

# Cadbury

52 nd Annual Report 1999

*A New Millennium. New Challenges.*



CADBURY  
INDIA  
LIMITED



## Shareholder's Information

### BOARD OF DIRECTORS

**Chairman**  
C Y Pal

**Managing Director**  
Rajeev Bakshi

#### Directors

##### Non-Executive

N V Iyer  
Ian Johnston  
Harsh Mariwala  
Jaitirth Rao  
S N Talwar  
R Wahi

##### Executive

G M Bhat  
P Chhaya  
B Puri  
J Strydom  
G Sridhar

Patrick Fleming (Alternate Director)

**Company Secretary & Mgr. Financial Planning**  
Monaz Noble

#### General Managers

Vivek Aggarwal	Financial Accounting & Control
Vidut Arte	Marketing
Jimmy Gandhi	Materials
Burjor Ichhaporia	Thane Factory
Thomas John	Cocoa Operations
Narendra Katoch	Corporate Affairs
Jaiboy Phillips	Malanpur Factory
Sanjiv Sarin	VBM & Strategic Planning
Ajit Tawde	Technical
Cedric Vaz	Operations
Sanjay Warke	Sales

#### Auditors

A F Ferguson & Co., Mumbai

#### Advocates & Solicitors

Crawford Bayley & Co., Mumbai

#### Bankers

State Bank of India  
Citibank N A

#### Registered Office

Cadbury House, 19, Bhulabhai Desai Road  
Mumbai - 400 026.  
Tel : 4939558 Fax : 4938698

#### Works

Panchpakhadi, 1st Pokhran Road  
District Thane, Maharashtra  
Village Induri, Talegaon-Dabhade  
Taluka Maval, District Pune, Maharashtra  
Malanpur Industrial Area  
Village Gurikha, Tehsil Gohad  
District Bhind, Madhya Pradesh

#### Cocoa Operations

Central Office, Kottayam  
Kerala

#### Website Address

<http://www.cadburyindia.com>  
<http://www.bournvita.com>  
<http://www.cadburygift.com>

#### Parent Company Website Address

<http://www.cadburyschweppes.com>

### 52nd Annual General Meeting

Time : 3.00 p.m. Thursday,  
20th April, 2000

Venue : Nehru Centre Auditorium  
Dr A Besant Road  
Worli, Mumbai 400 018.

#### Listing

Mumbai Stock Exchange  
National Stock Exchange

**Dividend** (subject to approval  
of Shareholders at AGM)  
Rs 6.50 per share

#### Registrars & Share Transfer Agents

Sharepro Services  
Satam Estate, 3rd Floor  
Above Bank of Baroda  
Cardinal Gracious Road  
Chakala, Andheri (E)  
Mumbai - 400 099.  
Tel : (022)8329828/  
8348218/8215168/  
8347719  
Fax : (022)8375646

912, Raheja Centre  
Free Press Journal Road  
Nariman Point  
Mumbai - 400 021.  
Tel : (022)2825163/  
2844668/2881568/  
2881569  
Fax : (022)2825484

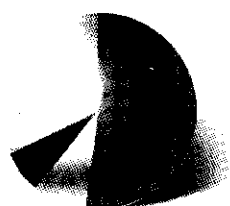
#### No. of Shareholders

1997 - 44725  
1998 - 46373  
1999 - 41956  
(Demat 8470  
Physical 33486)

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### Shareholding Pattern



■	Companies (52%)
□	Public Financial Institutions/Banks (9%)
■	Foreign Institutional Investors (5%)
■	Mutual Funds (2%)
□	Individuals (32%)





## Chairman's Statement

I have great pleasure in welcoming you all to the 52nd Annual General Meeting of your Company and the first meeting of the new millennium.

The financial results of the Company for the year 1999 are with you. The financial statements will bear testimony to the unprecedented heights the Company has reached in terms of growth in sales turnover and the net profit. Perhaps I can venture to say with a sense of pride that your Company will rate very high in all parameters of performance when compared with its peers in the FMCG category. This excellent performance comes in the wake of a not so very healthy year for the Indian economy that had to bear the brunt of the Kargil crisis and one more Lok Sabha election.

As a result of the excellent performance, your Directors are pleased to recommend a bonus issue of 1 share for every 2 shares held, along with an increased dividend of 65% for the year.

I congratulate the management team led by Rajeev Bakshi for this high quality performance. I am sure this performance will serve as a benchmark for better things to come in the ensuing years.

It is clear for all of you to see that the MANAGING FOR VALUE programme spearheaded by the Cadbury Schweppes Group world-wide and implemented with vigour in your Company has been responsible in many ways for this stupendous performance. The MFV programme has been carried forward by the Human Resources Department of the Company by organising several training programmes and workshops for the employees in the areas of sharpening the culture and raising performance standards. These initiatives have energised the employees into enhanced levels of performance.

Your Company bettered its promise of introducing a new product every year by introducing three new products in 1999 - NICE CREAM, a hard boiled sugar confectionery, FRUTUS, a soft fruit chew and GOLLUM, a fruit jelly. With these offerings your Company has renewed its efforts in the Sugar Confectionery business. More new exciting flavour variants of PERK in Mint, Strawberry and Mango were also introduced during the year.

The success story of the year was however the resurgence of Cadbury BOURNVITA with a new vitamin and mineral supplement formula. With its relaunch at the beginning of the year with enthusiastic advertising and promotion support the brand has broken all previous records of sales and has made inroads into the market share of other malted food drink brands in the country.

Your Company was rated the 3rd most admired company in a survey conducted amongst advertising and marketing professionals by the Advertising and Marketing Magazine. To receive praise and admiration from others in business indeed brings pride and joy to all of us.

The considerable investments made by the Company at the factories at Malanpur and Induri during the period 1996 to 1998 are now bearing fruit. The modern plants installed are running to their rated

capacities and give a great deal of flexibility to the Company to offer innovative products/packs. These investments have enabled the Company to supply world class products such as coated wafer bars (Cadbury PICNIC), soft centred moulded bars (Cadbury GOLD) and soft chews (FRUTUS). In 1999 the Company undertook a programme of rationalisation, revival and productive utilisation of assets at its oldest factory at Thane and it is expected that the results of these changes will be visible in the coming years.

All of you will be aware of the phenomenal changes taking place in business and commerce with the growth of the use of the internet and telecommunications devices. One of the challenges of the new millennium will be for your Company to ride the change in paradigm and harness these technological developments to their full potential. I am sure all of you who have access to the internet would have enjoyed the experience of browsing our internet site at [www.cadburyindia.com](http://www.cadburyindia.com). In a related development to upgrade its information technology skills your Company has appointed IBM Global Services India Private Limited to run all its computer related systems in the belief that such high level expertise cannot on a long term basis be developed and sustained within the Company.

Before I conclude, I extend my sincere gratitude to all the contributors to your Company's success, namely shareholders, employees, suppliers, distributors, retailers, bankers and last but not the least the consumer. I also acknowledge the support and encouragement received from the Cadbury Schweppes Group.

**C Y Pal**

Chairman

Mumbai : March 3, 2000



Cadbury



# The real taste of

CADBURY DAIRY MILK

CADBURY DAIRY MILK, milk chocolate continued to provide the real taste of life for millions of chocolate lovers in India. The brand grew at a scorching pace and gained market share as a result of world class communication and small price point packs. During the year we added 8 million new consumers into the category besides provided new reasons for chocolate lovers to experience the nation's favourite chocolate. As the heritage brand stepped into the new millennium we launched CADBURY DAIRY MILK QUICK, for snacking "on the Go"





# New

*Cadbury*

## THODI SI PET POOJA

The successful launch of CADBURY PERK in 1995 enabled the chocolate category to enter the snacking arena. To enhance the experience with the brand and consolidate its youthful image we launched 3 mouth-watering flavour extensions : Mango, Strawberry and Mint with international pack graphics.



*Cadbury in every pocket*

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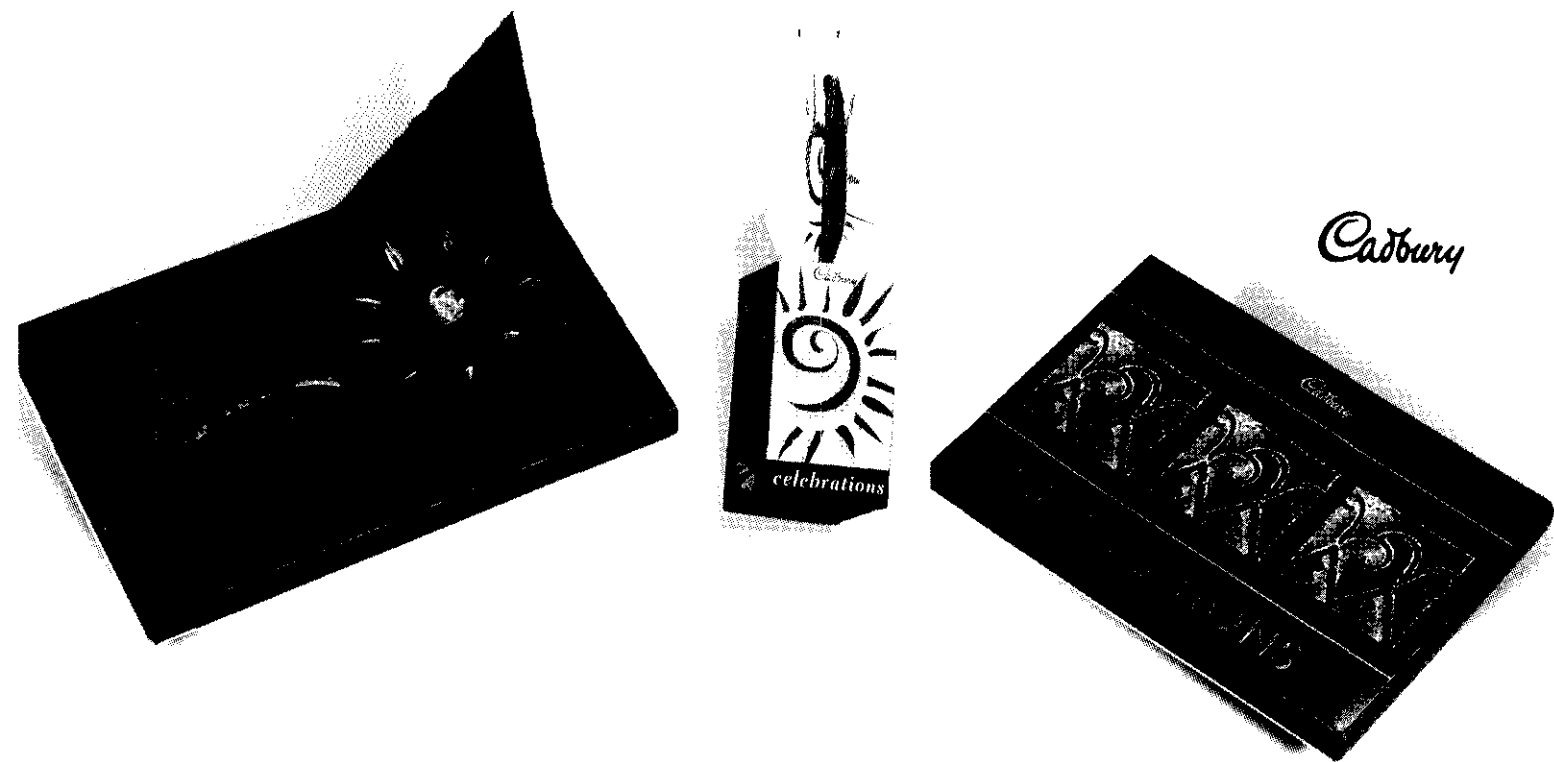
CADBURY

AND THE INDIAN CHILD

Cadbury continued to provide non-stop masti to millions of Indian children through our innovative products and promotions. During the year, we revamped CADBURY GEMS, and launched exciting and educational Disney offerings like Tarzan Jigsaw CADBURY GEMS pack and CADBURY DAIRY MILK Classic Tale Series.

# Masti for millions





# Gift ideas,

Report Junction.com

GIFTING

## Sweet Ideas

The gifting market for chocolates provides a great potential for growth.

Cadbury has played a key role in tapping this market through dominant presence in the Diwali retail and the Institutional gifting segment. Gifting initiatives were extended to other festivals and occasions like Raksha Bandhan and Valentine's Day in an effort to get the chocolate category into the Indian consumers' lifespaces.



*Cadbury*

# Born BOURNVITA to

1999 was also the year of CADBURY BOURNVITA with the brand registering a healthy volume growth and market share gain in a mature market. This spectacular achievement was a result of a complete rejuvenation exercise involving a modern packaging, new communication on the "RDA" platform and a Direct Marketing Programme. The BOURNVITA Nutrition Centre (BNC) was launched with a professional nutritionist offering advice to mothers. We also conducted a School Contact Programme reaching half a million children across the country. CADBURY BOURNVITA also went on-line offering the biggest and most popular quiz show BQC on the net.





## SUGAR CONFECTIONERY

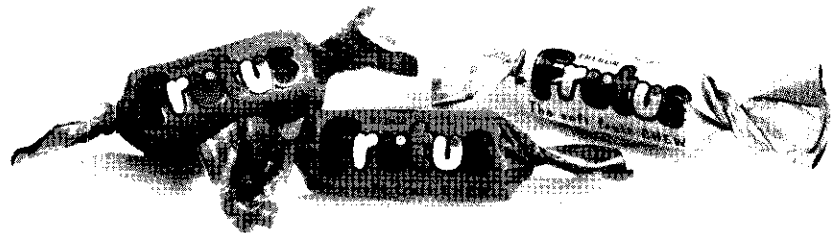
The organised Sugar Confectionery market in India is five times bigger than the chocolate market in volume terms and we intend to establish a significant presence in the value added segment of the market.

Towards this direction two new brands FRUTUS and GOLLUM were launched in selected markets during the year end. FRUTUS is a soft chew available in 3 flavours and is targeted at teenagers providing them with an unique taste experience.

GOLLUM is flavoured jelly in multiple flavours catering to the Indian child. The brand promises fun with taste and colours and is expected to contribute significantly towards our thrust in the sugar confectionery segment.



# Sweet





## A&M SURVEY

A survey conducted for A&M magazine rated Cadbury India as the 3rd Most Admired FMCG Marketing Company. In recognition of its superior advertising, Cadbury was rated No. 1 in "Consistently Superior Advertising".

03 CADBURY ■ 7.77

■ High score:  
Superior advertising

In many ways, this is Cadbury's year. The chocolate marketer regains its favourite slot (of No 3) again this year, after having slipped briefly to No 8 in 1998. Cadbury's advertising, which had been rated at No 2 for the last two years, has now been rated on top, though its score is 0.07 points lower than last year on this parameter. What's exciting for it is that, overall, it has overtaken both Nestle and Britannia. It also rates highest on product differentiation and consistent product superiority (Coca-Cola, above it overall, has no single No 1 by parameter), which should do it proud.