



VARDHMAN ACRYLICS LIMITED

Registered Office: Chandigarh Road, Ludhiana - 141 010 (Punjab), India.

Phones: 0161-2228943-48; Fax: 0161-2601048 & 2220766

CIN: L51491PB1990PLC019212, PAN: AAACV7602E

E-mail: secretarial.lud@vardhman.com; Website: www.vardhman.com

TO

AUGUST 25, 2014

The LISTING DEPARTMENT,

✓ **The National Stock Exchange of India Limited,**

Exchange Plaza, Plot No. C/1, G Block,

Bandra Kurla Complex, Bandra (East),

Mumbai- 400 051, Maharashtra.

Fax No.: 022-26598237 and 26598155

Email Id: cmllist@nse.co.in

The LISTING DEPARTMENT,

Ludhiana Stock Exchange Limited,

Feroze Gandhi Market,

Ludhiana, Punjab.

Fax No.: 0161-2404748 and 2412318

Email Id: lse_cs@rediffmail.com

Dear Sir,

Please find attached herewith the Postal Ballot Notice and Postal Ballot Form of Vardhman Acrylics Limited, seeking members' approval for the following two items:

(i) To continue with the same limit as approved by them by the way of Special Resolution on 25th July 2013 through Postal Ballot in respect of "Increase in the limit of Investments/Inter corporate Loans u/s 186 of the Companies Act, 2013 to the extent of Rs.150 crore over and above the higher of (a) 60% of the paid up share capital and free reserves or (b) 100% of free reserves of the Company";

(ii) For "creation of mortgages/charges on the movable and immovable properties of the Company u/s 180(1)(a) of the Companies Act, 2013 " which was approved by the shareholders by way of Ordinary Resolution in their meeting held on 29th April 1996.

The abovesaid matters have already been approved by the Board of Directors in their meeting held on 2nd August, 2014.

The dispatch of Postal Ballot Notice pursuant to section 110 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014,

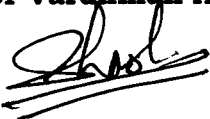
has been completed on 23th August, 2014 along with Postal Ballot Form and self addressed, postage prepaid envelope.

This is for your record and information.

Thanking you,

Yours faithfully,

For Vardhman Acrylics Limited



(Shashi Ranjan Kumar)
Authorised Signatory

Encl: as above



VARDHMAN ACRYLICS LIMITED

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 Phones: 0161-2228943-48; Fax: 0161-2601048 & 2220766
 E-mail: secretarial.lud@vardhman.com; Website: www.vardhman.com

NOTICE TO SHAREHOLDERS PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013

Dear Shareholder(s)

Vardhman Acrylics Limited

NOTICE is hereby given that the following resolutions are circulated herewith for approval of members of Vardhman Acrylics Limited ("the Company") to be accorded by Postal Ballot/ E-voting in accordance with the provisions of Sections 108 and 110 of the Companies Act, 2013 ("the Act") read with the Companies (Management and Administration) Rules, 2014:

SPECIAL BUSINESS:

1. To consider and if, thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

INVESTMENTS/INTER CORPORATE LOANS:

"**RESOLVED THAT** in supersession of the earlier resolution passed by the shareholders dated 25th July, 2013 and pursuant to provisions of Section 110 and 186 read with Section 179 and other applicable provisions/rules, if any, of the Companies Act, 2013 or any re-enactment thereof; any other law for the time being in force and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the Members be and is hereby accorded to give loans, advances, deposits, guarantees or provide securities in connection with a loan, invest the surplus funds of the Company in fixed deposits, ICDs, and/or other market related products, mutual funds, fixed maturity plans, liquid plans etc, on such terms and conditions as the Board may think fit, to the extent of Rs. 150 crores over and above the higher of (a) 60% of the paid up share capital and free reserves or (b) 100% of free reserves of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters & things etc as may be deemed expedient and necessary to give effect to this resolution."

2. To Consider and if, thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

MORTGAGES/CHARGES ON THE MOVABLE AND IMMOVABLE PROPERTIES OF THE COMPANY, BOTH PRESENT AND FUTURE:

"**RESOLVED THAT** in supersession of the earlier resolution passed by the shareholders dated 29th April, 1996 and pursuant to the provisions of section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, the consent of the members be and is hereby given to the Board of Directors of the Company (herein referred to as "the Board" which shall be deemed to include any committee thereof) to create such charges, mortgages and hypothecations in addition to the existing mortgages/charges created/hypothecation created by the Company, in such form and manner and with such ranking and on such terms as the Board may determine, all or any of the moveable and/or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of default in favour of the Agents/Trustees/Lenders for securing the Securities together with interest, remuneration of the trustees, premium (if any) on redemption or other costs, charges and expenses payable by the Company in terms of Trust Deed/other documents to be finalized and executed between the Company and the Agents and Trustees/Lenders and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Agents and Trustees/Lenders.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/Committee be and is hereby authorized to finalise, settle and execute such documents/deeds/agreements/papers as may be required and to do all such acts, deeds and things as may be required or considered necessary or incidental thereto."

By Order of the Board of Directors
 For VARDHMAN ACRYLICS LIMITED

Sd/-

Place : Gurgaon
 Date : 02.08.2014

RUCHITA KUMAR VIJ
 (COMPANY SECRETARY)

NOTES:

- Statement and reasons for the proposed resolutions stated hereinabove, pursuant to Section 102 of the Companies Act, 2013("the Act") read with the Companies (Management and Administration) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014.
- The Company has appointed M/s. B.K Gupta & Associates, Company Secretaries, as Scrutinizer for conducting the postal ballot process, in a fair and transparent manner.
- The votes should be cast either in favour of or against by putting the tick mark in the column provided for assent or dissent. Postal Ballot Form bearing tick in both the columns will render the form invalid.
- The Notice is being sent to all the Members, whose names appear in the Register of Members as on 04.08.2014.
- In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 the Company is pleased to offer e-voting facility as an alternative, to all the Shareholders of the Company. For this purpose, the Company has entered into agreement with CDSL for facilitating e-voting to enable shareholders to cast their vote electronically instead of dispatching Postal ballot Form, E-voting is optional.
- The Notice is being sent by e-mail to those members who have registered their e-mail address with the company or with their Depository Participants. Members who have not registered their e-mail address will receive this notice along with form through post.
- The instructions for members for voting electronically are as under:-**

In case of members receiving e-mail (EVSU:- 140814032)

- Log on to the e-voting website www.evotingindia.com
- Click on "Shareholders" tab.
- Now, select the "Vardhman Acrylics Limited" from the drop down menu and click on "SUBMIT"
- Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- If you are holding shares in De-mat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- Now, fill up the following details in the appropriate boxes:

	For Members holding shares in De-mat Form	For Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both De-mat shareholders as well as physical shareholders)	
DOB	Enter the Date of Birth as recorded in your De-mat account or in the company records for the said De-mat account or folio in dd/mm/yyyy format.	

*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the folio/Demat Account number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with folio number 1 then enter RA00000001 in the PAN field.

Please enter any one of the details in order to login. In case either of the details are not recorded with the depository, please enter the <YOUR NUMBER OF SHARES> in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for E-voting on the resolutions contained in this Notice.
- (x) Click on EVSN for < Vardhman Acrylics Limited > to vote.
- (xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporate. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com. After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

In case of members receiving the physical copy:

- (xix) Please follow all steps from sl. no. (i) to sl. no. (xviii) above to cast vote.
8. The voting period begins on 24.08.2014, 09:00 A.M. and ends on 22.09.2014, 05:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 04.08.2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 9. M/s. B.K Gupta & Associates, Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall make a report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 10. The Results shall be declared on or before 27th September, 2014. The results declared along with the Scrutinizer's report shall be placed on the Company's website www.vardhman.com and on the website of CDSL within 2 (two) working days of the receipt of scrutinizer report at the Registered office of the Company and will be communicated to the Stock Exchanges.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH SECTION 110 OF THE COMPANIES ACT, 2013.

1. ITEM NO. 1:

The shareholders had approved the matter relating to increase in the limit of investments/inter corporate loans that can be made by the Company to the extent of Rs.150 crore over and above the higher of (a) 60% of the paid up share capital and free reserves or (b) 100% of free reserves of the Company i.e. the limits permissible u/s 372A of the Companies Act, 1956 on 25th July, 2013. Since the provisions of section 372A of Companies Act, 1956 have been repealed and a new section 186 has come into force under Companies Act, 2013, the special resolution set forth in item no. 1 is required to be approved by the Shareholders u/s 186 of the Companies Act, 2013.

Therefore, your approval is solicited by way of special resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 1 of the Notice.

2. ITEM NO. 2:

The shareholders of the Company had approved the matter in respect of creation of mortgages/charges on the movable and immovable properties of the company by the way of Ordinary Resolution in the meeting held on 29th April 1996. Since, the provisions of Section 293(1)(a) of the Companies Act, 1956, have been repealed and the new Section 180(1)(a) has come into force of the Companies Act, 2013, the special resolution set forth in item no. 2 is required to be approved by the Shareholders u/s 180(1)(a) of the Companies Act, 2013.

Therefore, your approval is solicited by way of special resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 2 of the Notice.

By Order of the Board of Directors
For VARDHMAN ACRYLICS LIMITED

Sd/-

RUCHITA KUMAR VIJ
(COMPANY SECRETARY)

Place : Gurgaon
Date : 02.08.2014

INSTRUCTIONS

1. A member desiring to exercise vote by Postal Ballot may complete this Postal Ballot Form and send to the Scrutinizer in the enclosed self-addressed and postage pre-paid Envelope. No postage is required, however envelopes containing Postal Ballots, if sent through courier or registered post at the expense of or deposited at the address given herein by the registered member will also be accepted. The envelopes containing the Postal Ballot should reach the Scrutinizer not later than the close of working hours on 22.09.2014.
2. The voting rights of the members shall be in proportion to their shares in the total paid-up equity share capital of the company as on 04.08.2014.
3. The self addressed pre paid envelope bears the address of the Scrutinizer appointed by the Board of Directors of the Company.
4. The Form should be completed and signed by the sole/first named shareholder. In the absence of the first named shareholder in a joint holding, the form may be completed and signed by next named shareholder. (However, where the form is sent separately by the first named shareholder and joint holder(s), the vote of first named shareholder would be valid).
5. Duly completed form should reach scrutinizer on or before 05.00 P.M. on 22.09.2014. All forms received after this date will be treated as if reply from the shareholders has not been received.
6. There will be only one postal ballot form for every folio irrespective of the number of joint shareholder(s).
7. In case of shares held by Companies, Trusts etc the duly completed Postal Ballot Form should be accompanied by a certified true copy of the Board Resolution/Authority, with signatures of Authorized Signatories.
8. Members are requested not to send any other matter along with Postal Ballot Form in the enclosed Postage Prepaid envelope. If any extraneous papers are found, the same will be destroyed by the Scrutinizer.
9. Incomplete, unsigned or incorrectly filled Postal Ballot Forms are subject to rejection by the Scrutinizer.
10. The votes should be cast either in favour of or against by putting the (✓) mark in the column provided for assent or dissent. Postal Ballot Forms bearing tick mark in both the column will be render the form and vote contained therein invalid.



VARDHMAN ACRYLICS LIMITED

CIN: L51491PB1990PLC019212, PAN: AAACV7602E

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POSTAL BALLOT FORM

1. Name & Registered Address of the
Sole/First named Shareholder/
Member/beneficial owner

2. Name (s) of the Joint Holder(s),
if any

3. Registered Folio No./DPID No. &
Client ID No.

4. Number of Equity Shares held on 4th August, 2014:

5. I/we hereby exercise my/our vote in respect of the Special Resolution to be passed through Postal Ballot for the business stated in the Notice dated 2nd August, 2014 of the Company by sending my/our assent or dissent to the said Resolution by placing the tick mark (✓) mark in the appropriate box below:

Description of Resolutions	Number of Shares for which votes cast	I We assent to the Resolution	I We dissent to the Resolution
Item No.1 Special Resolution under section 186 of the Companies Act, 2013 authorizing the Board of Directors to continue the Investment limits to the extent of Rs. 150 crore over and above the higher of (a) 60% of the paid up share capital and free reserves or (b) 100% of free reserves of the Company.			
Item No.2 Special Resolution under section 180 (1)(a) of the Companies Act, 2013 authorizing the Board of Directors to mortgage and/or create any charge on immovable and/or movable properties of the Company.			

Place:

Date:

(Signature of the Shareholder/
Beneficial Owner)

Note - a) Kindly read the instructions printed overleaf before filling the form.

b) Last date for receipt of Postal Ballot Forms by Scrutinizer is 22.09.2014