

*Cadbury*



# **CADBURY INDIA LIMITED**

**56th Annual Report 2003**

## BOARD OF DIRECTORS

### CHAIRMAN

C Y Pal

### VICE CHAIRMAN

Rajiv Wahi

### MANAGING DIRECTOR

Bharat Puri

### DIRECTORS

#### Non-Executive

Harsh Mariwala  
Jaithirth Rao  
Suresh Talwar

#### Executive

Vidyut Arte  
Girish Bhat  
Prashant Chhaya  
Radhakrishnan Menon  
Jaiboy Phillips  
Sanjay Purohit

### Company Secretary & Manager - Financial Planning

Monaz Noble

### General Managers

Vivek Aggarwal	Finance
Anandh B.	Sales
Jimmy Gandhi	Materials
Sharad Gangal	Employee Relations & HR Services
Narender Katoch	Corporate Affairs
Shivanand Sanadi	Legal Affairs
Ajit Tawde	Technical
Cedirc Vaz	Operations

### Auditors

M/s Deloitte Haskins & Sells, Mumbai

### Advocates & Solicitors

Crawford Bayley & Co., Mumbai  
K.J. John & Co., New Delhi

### Bankers

Citibank N A  
HDFC Bank  
State Bank of India

### Registered Office

Cadbury House,  
19, Bhulabhai Desai Road,  
Mumbai 400 026.  
Tel. : 23514558 • Fax : 23521698

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## Notice

NOTICE IS HEREBY GIVEN THAT THE FIFTY – SIXTH ANNUAL GENERAL MEETING OF THE MEMBERS OF CADBURY INDIA LIMITED will be held on Friday, June 18, 2004 at 3.00 p.m. at the Mahakavi Kalidas Natyamandir, Purushottam Kheraj Road, Mulund (West), Mumbai - 400 080 to transact the following business :

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended December 28, 2003 and the Balance Sheet as on that date and the Reports of the Directors and the Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of **Mr. Harsh Mariwala**, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of **Mr. Jaithirth Rao**, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of **Mr. Girish Bhat**, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors and to fix their remuneration.

### SPECIAL BUSINESS :

7. To consider and if thought fit, to pass with or without modification (s), as an Ordinary Resolution the following: "RESOLVED THAT the Company hereby approves the re-appointment of Mr. Prashant Chhaya as an Executive Director with effect from January 1, 2004 for a period of 5 years on the terms and conditions set out in the Agreement entered into between the Company and Mr. Prashant Chhaya, a copy of whereof initialled by the Chairman of the Board for the purpose of identification, is placed before the meeting."
8. **To appoint Mr. Sanjay Purohit as a Director of the Company liable to retire by rotation.**
9. To consider and if thought fit, to pass with or without modification (s), as an Ordinary Resolution the following: "RESOLVED THAT the Company hereby approves the appointment of Mr. Sanjay Purohit as an Executive Director with effect from April 1, 2004 for a period of 5 years on the terms and conditions set out in the Agreement to be entered into between the Company and Mr. Sanjay Purohit, a copy of whereof initialled by the Chairman of the Board for the purpose of identification, is placed before the meeting."
10. To consider and if thought fit, to pass with or without modification (s), as an Ordinary Resolution the following: "RESOLVED THAT subject to the provisions of Section 309 and 310 read with other applicable provisions, if any, of the Companies Act, 1956 and subject to the conditions specified in the Schedule XIII thereunder, the Company hereby accords its approval to the increase in guaranteed commission payable to the Managing Director of the Company from the existing limit of Rs. 6 Lacs to Rs. 15 Lacs, effective financial year 2003, which is within the existing overall limit of Rs. 45 Lacs.

AND RESOLVED THAT subject to the limits laid down under Section 309 of the Companies Act, 1956, the Board of Directors of the Company is authorised to vary the aforesaid guaranteed and overall commission payable to the Managing Director, based on the net profits of the Company in any financial year so as not to exceed one per cent of such profits."

### NOTES :

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

A proxy form, duly completed and stamped, must reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

- (b) The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item nos.7 to 10 stated above is annexed hereto.
- (c) The Register of Members and Share Transfer Books of the Company will remain closed from June 5, 2004 to June 18, 2004, both days inclusive.
- (d) Dividend on Equity Shares as recommended by the Directors for the financial year ended December 28, 2003 when declared at the meeting will be paid:
  - (i) to those Members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company on or before June 4, 2004, or



- (ii) in respect of shares held in electronic form, to those "Deemed Members" whose names appear in the Statement of Beneficial Ownership furnished by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as at the end of business hours on June 4, 2004.
- (e) The Company has transferred unclaimed amounts of dividends up to the financial year ended December 30, 1995 to the General Revenue Account/Investor Education and Protection Fund of the Central Government as required under Sections 205A and 205C of the Companies Act, 1956.
- (f) Members are requested to encash their Dividend Warrants on receipt as Dividend remaining unclaimed for seven years are now required to be transferred to the Investor Education and Protection Fund established by the Central Government under Section 205C of the Companies Act, 1956. Once unclaimed dividends are transferred to this fund, Members will not be entitled to claim these dividends.
- (g) Members seeking any information or clarification on the Accounts are requested to send in written queries to the Company, at least one week before the date of the meeting. Replies will be provided in respect of such written queries received only at the meeting.
- (h) Members/Proxies should bring the Attendance Slip sent herewith, duly filled in, for attending the meeting.
- (i) Members are requested to immediately address their communications regarding transfer of shares, change of address, dividend mandates, etc. quoting their folio number(s) to the Company's Registrar & Transfer Agent:

**M/s Sharepro Services,**  
912, Raheja Centre,  
Free Press Journal Road  
Nariman Point, Mumbai 400 021  
OR

Telephone (022) 22825163, 22844668,  
22881568, 22881569  
Fax : (022) 22825484

Satam Industrial Estate  
3rd floor, Above Bank of Baroda  
Cardinal Gracious Road  
Chakala, Andheri (E)  
Mumbai - 400 099

Telephone: (022) 28215168, 28348218,  
28329828, 28215991  
28347719  
Fax : (022) 28375646

- (j) **Members holding shares in identical order of names in more than one folio are requested to write to the Company's aforesaid Registrar & Transfer Agent, and send their share certificates to enable consolidation of their holdings into one folio.**
- (k) Members holding shares in dematerialised form, may please note that while opening a depository account with participants they may have given their bank account details, which will be printed on their dividend warrants. However, if Members want to change/correct the bank account details, they should communicate the same immediately to the concerned Depository Participant. Members are also requested to furnish the MICR code of their bank to their Depository Participant. **The Company will not entertain any direct request from Members for deletion / change in the bank account details furnished by Depository Participants to the Company.**
- (l) Members who hold shares in the physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility by filling Form 2B. Blank forms will be supplied by Company's Registrar & Transfer Agent on request. Members holding shares in the dematerialised form may contact their Depository Participant for recording nomination in respect of their shares.
- (m) Members are requested to bring their copy of the Annual Report to the Annual General Meeting.

By Order of the Board of Directors

**Monaz Noble**  
Company Secretary

Mumbai  
Date : April 22, 2004

**Registered office :**

Cadbury House  
19, Bhulabhai Desai Road  
Mumbai 400 026.



## Explanatory Statement under Section 173(2) of the Companies Act, 1956

### Item No. 7

The Board of Directors re-appointed Mr. Chhaya as an Executive Director of the Company with effect from January 1, 2004 for a period of 5 years.

Mr. Chhaya is B.E (Mech.) and an M. Tec. (Production) from the Indian Institute of Technology, Powai, Mumbai. He heads the Technical and Business Strategy function of the Company and is also responsible for Science & Innovation for the APAC Region. Mr. Chhaya joined the Company on September 1, 1983 as Engineering Development Executive. Thereafter, he moved up through various functions and responsibilities in the technical and operations area including an overseas assignment with Cadbury Nigeria Plc. Lagos.

The terms of appointment, remuneration and perquisites of Mr. Chhaya are set out in the Agreement referred to in the resolution and are subject to the approval of the Shareholders of the Company.

The material terms of appointment of Mr. Chhaya as set out in the said Agreement are as follows :

#### Remuneration

##### Salary

- Rs. 1,99,360/- per month including allowances from January 1, 2004.
- Utility allowance of Rs. 3,78,000/- per annum
- Any increases within the overall limit of Rs. 5,00,000/- per month as may be approved by the Board.

##### Commission

- Commission upto Rs. 20 Lacs per annum as may be decided by the Board of Directors subject to an overall ceiling laid down under Section 309 of the Companies Act, 1956.

##### Retirement Benefits

- Provident Fund, Gratuity and Superannuation benefits as per Company policy and applicable rules, from time to time.

##### Perquisites/Benefits

- Company accommodation
- Gas, electricity and water expenses to be reimbursed by the Company.
- Medical reimbursement and Personal Accident Insurance as per Company policy.
- Leave Travel Allowance, once in a year, as per Company rules.
- Club fees – Membership of one club.
- Housing loan, Furniture and Appliance scheme as per Company policy
- Use of car and reimbursement of expenses on telephone at residence.
- Reimbursement of expenses actually and properly incurred in cash or by credit card for the business of the Company.
- Leave – With full pay and allowance as per rules of the Company but not exceeding one month's leave for every 11 months of service.
- Shifting and Joining allowance for relocation (one time).

The Board of Directors of the Company is authorised to vary the aforesaid remuneration, commission, perquisites, benefits and amenities, including the monetary value thereof, as specified in the Agreement, entered into with Mr.Chhaya, provided the said variation or increase is within the overall limits laid down under the relevant provisions of the Companies Act, 1956 and Schedule XIII thereto.

In the event of loss or inadequacy of profits in any financial year of the Company, the provisions of Schedule XIII to the Companies Act, 1956 shall apply.

Mr Chhaya will not be entitled to sitting fees for attending meetings of the Board of Directors or Committees thereof. A copy of the aforesaid Agreement entered into between the Company and Mr Chhaya is available for inspection by the Members at the Registered Office of the Company, between 10.00 a.m. to 1.00 p.m. on any working day of the Company up to the date of the Annual General Meeting.

The Board of Directors recommend this Resolution for the approval of the Members.

#### Memorandum of Interest

Except Mr Chhaya, no other Director is concerned or interested in the said Resolution.

### Item No. 8

The Board of Directors appointed Mr. Sanjay Purohit as an Additional Director in accordance with the provision of the Article 114 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956. Mr. Purohit holds office as a Director up to this Annual General Meeting and has agreed to be considered for appointment.

The Company has received notice under Section 257 of the Companies Act, 1956 along with a deposit of Rs 500/- from a member intimating his intention to propose the candidature of Mr. Purohit for the office of a Director of the Company.

### Item No. 9

The Board of Directors appointed Mr. Purohit as an Executive Director of the Company with effect from April 1, 2004 for a period of 5 years.

Mr. Purohit is a B.E. (Mech.) Post Graduate in Management from the Indian Institute of Management, Bangalore. He



joined the company in May 1999 as Marketing Manager – New Business Development and was appointed General Manager – Marketing in January 2002. He brings with him vast experience and insights in the Marketing area.

The terms of appointment, remuneration and perquisites of Mr. Purohit are set out in the Agreement referred to in the resolution and are subject to the approval of the Shareholders of the Company.

The material terms of appointment of Mr. Purohit as set out in the said Agreement are as follows :

#### **Remuneration**

##### **Salary**

- Rs.1,60,000/- per month including allowances from April 1, 2004.
- Utility allowance of Rs. 4,02,000/- per annum
- Any increases within the overall limit of Rs. 5,00,000/- per month as may be approved by the Board.

##### **Commission**

- Commission upto Rs. 20 Lacs per annum as may be decided by the Board of Directors subject to an overall ceiling laid down under Section 309 of the Companies Act, 1956.

##### **Retirement Benefits**

- Provident Fund, Gratuity and Superannuation benefits as per Company policy and applicable rules, from time to time.

##### **Perquisites/Benefits**

- Company accommodation
- Gas, electricity and water expenses to be reimbursed by the Company.
- Medical reimbursement and Personal Accident Insurance as per Company policy.
- Leave Travel Allowance, once in a year, as per Company rules.
- Club fees – Membership of one club.
- Housing loan, Furniture and Appliance scheme as per Company policy
- Use of car and reimbursement of expenses on telephone at residence.
- Reimbursement of expenses actually and properly incurred in cash or by credit card for the business of the Company.
- Leave – With full pay and allowance as per rules of the Company but not exceeding one month's leave for every 11 months of service.
- Shifting and Joining allowance for relocation (one time).

The Board of Directors of the Company is authorised to vary the aforesaid remuneration, commission, perquisites, benefits and amenities, including the monetary value thereof, as specified in the Agreement, entered into with Mr. Purohit, provided the said variation or increase is within the overall limits laid down under the relevant provisions of the Companies Act, 1956 and Schedule XIII thereto.

In the event of loss or inadequacy of profits in any financial year of the Company, the provisions of Schedule XIII to the Companies Act, 1956 shall apply.

Mr Purohit will not be entitled to sitting fees for attending meetings of the Board of Directors or Committees thereof.

A copy of the aforesaid Agreement entered into between the Company and Mr Purohit is available for inspection by the Members at the Registered Office of the Company, between 10.00 a.m. to 1.00 p.m. on any working day of the Company up to the date of the Annual General Meeting.

The aforesaid explanatory statement may also be treated as a Notice to Members under section 302 at the Companies Act, 1956.

The Board of Directors recommend this Resolution for the approval of the Members.

#### **Memorandum of Interest**

Except Mr Purohit, no other Director is concerned or interested in the said Resolution.

#### **Item No. 10**

In view of the increase in responsibilities of the Managing Director, the guaranteed commission limits need to be increased. The market for experienced senior management personnel has substantially changed in view of the many opportunities in India and abroad. Commission level, therefore, need to conform to international standards. It is accordingly proposed to increase the limit of commission both guaranteed & overall as indicated in the resolution. The other terms and conditions of the agreement remain unchanged.

A copy of the agreement, entered into between the Company and the Managing Director, initialled by the Chairman of the Board for the purpose of identification, is placed before the meeting.

#### **Memorandum of Interest**

Except Mr Puri, no other Director is concerned or interested in this Resolution.

By Order of the Board of Directors

**Monaz Noble**  
Company Secretary

Mumbai

Date : April 22, 2004

#### **Registered office :**

Cadbury House  
19, Bhulabhai Desai Road  
Mumbai 400 026.



## Chairman's Statement

Dear Shareholders,

The Indian economy was fundamentally strong in 2003. Good agricultural and industrial output coupled with excellent export performance raised the GDP growth to close to 8%. All these positive indicators bolstered consumer spending and with a booming stock market lead to a 'feel good' factor pervading in the consumer mind. In tune with these positive feelings consumer sentiments were high and your Company benefited from this by performing well up to the third quarter, when sales and revenue were amongst the highest in the FMCG sector. Third quarter end saw sales recording a double digit growth and the financial performance was commendable.

However, the year 2003 will be remembered in your Company not necessarily for all the right reasons. In early October 2003 there were reports in the media regarding infestation in Cadbury Dairy Milk bars. We were extremely concerned about these reported incidents and more so, because serious allegations were being made about the quality of our products. At Cadbury, we have always been committed to giving our consumers high quality and safe products.

Chocolates, like any other food product, require basic care in storage. It can get infested due to poor storage conditions especially if stored near grains, cereals or under unhygienic conditions. In fact infestation in packaged food products including chocolate is an internationally well known phenomenon and is dealt with as an acceptable hazard of mass produced food products when distributed in a wide geographical market place. Through painstaking quality checks of the control samples maintained at the factories your Company has been able to establish that all product that left the factories were of good quality.

We in the Company believe that at the manufacturing stage since the ingredients go through sustained processing at high temperatures the occurrence of infestation is impossible. Further, the Company follows the internationally accepted HACCP (Hazard Analysis & Critical Control Points) programme, which is the most comprehensive food safety system, to ensure that all products are free from any physical, chemical and microbiological contamination.

We at Cadbury, have always kept the consumers interest close to our heart. To reiterate our commitments your Company launched a programme called 'Project Vishwas' to ensure that the product reaching the consumer is of the highest quality. This project entailed –

- Strengthening the packaging of Cadbury Dairy Milk range of chocolate by introduction of double protection packaging, inner foil packaging with outer metallic flow wrap for small packs and re-enforced heat sealed poly-foil with an outer band wrap for the larger packs. These packs now come with the "Purity Sealed" logo. Even though the earlier packaging had held the Company in good stead for over three decades, this initiative will eliminate any possibility of infestation during storage and distribution.
- Generating awareness and providing advice and assistance in improving storage conditions for chocolates among retailers.
- Checking and replacing questionable stock if any from the retailers.

Through this programme, your Company ensured that it extended the same care and concern that it takes in the manufacturing processes, to storage and distribution.



## Chairman's Statement

*The incident had an overall dampening impact on the Chocolate market. This adversely impacted the Company's fourth quarter performance. The full year sales growth dropped to 6.2% and the additional cost on account of Project Vishwas significantly eroded the excellent performance recorded up to the third quarter.*

*Having dealt with the incident positively, your Company can now look forward to a strong performance in 2004.*

*I take pride in informing you that in June 2003, after an exhaustive analysis of over 250 companies across nine industries, your Company was one of the 16 companies bestowed with the award of the first Business Today – A. T. Kearney India's Best Managed Company. India's best-managed companies were identified on the basis of four characteristics: value creation, strategic direction, complexity of portfolio and status as a role model. This achievement is a proof of the strong management team that your Company has built over the years.*

*Coming close on heels of being recognized as one of India's Best Managed Companies, I am delighted to share with you that your Company was selected amongst the top 10 "Great Places To Work" in corporate India. "Great Places To Work" is a well known and prestigious worldwide survey conducted by the Great Place To Work Institute, Inc. USA and this was its first study in India. The premium placed on "people care" is the hallmark of your Company.*

*The spirit and quality of the people has always been your Company's greatest strength. I am delighted to inform you that Mr. Girish Bhat, Director Finance, Commercial & IT, has assumed responsibilities for the Finance function of the South East Asian Region. Similarly, Mr. Prashant Chhaya, Director Technical, Innovation & Strategy, has assumed responsibilities as the Director – Science & Innovation for the Asia Pacific Region. These assignments are in addition to their Indian responsibilities. The enhanced role is indeed yet another step towards role enrichment and dual responsibilities, besides being a testimonial of India talent.*

*The Exit Option for the public shareholders of Cadbury India closed on January 19, 2004. As a result of the Public Offer and the Exit Option the public holding of equity shares has come down to 3.38%.*

*Let me also take this opportunity to express my sincere gratitude to all the stakeholders, including our employees, suppliers, distributors, retailers, bankers and consumers, for keeping their faith in us. I also thank the Cadbury Schweppes Group for its continued valuable support extended throughout the year.*

*While concluding, let me reiterate that over the last 55 years, millions of Indians have grown up enjoying the delicious taste of Cadbury chocolates. This has been possible because consumers like you have reposed their trust in Cadbury quality.*

Mumbai : April 22, 2004

**C Y Pal**  
Chairman



## Report of the Directors

### To the Members

Your Directors are pleased to present the 56<sup>th</sup> Annual Report together with the Audited Accounts of the Company for the year ended December 28, 2003.

### 1. Financial Results

	<b>2003</b>	<b>2002</b>
	<b>Rs. Lacs</b>	<b>Rs. Lacs</b>
Sales	<b>72981</b>	68730
Other Income	<b>1855</b>	1992
	<b>74836</b>	70722
Profit before Interest, Depreciation & Tax	<b>10483</b>	13419
Interest	<b>(185)</b>	(174)
Depreciation	<b>(3089)</b>	(2627)
Profit Before Tax and Exceptional Items	<b>7209</b>	10618
Provision for Taxation - Current Tax	<b>(3130)</b>	(3579)
- Deferred Tax	<b>486</b>	181
Profit after Tax and before Exceptional Items	<b>4565</b>	7220
Exceptional items and tax adjustments of earlier years	<b>-</b>	52
Net Profit (after tax adjustments of earlier years)	<b>4565</b>	7272
Balance in P & L A/c brought forward	<b>8741</b>	2664
Balance available for distribution	<b>13306</b>	9936
Proposed Dividend (including Dividend Tax)	<b>806</b>	496
Transfer to General Reserve	<b>450</b>	700
Balance in P & L A/c carried forward	<b>12050</b>	8740
	<b>13306</b>	9936

### 2. Performance of the Company

The Company had an impressive performance till third quarter end. Sales recorded a double digit growth and the overall performance was commendable. However, reports in the media in early October, 2003, in connection with infestation in Cadbury Dairy Milk bars, had an overall dampening impact on the Chocolate market. This significantly impacted the fourth quarter performance and hence, the sales growth dropped to 6.2% over last year.

As a Company, which has always been committed to giving consumers high quality and safe product, these allegations were extremely concerning. Though infestation is impossible during manufacture, as a company that cares, quick and appropriate actions to overcome even the isolated possibilities of infestation during storage and distribution were taken. Further strengthening of packaging of chocolates by introduction of double protection, inner foil with outer flow wrap for small pack and re-enforced heat sealed poly-foil with outer band wrap for larger packs was implemented. This demonstrated the highest traditions of quality that the Company has been following for over five decades.

### 3. Dividend

The Directors recommend dividend of Rs.2/- per share for the financial year ended December 28, 2003. The dividend, if approved at the forthcoming Annual General Meeting, will be paid to:

- all those Equity Shareholders whose names appear on the Register of Members of the Company, after taking into account all valid share transfers in physical form lodged with the Company on or before June 4, 2004 or
- those whose names appear as beneficial owners as at the end of business on June 4, 2004 as per lists to be furnished by the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited.



## Report of the Directors

### 4. Exit Option

As one of the conditions for delisting, The Stock Exchange, Mumbai ("BSE") had stipulated that the Acquirers (Cadbury Schweppes plc and Cadbury Schweppes Mauritius Limited) provide for an exit option to the remaining public shareholders of Cadbury India, for a period of one year from the date of delisting of Cadbury India shares. Accordingly, the Acquirers kept the Exit Option open from December 16, 2002 to January 19, 2004 and continued to accept the equity shares of Cadbury India at the rate of Rs 500 for every fully paid-up equity share.

### 5. Human Resources

Employee Relations throughout the year were supportive of business performance across all factories.

As on December 28, 2003 the total number of employees of your Company was 1889.

Information on particulars of Employees' Remuneration as per Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 forms part of this report.

### 6. Quality Initiatives

The company has over the last 5 decades remained committed to delivering high quality products to the consumers. All the facilities, processes and products are rigorously tested, thus making any sub-standard production impossible. HACCP (Hazard Analysis and Critical Control Point) has been implemented at all manufacturing sites. Regular quality audits feature as a key tool to deliver high quality products to the consumer.

### 7. Environment & Safety

Environment and Safety management is of prime importance to the Company. Frequent audits and robust safety management systems lead to improved safety record. Energy consumption and move to environmental friendly fuel reinforces the Company's commitment to contribute positively to the society.

### 8. Information Technology

In 2003, Warner Lambert India's business was totally integrated seamlessly within the Company systems on day one of acquisition. ERP effectiveness was further enhanced by the implementation of plant maintenance system. As a part of Business Continuity Plan the Disaster Recovery System was implemented & tested during the year. Initiatives on real time collaboration across the locations led to an easy cost effective way of communication. The Company website "www.cadburyindia.com" was redesigned and launched.

Providing the up-to-date actionable information to facilitate front line in making better and prompt decisions has always been the focused agenda for Information Technology.

### 9. Directors

Under Article 108(3) of the Company's Articles of Association, Mr. Harsh Mariwala, Mr. Jaithirth Rao and Mr. Girish Bhat retire by rotation at the Fifty-sixth Annual General Meeting and, being eligible, offer themselves for re-appointment.

Under Article 114 of the Company's Articles of Association, Mr. Sanjay Purohit was appointed Executive Director - Marketing & New Business Development w.e.f. 1-4-2004.

Mr. David Kappler resigned as a Non-Executive Director of the Company w.e.f. 1-3-2004. The Board of Directors wish to place on record their appreciation for the valuable advice and guidance rendered by Mr. David Kappler during his association with the Company.

### 10. Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors' confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed;