes:

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

ii) Role of the Audit Committee includes:

- Oversight of Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of auditors and fixation of audit fee 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:

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- 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 Companies Act, 2013.
 - changes, if any, in accounting policies and practices and reasons for the same.
 - major accounting entries involving estimates based on the exercise of judgment by management
 - significant adjustments made in the financial statements arising out of audit findings
 - compliance with listing and other legal requirements relating to financial statements
 - disclosure of any related party transactions
 - review of draft Auditors Report, in particular qualifications / remarks / observations made by the Auditors on the financial statements
 - Management Discussion and Analysis of financial conditions and results of operations
- 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 of the financial statements of subsidiary Companies
 - Scrutiny of inter-corporate loans and investments
 - 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, 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

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

(b) Details on composition of the Audit Committee and the attendance by each Member of the Audit Committee

(b) Details on composition of the Audit Committee and the attendance by each Member of the Audit Committee

Name of the Director	Category	No. of meetings held during the year	No of meetings attended
Mr. Kata Chandrahas	Chairman	4	4
Mr. Vipin K Singal	Member	4	4
Mr. K.V. Chowdary	Member	4	3
Mr. K. K. Sarma	Member	4	4
Mr. G.V. Krishna Rau	Member	4	3
Ms. Kulsoom Noor Saifullah	Member	4	3
Dr. Lanka Krishnanand	Member	4	4
Mr. Kode Durga Prasad	Member	4	4

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

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 invites to the meetings of the Audit Committee. The Company Secretary of the Company acts as the Secretary of the said Committee.

(c) Meetings during the year

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

13 th May, 2019	11 th July, 2019	22 nd October, 2019	27 th January, 2020
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(4) Nomination and Remuneration Committee

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

(a) Brief description of 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.
- Recommendation of fee / compensation if any, to be paid to Non-Executive Directors, including Independent Directors of the Board.
- Payment / revision of remuneration payable to Managerial Personnel.

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 <https://www.cclproducts.com/wp-content/uploads/2019/04/remuneration-policy.pdf>

(b) Details on composition of the Nomination and Remuneration Committee and the attendance by each Member of the Committee

Name of the Director	Category	No. of meetings held during the year	No of meetings attended
Mr. G. V. Krishna Rau	Chairman	4	3
Mr. Vipin K Singal	Member	4	4
Mr. Kata Chandrahas	Member	4	4
*Mr. K.V. Chowdary	Member	4	1
Mr. K. K. Sarma	Member	4	4
Ms. Kulsoom Noor Saifullah	Member	4	3
Ms. Challa Shantha Prasad	Member	4	4
Dr. Lanka Krishnanand	Member	4	4
Mr. Kode Durga Prasad	Member	4	4

* Mr. K.V. Chowdary was the member of Nomination and Remuneration Committee w.e.f. 11th July, 2019 till 11th November, 2019.

(c) Meetings during the year

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

13 th May, 2019	11 th July, 2019	22 nd October, 2019	27 th January, 2020
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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.

(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 NR 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.

(5) Remuneration of Directors

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

Non-Executive Directors including Independent Directors are entitled to payment of sitting fee for the Board and Committee meetings attended by them and Commission not exceeding 1% of the net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013 and the shareholders passed a resolution to this effect in their meeting held on 26th September, 2016.

- (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 in the supervision and control of the Company 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 Companies Act, 2013:

- (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 2019-20 :

Name of the Non-Executive Director	Sitting Fees Paid for FY 2019-20 in ₹	Commission for the year 2019-20 in ₹
Mr. Vipin K Singal	2,15,000	9,00,000
Mr. Kata Chandrahas	2,45,000	9,00,000
Mr. K.V. Chowdary	1,30,000	9,00,000
Mr. K.K. Sarma	2,30,000	9,00,000
Mr. G.V. Krishna Rau	2,00,000	9,00,000
Ms. Kulsoom Noor Saifullah	1,45,000	9,00,000
Ms. Challa Shantha Prasad	1,20,000	9,00,000
Dr. Lanka Krishnanand	2,15,000	9,00,000
Mr. Kode Durga Prasad	2,45,000	9,00,000

Details of salary, commission and other benefits to Executive Directors

Name of the Executive Director	Salary Paid	Perquisites and allowances	Commission as % of profit
Mr. Challa Rajendra Prasad	4,20,00,000	--	--
Mr. Challa Srishant	3,60,00,000	--	3,05,00,000
Mr. B. Mohan Krishna	3,00,00,000	--	1,97,00,000

- (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.

(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 and approved by the Board.

- (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 any stock options.

(6) Stakeholders Relationship Committee

The Stakeholders Relationship Committee has been formed in compliance of Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Section 178 of the Companies Act, 2013 comprising of 5 Independent Directors and 2 Non-Executive Directors.

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

Name of the Director	Category	No. of meetings held during the year	No of meetings attended
Mr. Kata Chandrahas	Chairman	4	4
Mr. Vipin K Singal	Member	4	4
*Mr. K.V. Chowdary	Member	4	1
Mr. K. K. Sarma	Member	4	4
Mr. G. V. Krishna Rau	Member	4	3
Ms.Kulsoom Noor Saifullah	Member	4	1
Dr. Lanka Krishnanand	Member	4	4
Mr. Durga Prasad Kode	Member	4	4

* Mr. K.V. Chowdary was the member of Stakeholders Relationship Committee w.e.f. 11th July, 2019 till 11th November, 2019.

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

13 th May, 2019	11 th July, 2019	22 nd October, 2019	27 th January, 2020
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The Committee reviews the security transfers/transmissions, process of dematerialization and the investors' grievances and the systems dealing with these issues.

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

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

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

A total of 14 complaints were received during the year and were totally resolved to the satisfaction of the shareholders. There were no complaints pending for redressal during the year under review. There were no pending transfers as on 31st March, 2020.

Terms of reference

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

- i) Redressal of grievances of shareholders
- ii) Transfer and transmission of securities
- iii) Dealing with complaints related to transfer of shares, non-receipt of declared dividend, non-receipt of Balance Sheet etc.
- iv) Issuance of duplicate share certificates
- v) Review of dematerialization of shares and related matters
- vi) Performing various functions relating to the interests of shareholders/investors of the Company as may be required under the provisions of the Companies Act, 2013, Listing Agreement with the Stock Exchanges and regulations/guidelines issued by the SEBI or any other regulatory authority. In order to expedite the process and for effective resolution of grievances/complaints, the Committee has delegated

powers to the Registrar and Share Transfer Agents i.e., M/s. Venture Capital and Corporate Investments Pvt. Ltd., to redress all complaints/grievances/enquiries of the shareholders/investors. It redresses the grievances/ complaints of shareholders/investors under the supervision of Company Secretary & Compliance Officer of the Company.

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

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

As on 31st March, 2020, 13,21,95,867 Equity Shares of ₹ 2/- each representing 99.37% of the total no. 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 Companies Act, 2013 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.

(7) Corporate Social Responsibility Committee

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

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

Name of the Director	Category	No. of meetings held during the year	No. of meetings attended
Mr. Vipin K Singal	Chairman	1	1
Mr. Kata Chandrahas	Member	1	1
Mr. K. K. Sarma	Member	1	1
Mr. B. Mohan Krishna	Member	1	1
Mr. Challa Srishant	Member	1	1
Mr. G.V. Krishna Rau	Member	1	1
Ms. Kulsoom Noor Saifullah	Member	1	1
Ms. Challa Shantha Prasad	Member	1	1
Dr. Lanka Krishnanand	Member	1	1
Mr. Kode Durga Prasad	Member	1	1

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

13 th May, 2019

Terms of reference

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

- i) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;
- ii) recommend the amount of expenditure to be incurred on the activities referred to in clause (i) above; and
- iii) monitor the Corporate Social Responsibility Policy of the company from time to time.

Corporate Social Responsibility Policy

The Company has adopted Corporate Social Responsibility Policy containing the activities to be undertaken by the Company as part of its CSR programs. The CSR policy is disclosed on the website of the Company www.cclproducts.com and the web link is <https://www.cclproducts.com/wp-content/uploads/2019/04/csr-policy.pdf>

(8) Risk Management Committee

The Committee comprises of 5 Independent Directors, 3 Non-Executive Directors, 2 Executive Directors and 3 Members from the Senior Management of the Company. Constitution of Risk Management Committee is as below:

Name of the Director	Category	No. of meetings held during the year	No. of meetings attended
Mr. Challa Srishant	Chairman	1	1
Mr. Vipin K Singal	Member	1	1
Mr. K. Chandrahas	Member	1	1
Mr. K. K. Sarma	Member	1	1
Mr. B. Mohan Krishna	Member	1	1
Mr. G.V. Krishna Rau	Member	1	1
Ms. Kulsoom Noor Saifullah	Member	1	0
Ms. Challa Shantha Prasad	Member	1	1
Dr. Lanka Krishnanand	Member	1	1
Mr. Kode Durga Prasad	Member	1	1
Mr. K V L N Sarma (Chief Operations Officer)	Member	1	0
Ms. Sridevi Dasari (Company Secretary)	Member	1	1
Mr. V. Lakshmi Narayana (Chief Financial Officer)	Member	1	1

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

27 th January, 2020

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

Objective of the Risk Management Policy

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

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

To avoid exposure to significant financial loss;

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

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

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

Functions, Roles and Responsibilities of the Committee

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

(9) General Body Meetings

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

Financial Year Ended	Date	Day	Time	Special Resolutions passed at the AGMs by the Shareholders
31 st March, 2019	07-08-2019	Wednesday	09.30 A.M	1. Appointment of Mr. Vipin K Singal as Independent Director for a second term of 5 years 2. Appointment of Mr. K.Chandras as Independent Director for second term of 5 years 3. Re-appointment of Mr. Challa Rajendra Prasad as Executive Chairman and to fix the remuneration 4. Re-appointment of Mr. Challa Srishant as Managing Director and to fix the remuneration 5. Re-appointment of Mr. B. Mohan Krishna as Executive Director and to fix the remuneration
31 st March, 2018	14-07-2018	Saturday	11.00 A.M	No Special Resolution was passed at the AGM.
31 st March 2017	11-07-2017	Tuesday	11.00 A.M.	Increase of FII/FPI holding in the Company.

(b) Special resolution passed last year through postal ballot – details of voting pattern and person who conducted the postal ballot exercise

During the financial year under review, no resolution was passed through Postal Ballot. Therefore providing details of person who conducted the postal ballot exercise and voting pattern does not arise.

Also, no special resolution is being proposed through postal ballot as on the date of notice calling the Annual General Meeting. The members of the Company will be intimated appropriately as and when the postal ballot need arises.

Procedure for postal ballot

The Postal ballot will be conducted in accordance with the provisions of Section 110 of The Companies Act, 2013 read with Rule 22 of The Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

(10) Means of communication:

(a) Quarterly results:

The quarterly, half-yearly and annual results of the Company were normally published by the 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.

(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 also displayed on the Company's website: www.cclproducts.com

(d) Whether it also displays official news releases:

The newsletters and press releases from time to time were also displayed on the Company's website.

(e) Presentations made to institutional investors or to the analysts:

The presentations to institutional investors or to the analysts are covered in the Company's website and were intimated to the Stock Exchanges.

News items are sent to the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited, where shares of the Company were listed and the Exchanges display the same on their websites.

(11) General Shareholder Information

The 59th Annual General Meeting of the company will be held on 24th July at 3.00 pm through VC/OAVM pursuant to MCA circular dated 05th May, 2020 and as such there is no requirement to have venue for the AGM. For details, please refer to the Notice of this AGM.

- Financial Calendar : 1st of April, 2020 to 31st of March, 2021.
- Results for the quarter ending
 - 30th June 2020 : Second/Third week of July, 2020
 - 30th September 2020 : First/Second week of October, 2020
 - 31st December 2020 : Third/Fourth week of February 2021
 - 31st March 2021 : Second /Third week of May, 2021
- Date of Book closure : NA
- Dividend Payment Date : NA
- Listing on Stock Exchanges : 1) BSE Ltd.
Phiroze Jeejeebhoy Towers, Dalal Street.
MUMBAI -400001
2) National Stock Exchange of India Ltd.
'EXCHANGE PLAZA' 5th Floor, Plot No. C/1,
G-Block, Bandra-Kurla Complex, Bandra(E),
MUMBAI - 400051

Stock Code

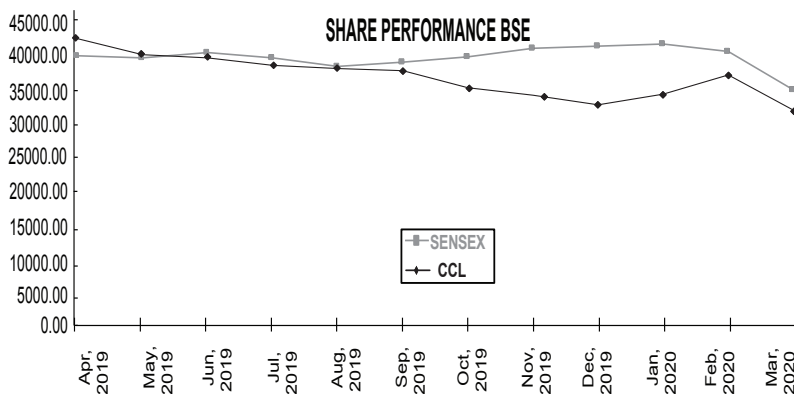
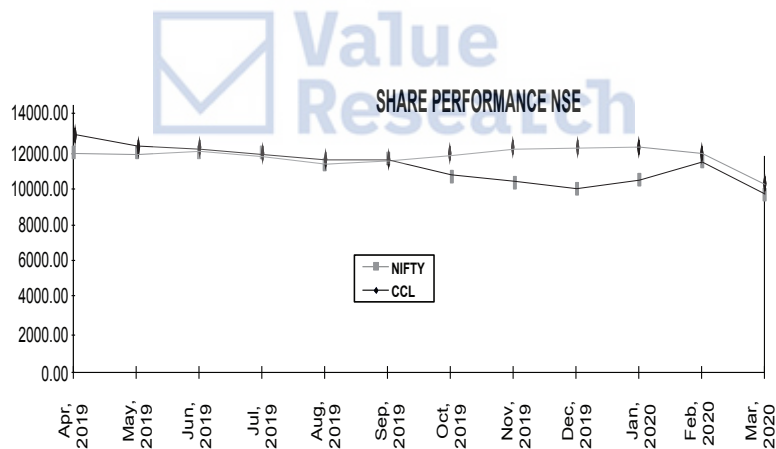
Name of the Stock Exchange	Stock Code
Bombay Stock Exchange Limited	519600
National Stock Exchange of India Limited	CCL
ISIN No. for both NSDL and CDSL	INE421D01022

The Listing fees for the year 2020-21 has been paid to both the above Stock Exchanges

Market Price Data

High, low during each month and trading volumes of the Company's Equity Shares during the last financial year 2019-20 at the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) are as under:

DATE	BSE			NSE		
	High	Low	Qty Traded	High	Low	Qty Traded
April 2019	295.65	255.05	7,11,537	296.95	254.20	21,97,868
May 2019	272.15	250.00	2,83,732	273.70	249.60	12,20,283
June 2019	266.70	247.50	31,418	266.95	247.00	14,01,004
July 2019	261.00	234.60	63,702	262.05	235.00	8,77,341
August 2019	252.90	233.00	55,993	250.05	232.50	5,09,887
September 2019	250.00	231.60	32,965	249.70	230.20	6,19,061
October 2019	246.85	190.65	72,015	246.25	190.10	18,09,478
November 2019	219.70	197.10	56,161	215.95	198.00	16,08,490
December 2019	210.00	180.55	66,644	211.00	180.00	12,45,721
January 2020	227.60	190.80	87,53,304	227.90	192.30	2,08,78,140
February 2020	258.95	210.00	4,90,452	259.90	214.00	77,90,138
March 2020	240.15	137.25	1,68,099	240.45	137.00	63,42,297



Distribution Schedule:
Distribution Schedule as on 31st March, 2020

S. No	Nominal Value	Amount in ₹	% to Total Capital	No. of Share Holders	% to Total Holders
1	Upto 5000	15314716	5.75	27368	95.80
2	5001 to 10000	4148822	1.56	569	1.99
3	10001 to 20000	3944436	1.48	254	0.89
4	20001 to 30000	2049112	0.77	82	0.29
5	30001 to 40000	2309918	0.87	64	0.22
6	40001 to 50000	1273780	0.48	28	0.10
7	50001 to 100000	6004782	2.26	81	0.28
8	100001 and above	231010274	86.83	124	0.43
	TOTAL	266055840	100	28570	100

Categories of Shareholders as on 31st March, 2020:

S. No	Category of Shareholders	No. of Shares	Percentage
1	Promoter & Promoter Group	60974342	45.84
2	Mutual Funds	9760224	7.34
3	Alternate Investment Funds	3793296	2.85
4	Foreign Portfolio Investors	20999126	15.79
5	Financial Institutions & Banks	19123	0.01
6	Qualified Institutional Buyers	1000000	0.75
7	Foreign Institutional Investors	12714	0.01
8	Other Bodies Corporate	3094752	2.33
9	Resident Individuals	19309510	14.52
10	Non-Resident Individuals	14064833	10.56
	Total	133027920	100.00

Dematerialization of shares and liquidity:

The shares of the Company are under compulsory demat trading. The Company has made necessary arrangements with NSDL and CDSL for demat facility, 99.37% of the Company's Shares are dematerialised as on 31st March, 2020.

- Securities suspended from trading: Not applicable
- Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion and likely impact on equity: Nil
- 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- Not applicable. 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 funding.

- Plant Location : Duggirala, Guntur Dist
Andhra Pradesh - 522 330
Ph: 08644-277294 / 277296
Fax: 08644-277295
- Address for Correspondence & any query on Annual Report : SEZ – Kuvvakolli Village
Varadaiah Palem Mandal
Chittoor District, Andhra Pradesh
- Registrar and Transfer Agents : The Company Secretary
CCL Products (India) Ltd
7-1-24/2/D, Greendale
Ameerpet, Hyderabad 500 016
Ph: 040 23730855
Fax: 04023732499
Email: companysecretary@continental.coffee
Website: www.cclproducts.com
- Contact Person : Venture Capital and Corporate
Investments Pvt Ltd
12-10-167, Bharat Nagar,
Hyderabad - 500 018, T.S, India
E-mail: info@vccipl.com
- Share Transfer System : Mr. E S K Prasad, Chief Executive
Ph: 040 23818475 / 76
Telefax: 040 23868024
- Transfer of unpaid/unclaimed dividend amounts to Investor Education and Protection Fund : The Share transfers are effected within 15 days from the date of lodgment for transfer, Transmission sub-division, Consolidation, renewal etc., if the documents are in order in all respects, in line with Schedule VII to the Listing Regulations and such modified share Certificates are delivered to the shareholders immediately.
- Compliance Certificate : Members are requested to claim any unclaimed dividends for the year 2012-2013, as the same will be credited to Investor Education & Protection Fund (IEPF) pursuant to Section 124(5) of the Companies Act, 2013 read with the rules prescribed thereunder
- Compliance Certificate : Certificate from P S Rao & Associates, Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 is attached to the Directors' Report and forms part of this 59th Annual Report.

Secretarial Audit:

- a) M/s P S Rao & Associates, Practising Company Secretaries have conducted a Secretarial Audit of the Company for the year 2019-20. Their Audit Report confirms that the Company has complied with the applicable provisions of the Companies Act and the Rules made there under, SEBI Listing Regulations and other laws applicable to the Company. The Secretarial Audit Report forms part of the Directors' Report.
- b) Pursuant to Regulation 40(9) of the SEBI Listing Regulations, certificates have been issued on a half-yearly basis, by M/s P S Rao & Associates, Practising Company Secretaries, certifying due compliance of share transfer formalities by the Company.
- c) M/s P S Rao & Associates, Practising Company Secretaries carry out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The audit confirms that the total issued/ paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

(12) Other Disclosures

- a. The particulars of transactions between the Company and its related parties are set out at Notes to financial statements. However these transactions are not likely to have any conflict with the Company's interest.
- b. The Policy on Related Party Transactions as approved by the Board is uploaded on the website of the Company and the weblink is <https://www.cclproducts.com/wp-content/uploads/2019/04/policy-on-related-party-transactions.pdf>
- c. There are no non-compliances in the last three years by the Company on any matter related to Capital Market and there were no penalties imposed nor strictures passed on the Company by any Stock Exchange, SEBI or any other Statutory Authority during the year.
- d. The Whistle Blower (Vigil) mechanism provides a channel to the employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy and also provides for adequate safeguards against victimization of employees by giving them direct access to the Chairman of the Audit Committee in exceptional cases. No person has been denied access to the Chairman of the Audit Committee.

The Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of Company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees. The Whistle Blower Policy of the Company is also posted on the website of the Company and the web link is <https://www.cclproducts.com/wp-content/uploads/2019/04/whistle-blower-policy.pdf>

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

Discretionary Requirements:

Separate posts of chairperson and chief executive officer: The office of Chairman and that of Managing Director of the Company are held by different persons

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

- f. The Company does not have any Material Non-Listed Indian Subsidiary as defined under Regulation 16 of SEBI Listing Regulations. It is, therefore, not required to have an Independent Director of the Company on the Board of such Subsidiary.

The Policy on Material Subsidiaries as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as approved by the Board is uploaded on the website of the Company and the web link is <https://www.cclproducts.com/wp-content/uploads/2019/04/policy-on-material-subsidiary.pdf>

- g. Disclosure of commodity price risks and commodity hedging activities- We have started availing EPC (Export Packing in Rupee) against which we have taken forward cover partly (USD 25.47 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 a company secretary in practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of 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 are no such instances during the year and 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- Rs. 14,40,000/-
- l. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

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

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

(13) Non-compliance of any requirement of corporate governance report, with reasons thereof:

All the corporate governance requirements are complied with

(14) 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 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.

iii. Modified opinion(s) in audit report:

There are no modified opinions in the Audit Reports.

iv. Separate Posts of Chairman and CEO:

The Company has separate posts of Chairman and Managing Director.

v. Reporting of internal auditor:

The Internal auditor reports to the Chairman of the Audit Committee directly.

(15) 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	Obligation with respect to Directors and Senior Management	Yes
27	Other Corporate Governance requirements	Yes
46(2) (b) to (i)	Website	Yes

16. Code of Conduct

The 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 Regulation 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 and the weblink is <https://www.cclproducts.com/wp-content/uploads/2019/04/code-of-conduct.pdf>

Declaration on compliance with Code of Conduct is annexed.

17. Meeting of Independent Directors

During the year under review, the Independent Directors met on 27th January, 2020, inter alia, to discuss:

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

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

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

Majority of the Independent Directors were present at the Meeting.

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

19. 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 at the following link: <https://www.cclproducts.com/wp-content/uploads/2019/07/Policy-on-determination-of-materiality-of-events-or-information.pdf>

20. 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 at <https://www.cclproducts.com/wp-content/uploads/2019/07/Policy-on-preservation-of-documents.pdf>

21. Corporate governance requirements with reference to Subsidiary Companies:

Mr. Vipin K Singal was appointed as Director on the Board of M/s. Ngon Coffee Company Limited, material non-listed Subsidiary Company.

As per Regulation 24 of Listing Regulations the financial statements, significant transactions, investments and the minutes of the board meetings of the subsidiary companies are considered at the meetings of the Audit committee / Board of directors of the Company, as the case may be.

22. 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 Prohibition of Insider Trading. This Policy also provides for periodical disclosures from the designated employees as well as pre-clearance of transactions by such persons.

The code is applicable to all Insiders 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.

- Compliance under SEBI Listing Regulations pertaining to mandatory requirements and Auditors Certificate on Corporate Governance: As required under SEBI Listing Regulations, the Auditor's Certificate on compliance of the Corporate Governance norms is attached.
- 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 Managing Director and the Chief Financial Officer have certified to the Board in accordance with Regulation 33(2)(a) of SEBI Listing Regulations pertaining to CEO/CFO certification for the Financial Year ended 31st March, 2020 and the same is annexed herewith.
- Disclosure with respect to demat suspense account / unclaimed suspense account : NA

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

In terms of SEBI (LODR) Regulations, 2015, I hereby confirm that all the Board members and Senior Management Personnel of the Company have affirmed compliance with the respective Codes of Conduct, as applicable to them for the year ended 31st March, 2020.

For **CCL Products (India) Limited**

Place: Hyderabad
Date: 15th June, 2020

Sd/-
Challa Srishant
Managing Director
DIN : 00016035