



Twenty First Annual Report 2007-2008

EXTRA-ORDINARY GENERAL MEETING

Date: 31st May, 2008

Day: Saturday

Time: 9.00 A.M.

Place: Hotel Sai Shahu,
Nasik Pune Road,
Taluka - Sinnar, Dist. Nasik,
Maharashtra, Pin 422 103

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NOTICE TO MEMBERS

Notice is hereby given that an Extra-Ordinary General Meeting of the VADILAL DAIRY INTERNATIONAL LIMITED will be held on Saturday, the 31st of May, 2008 at 09.00.am at the Hotel Sai Shahu, Nasik Pune Road, Taluka Sinnar, Dist. Nasik - 422 103 to Consider and, if thought fit, to pass, with or without modification, the following resolution as Special Resolution.

SPECIAL BUSINESS:

(1) REDUCTION IN EQUITY SHARE CAPITAL

“RESOLVED THAT subject to section 95 (1) (d) of the Companies Act, 1956 and as per BIFR order the Face value of the Equity share will be reduced by 90% and thus the face value of share will reduced from Rs. 10/- each to Rs. 1/- each.

“RESOLVED THAT any of the Directors of the Company be and is hereby authorised to do all such things as may be necessary to give effect to the aforesaid resolution.”

(2) CONSOLIDATION OF SHARE

“RESOLVED THAT subject to section 95 (1) (a) of the Companies Act, 1956 and as per BIFR order after reduction in the Equity share capital the share will be consolidated, the face value of the share will be changed from Rs. 1/- to Rs.10/- each.

“RESOLVED THAT any of the Director of the Company be and is hereby authorised to do all such things as may be necessary to give effect to the aforesaid resolution.”

(3) DEMERGER OF DAIRY DIVISION OF THE COMPANY

“RESOLVED THAT subject to the provisions of section 17 (1) (f), 95 (1) (d) and other applicable provisions of the Companies Act, 1956 consent of the members be and is hereby given to the Scheme of Rehabilitation of the Company as approved by the Honourable Bench of Board of Industrial and Financial Reconstruction, including for de-merger of the Company's Dairy Division into a separate Company viz. Warana Milk and Milk Products Limited (“Resulting Company”) for exchange of shares of the Resulting Company or cash in lieu of those equity shares of the resulting company to be given to the holders of Equity shares of the Demerged Company as on a record date, in ratio of 53 share of Rs. 10/- each for every 100 shares held in the Company after reduction and consolidation of the share capital of the Company.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to carry out all such acts and things as may be necessary including changes in the Scheme as may be suggested by the majority of the member and to implement the same under the supervision of Monitoring Agency and / or BIFR, including in particular for obtaining statutory or other permissions for transfer of the Dairy Division to the Resulting Company.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to carry out all such acts and things as may be necessary including issue of new shares certificate in lieu of surrendered share certificate to the shareholders of the demerged company, making payments to the shareholders on behalf of the resulting company, and all such other things as may be necessary to give effect to the aforesaid resolutions.”

(4) INFUSION OF FUNDS BY PROMOTERS

“RESOLVED THAT as per the BIFR order and subject to the provisions of the applicable sections of the Companies Act, 1956, the Promoters of the Company to bring in funds to the tune of Rs. 200 Lacs as Equity Share Capital at par to meet the Cost of the Scheme.”

“RESOLVED FURTHER THAT the subject to the provisions of the applicable sections of the Companies Act, 1956 the Promoters of the company to bring such additional funds as may require towards any short fall in cash generation, which may arise in meeting the repayment obligation as per the Scheme.”

“RESOLVED FURTHER THAT the Directors of the Company be and are hereby authorized to do such things as may be necessary including issue of new shares to the Promoters of the Company and any other things as may be necessary to give effect to the aforesaid resolutions.”

(5) SHIFTING OF REGISTERED OFFICE OF THE COMPANY

To consider and pass with or without modifications, following Resolutions as Special Resolution:

“RESOLVED THAT subject to section 146 and other applicable provisions of the Companies Act, 1956 the Registered Office of the Company be and is hereby shifted to Plot No M-13, MIDC Industrial Area, Tarapur, Boiser, Dist Thane, Maharashtra, 401 506”

“RESOLVED FURTHER THAT the Board of Director of the Company be and is hereby authorized to do all such acts and things as may be necessary to give effect to the above Resolution.”

For VADILAL DAIRY INTERNATIONAL LIMITED

Place: Mumbai

Date:: 07.05.2008

SHAILESHR. GANDHI

MANAGING DIRECTOR

Registered Office:

E-10, M.I.D.C. Area,

Malegaon, Taluka Sinnar

Dist. Nasik 422 103

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND, AND VOTE INSTEAD OF HIM/HER AND A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE, NOT LATER THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. Explanatory Statement as required under Section 173 of the Companies Act, 1956 for the Special Business to be conducted at the Meeting is annexed to this Notice.

3. The Record date for the purpose of Share exchange/ payment by way of consideration is fixed as 31st of May, 2008 by the Board of Directors of the Company.

4. a) Members are requested to notify change of address, if any, with PIN CODE number and quoting reference of their Folio Number/s.

b) In case your mailing address mentioned on this Notice of Extra Ordinary General Meeting is without the PIN CODE then you are requested to inform your PIN CODE immediately.

5. Members are requested to quote Folio Numbers in all correspondences.

6. Documents referred to in the accompanying Notice are open for inspection at the Company's office at Tarapur during office hours on all working days except holidays between 10.00 a.m. and 2.00 pm. noon up to the date of Extra Ordinary General Meeting.

7. In case you intend to raise any query in the forthcoming Extra-Ordinary General Meeting you are requested to please forward the same at least 7 days before the date of the meeting to the Corporate Office, so that the same may be attended to your entire satisfaction.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (3) OF THE COMPANIES ACT, 1956.

As required by Section 173 (2) of the Companies Act, 1956, the following Explanatory statement set out material facts relating to the business under item nos: 1 to 5 of the accompanying notice dated 07th of May, 2008.

Item No. 1 & 2

Vadilal Dairy International Limited (VDIL) became a sick industrial company and was forced to approach the Board for Industrial and Financial Reconstruction (BIFR). After the initial submissions to the Board, number of hearings took place and the final BIFR hearing took place on 31st October, 2007.

As per the final order passed by the Board (BIFR), the Equity Share Capital of the Company is to be reduced by 90% i.e. the face value of share will be reduced from Rs. 10/- each to Rs.1/- each and thereafter the said equity shares (after reduction) will be consolidated from Rs.1/- to Rs.10/- each.

The members are requested to approve the aforesaid resolution to give effect to the proposed scheme.

None of the directors of the company are in any way concerned or interested in the resolution except as shareholders.

Item No.3

As per the BIFR order, the Dairy Division was demerged and was hived off to M/s Warana Milk and Milk Products Limited for Rs.650 lakhs. The hiving off of the division was made to settle the claims as per the Scheme of Reconstruction.

As per the Scheme, the Shareholders of VDIL are eligible to get the Shares/Consideration (subject to Members' approval) in the ratio of 53 shares of Rs.10/- each for every 100 shares of VDIL after reduction and consolidation of the share capital of the Company.

Separate Communication by way of Advertisement shall be given in respect of surrender of shares.

Members are requested to pass a resolution to give effect to the Demerger.

None of the directors of the company are in any way concerned or interested in the resolution except as shareholders.

Item No.4

As per the BIFR order, the Promoters of the Company need to infuse funds to the tune of Rs.200 Lakhs as Equity Share Capital at par to meet the Cost of the Scheme and such further funds as may be necessary **in the form of Equity Share Capital or Interest Free**

Unsecured Loan towards the short fall in cash generation, which may arise in meeting the repayment obligation as per the Scheme.

The members are requested to pass a resolution to give effect to the said proposal of infusion of funds by promoters.

None of the directors of the company are in any way concerned or interested in the resolution except as shareholders..

Item No. 5

The Registered Office of VDIL is situated at Plot no.E-10, MIDC, Industrial Area, Malegaon, Sinnar, District Nasik.

However, as per the BIFR order, the Dairy unit of VDIL situated at its registered office was hived off to M/s Warna Milk and Milk Products Limited.

Owing to this, the Registered Office of VDIL is proposed to be shifted to Plot No.M-13, MIDC Industrial Area, Tarapur, Boiser, Maharashtra, 401 506.

The Members are hereby requested to approve the proposal.

None of the directors of the company is in any way concerned or interested in the resolution except as shareholders.

For VADILAL DAIRY INTERNATIONAL LIMITED

SHAILESH R. GANDHI
MANAGING DIRECTOR



Vadilal Dairy International Ltd.
Regd. Office: Plot No. E-10, M.I.D.C. Industrial Area,
Malegaon, Sinnar, Dist: Nasik, Pin-422 103.

Proxy

I/We _____
of _____ In the District of _____ being A Member
/ Members of the above named Company, hereby appoint _____
of _____ of failing him / her
_____ As my / our Proxy to attend and vote for me / us on my / our behalf at the Extra
Ordinary General Meeting of the Company to be held on Saturday 31st May 2008.

here of. Signed this _____ day of _____ 2008.

Refrence Folio

No. Of Shares Signature

Affix
1 Rupees
Revenue
Stamp

NOTE: The Proxy form Duly Completed must be deposited at the Registered Office of the Company not
later than 48 hours before the time fixed for holding the meeting.

(CUT HERE)



Vadilal Dairy International Ltd.
Regd. Office: Plot No. E-10, M.I.D.C. Industrial Area,
Malegaon, Sinnar, Dist: Nasik, Pin-422 103.

ATTENDANCE SLIP

Extra Ordinary General Meeting

No. Of. Shares:

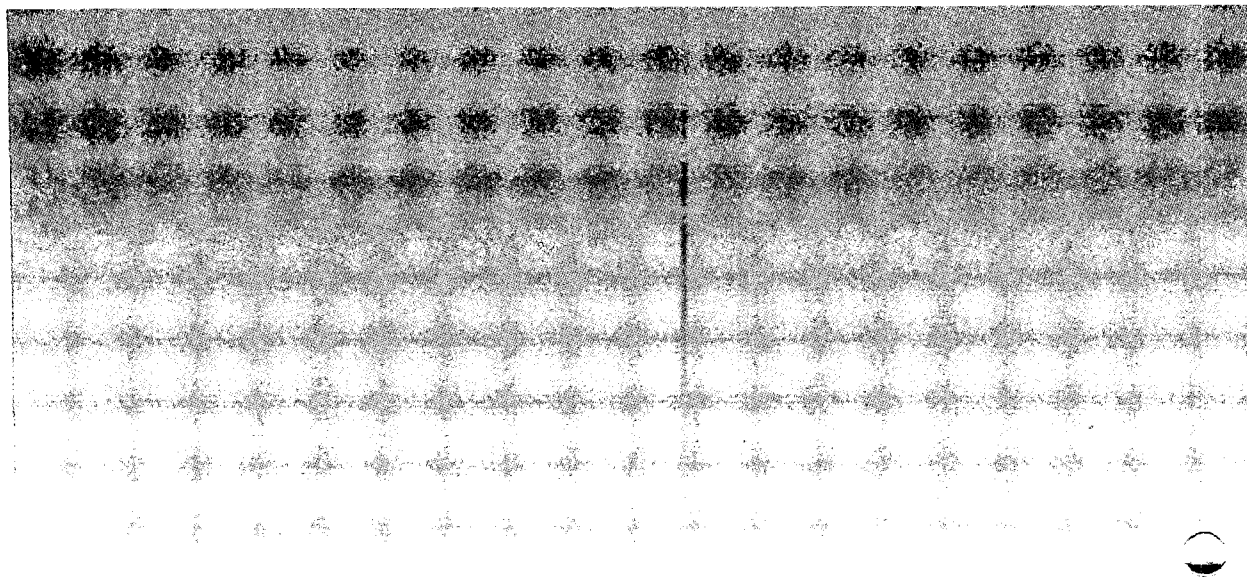
Regd. Folio No.:

I here by record my presence at the Extra Ordinary General Meeting of the Company at Hotel Sai Shahu,
Nasik Pune Road, Taluka - Sinnar, Dist-Nasik, Pin - 422 103 on Saturday 31st May 2008.

Signature of the attending Proxy

Signature of the attending member

NOTE: 1. Shareholder / Proxy holder wishing to attend the meeting must bring the attendance Slip to the
meeting and handover at the entrance duly signed.
2. Shareholder / Proxy holder desiring to attend the meeting should bring his copy of the Extra
Ordinary General Meeting for reference at the meeting



BOOK POST

Report  junction.com

If Undelivered Please Return To:

Vadial Dairy International Ltd.

Gul Manzil Building, 1st Floor,

14th Dashrathlal Joshi Road,

Vie Parle (West), Mumbai - 400 056