

Cadbury



CADBURY INDIA LIMITED

63rd Annual Report 2010

BOARD OF DIRECTORS

CHAIRMAN

C. Y. Pal

MANAGING DIRECTOR

Anand Kripalu

NON EXECUTIVE DIRECTORS

Harsh Mariwala

Radhakrishnan Menon

EXECUTIVE DIRECTORS

Atul Bhatia

V. Chandramouli

Sree Patel

Jaiboy Phillips

Rajesh Ramanathan

Frans Rydén

Narayan Sundararaman

Sunil Taldar

COMPANY SECRETARY

Barkha Bordia

AUDITORS

M/s. Lovelock & Lewes, Mumbai

ADVOCATES & SOLICITORS

Talwar Thakore & Associates, Mumbai

K. J. John & Co., New Delhi

BANKERS

Bank of India

Citibank NA

HDFC Bank Ltd.

HSBC Ltd.

State Bank of India

The Royal Bank of Scotland N.V.

REGISTERED OFFICE

Cadbury House,

19, Bhulabhai Desai Road,

Mumbai 400 026

Tel.: 40073100 • Fax.: 23521698

WORKS

Thane : 1 Pokharan Road, Eastern Express
Highway, Thane - 400 606, Maharashtra

Induri : Talegaon Dabhade, Pune - 410 507,
Maharashtra

Malanpur : Plot No. 25, Malanpur Industrial Area,
Village Gurikha, Tehsil Gohad,
District Bhind, Gwalior - 477 116,
Madhya Pradesh

Baddi : Hadbast No. 199, Village Sandholi
Baddi, Tehsil - Nalagarh,
Dist. Solan - 173205, Himachal Pradesh

Bangalore : Jodi Hanumanapalya Mahadevapura
Post, Mangalore Road,
Nelamangala - 562123, Bangalore,
Karnataka

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CHAIRMAN'S STATEMENT

Dear Shareholders,

Welcome to the 63rd Annual General Meeting of the Company.

2010 was another good year for Cadbury India Ltd. Our net sales grew by 29.4% over 2009 and our profit before tax grew by 6.4%.

The robust growth was fuelled by superior product innovation and sustained investment behind our power brands. Continued rigor and focus on cost helped us partially offset high commodity inflation. We strengthened our portfolio with the introduction of Cadbury Dairy Milk (CDM) Silk, a creamier, premium version of CDM, and successfully re-launched Perk.

Our marketing communication was liked by consumers and critics alike, and we bagged multiple awards. We were recognized twice in the 2010 Effie's Media Awards, while our CDM Pehli Tareekh advertising campaign bagged four Emvies, presented by the Advertising Club of Bombay.

Equally, on the CSR front we scaled up our community outreach. During the year we initiated a new partnership with Akshaya Patra, an NGO that cooks and serves mid-day meals to children, across the country, every day. In October 2010, as part of "Delicious Difference Week", our global week of community service, over 1000 colleagues across the country volunteered with Akshaya Patra. Over a period of three days they cooked and served 15,000 hot and healthy meals to school children in 15 locations. For every colleague who volunteered, we also pledged to support the mid-day meal for a child for one year. In addition, we set up a school near our Baddi factory where over 50 children of migrant workers now have daily access to non-formal education, before enrollment to a government school. We also continued to invest in our integral village development program SARVAM.

Thank you for your continued support.

Best wishes,

C. Y. Pal
Chairman

Mumbai:
August 18, 2011



NOTICE

NOTICE IS HEREBY GIVEN THAT THE SIXTY-THIRD ANNUAL GENERAL MEETING OF THE MEMBERS OF CADBURY INDIA LIMITED will be held on September 29, 2011 at 3.00 p.m. at Textiles Committee (Auditorium) (Govt. of India, Ministry of Textiles), P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai 400 025 to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended December 31, 2010 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. Jaiboy Phillips**, who retires by rotation.
5. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), as an Ordinary Resolution the following:

"RESOLVED THAT M/s. Lovelock & Lewes, Chartered Accountants, Mumbai, be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

6. To appoint Mr. Sunil Taldar as a Director of the Company liable to retire by rotation.
7. To consider and if thought fit, to pass with or without modification(s), as an Ordinary Resolution the following:
"RESOLVED THAT pursuant to the provisions of Sections 198, 262, 269, 309 and 310 and any other applicable provisions of the Companies Act, 1956 and subject to the approval of the Central Government, the Company hereby accords its approval to the appointment of and remuneration payable to Mr. Sunil Taldar as an Executive Director of the Company for a period of 5 years commencing from May 1, 2011, on the terms and conditions set out in the agreement entered into between the Company and Mr. Sunil Taldar, 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. Frans Rydén 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 pursuant to the provisions of Sections 198, 262, 269, 309 and 310 and any other applicable provisions of the Companies Act, 1956 and subject to the approval of the Central Government, the Company hereby accords its approval to the appointment of and remuneration payable to Mr. Frans Rydén as an Executive Director of the Company for a period of 3 years commencing from May 2, 2011, on the terms and conditions set out in the agreement entered into between the Company and Mr. Frans Rydén, a copy of whereof initialled by the Chairman of the Board for the purpose of identification, is placed before the meeting."
10. To appoint Ms. Sree Patel as a Director of the Company liable to retire by rotation.
11. To consider and if thought fit, to pass with or without modification(s), as an Ordinary Resolution the following:
"RESOLVED THAT pursuant to the provisions of Sections 198, 260, 269, 309 and 310 and any other applicable provisions of the Companies Act, 1956, the Company hereby accords its approval to the appointment of and remuneration payable to Ms. Sree Patel as an Executive Director of the Company for a period of 5 years commencing from May 23, 2011, on the terms and conditions set out in the agreement entered into between the Company and Ms. Sree Patel, a copy of whereof initialled by the Chairman of the Board for the purpose of identification, is placed before the meeting."

**NOTES:**

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ONLY ON A POLL 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. 6 to 11 stated above is annexed hereto.
- (c) The Register of Members and Share Transfer Books of the Company will remain closed from September 17, 2011 to September 29, 2011, both days inclusive, in terms of the provisions of Section 154 of the Companies Act, 1956.
- (d) Dividend on Equity Shares as recommended by the Directors for the financial year ended December 31, 2010 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 September 16, 2011
- 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 September 16, 2011.
- (e) The Company has transferred the unclaimed amounts of dividends up to the financial year ended December 28, 2003 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 is 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

Telephone: (022) 66134700
Fax : (022) 22825484

OR

13 AB, Samhita Co.op. Warehousing Complex,
Plot No. 53, Sakinaka,
Off Andheri Kurla Road,
Andheri (E)
Mumbai - 400 072

Telephone: (022) 67720300,
67720400

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 the depository 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 holding shares in physical form are requested to note that, in order to avoid any loss/interception in postal transit and also to get prompt credit of dividend through Electronic Clearing Service (ECS), they should submit their ECS details to the Company's Registrar & Transfer Agent by September 16, 2011. The requisite ECS application form can be obtained from the Company's Registrar & Transfer Agent. Alternatively, Members may provide details of their bank account quoting their folio numbers by the said date, to the Company's Registrar & Transfer Agent to enable them to print such details on the dividend warrants.
- (m) 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.
- (n) Members are requested to bring their copy of the Annual Report to the Annual General Meeting.

By Order of the Board of Directors

Report Junction.com

Barkha Bordia
Company Secretary

Mumbai

Date : August 18, 2011

Registered office:

Cadbury House
19, Bhulabhai Desai Road
Mumbai - 400 026.



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

Item No. 6 & 7

The Board of Directors appointed Mr. Sunil Taldar as an Executive Director of the Company with effect from May 1, 2011 for a period of 5 years.

The terms of appointment, remuneration and perquisites of Mr. Sunil Taldar as set out in the Agreement referred to in the resolution are subject to the approval of the Shareholders of the Company and the Central Government under Schedule XIII of the Companies Act, 1956. The approval from Central Government will be obtained as Mr. Sunil Taldar was not staying in India for a continuous period of twelve months immediately preceding the date of his appointment.

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

The material terms of appointment and remuneration of Mr. Sunil Taldar as set out in the said Agreement are as follows:

Clause 1	Parties to the Contract	:	(a) Cadbury India Limited (b) Mr. Sunil Taldar
Clause 2	Effective date of appointment as Executive Director	:	May 1, 2011
	Duration of the term	:	5 years
Clause 3	Duties of Executive Director	:	Substantial powers of management subject to such restrictions as the Board may impose from time to time.
Clause 4	Place of Work	:	Regd. Office of the Company
Clause 5 & 6	Remuneration, Perquisites and Benefits	:	Salary (1) Basic Salary – ₹ 3,23,000/- p.m. (2) Allowances – ₹ 2,23,820/- p.m. – Any increases in Basic Salary and allowances within the overall limit of ₹ 15 Lacs p.m. as may be approved by the Board of Directors from time to time. Management Incentive Plan/Commission – Management Incentive plan/Commission subject to a maximum of 1% of Net Profit. Provident fund, Gratuity and Superannuation: – As per applicable rules from time to time and Company policy. Perquisites/Benefits – Company Accommodation. – Gas, electricity and water expenses to be reimbursed by the Company. – Medical Reimbursement and Personal Accident Insurance as per the Company policy. – Leave Travel Allowance, once in a year, as per the rules of the Company. – Club fees – Membership of 1 club. – Use of car with driver.



- Reimbursement of expenses on telephone at residence.
 - Housing Loan, Furniture & Appliance Scheme as per Company policy.
 - Reimbursement of expenses reasonably incurred in cash or by credit card while on Company duty.
 - Shifting and joining allowance for relocation (one time).
- Clause 7 Confidentiality: - Executive Director not to divulge, disclose or use for his own purpose, information, knowledge etc. relating to the business activities of the Company gathered during employment with the Company.
- Clause 8 Termination of the agreement: - Automatic termination due to superannuation, resignation, etc.
- Immediate termination due to misconduct, conviction for a criminal offence or dishonest acts.
 - Termination with 3 months notice during prolonged illness or incapacity.
 - Mutual notice for termination.
- Clause 9 Notices to either parties: Mode of Service.

APPENDIX

1. Inventions and improvements.
2. Confidential information – not to divulge trade secret or confidential information.
3. Non Solicitation – after termination of the employment.
4. Non Competition.
5. Return of papers – after termination of the agreement.

The Board of Directors of the Company is authorised to vary the aforesaid remuneration, perquisites and benefits, including the monetary value thereof, provided the said variation is as per Company policy and within the overall limits laid down in 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, payment of remuneration will be made in accordance with the provisions of Schedule XIII to the Companies Act, 1956

Mr. Sunil Taldar 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. Sunil Taldar 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 recommends this Resolution for approval by the Members.

Memorandum of Interest

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

Item No. 8 & 9

The Board of Directors appointed Mr. Frans Rydén as an Executive Director of the Company with effect from May 2, 2011 for a period of 3 years.



The terms of appointment, remuneration and perquisites of Mr. Frans Rydén as set out in the Agreement referred to in the resolution are subject to the approval of the Shareholders of the Company and the Central Government under Schedule XIII of the Companies Act, 1956. The approval from Central Government will be obtained as Mr. Frans Rydén was not staying in India for a continuous period of twelve months immediately preceding the date of his appointment.

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

The material terms of appointment and remuneration of Mr. Frans Rydén as set out in the said Agreement are as follows:

Clause 1	Parties to the Contract	:	(a) Cadbury India Limited (b) Mr. Frans Rydén
Clause 2	Effective date of appointment as Executive Director	:	May 2, 2011
	Duration of the term	:	3 years
Clause 3	Duties of Executive Director	:	Substantial powers of management subject to such restrictions as the Board may impose from time to time.
Clause 4	Place of Work	:	Regd. Office of the Company
Clause 5 & 6	Remuneration, Perquisites and Benefits	:	Salary – Basic Salary – ₹ 12,38,659/- p.m. – Any increases in Basic Salary and allowances within the overall limit of ₹ 30 Lacs p.m. as may be approved by the Board of Directors from time to time.

Management Incentive Plan/Commission

- Management Incentive plan/Commission subject to a maximum of 1% of Net Profit.

Perquisites/Benefits

- Company accommodation.
- Gas, electricity and water expenses to be reimbursed by the Company.
- Medical Reimbursement and Personal Accident Insurance as per the Company policy.
- Leave Travel Allowance, once in a year, as per the rules of the Company.
- Club fees – Membership of 1 club.
- Use of car with driver.
- Reimbursement of expenses on telephone at residence.
- Housing Loan, Furniture & Appliance Scheme as per Company policy.
- Reimbursement of expenses reasonably incurred in cash or by credit card while on Company duty.
- Shifting and joining allowance for relocation (one time).



- Clause 7 Confidentiality : – Executive Director not to divulge, disclose or use for his own purpose, information, knowledge etc. relating to the business activities of the Company gathered during employment with the Company.
- Clause 8 Termination of the agreement : – Automatic termination due to resignation, etc.
– Immediate termination due to misconduct, conviction for a criminal offence or dishonest acts.
– Termination with 3 months notice during prolonged illness or incapacity.
– Mutual notice for termination.
- Clause 9 Notices to either parties : Mode of Service.

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5. Return of papers – after termination of the agreement

The Board of Directors of the Company is authorised to vary the aforesaid remuneration, perquisites and benefits, including the monetary value thereof, provided the said variation is as per Company policy and within the overall limits laid down in 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, payment of remuneration will be made in accordance with the provisions of Schedule XIII to the Companies Act, 1956

Mr. Frans Rydén 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. Frans Rydén 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 recommends this Resolution for approval by the Members.

Memorandum of Interest

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

Item No. 10 & 11

The Board of Directors appointed Ms. Sree Patel as an Additional Director and then as an Executive Director of the Company with effect from May 23, 2011 for a period of 5 years. As an Additional Director she holds office upto the Annual General Meeting. Hence, item no. 10 & 11 are to seek her appointment as an Executive Director.

The Company has also received notice under Section 257 of the Companies Act, 1956, along with a deposit of ₹ 500 from a member intimating his intention to propose the candidature of Ms. Sree Patel for the office of a Director of the Company.

The terms of appointment, remuneration and perquisites of Ms. Sree Patel as set out in the Agreement referred to in the resolution are subject to the approval of the Shareholders of the Company.

The material terms of appointment and remuneration of Ms. Sree Patel as set out in the said Agreement are as follows:

- Clause 1 Parties to the Contract : (a) Cadbury India Limited
(b) Ms. Sree Patel