VARDHMAN ACRYLICS LIMITED

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Compliance Officer: Mrs. Ruchita Kumar-Vij, Company Secretary and Compliance Officer

PUBLIC ANNOUNCEMENT

FOR THE ATTENTION OF EQUITY SHAREHOLDERS/BENEFICIAL OWNERS OF THE EQUITY SHARES OF VARDHMAN ACRYLICS LIMITED

This Public Announcement ("PA") is made pursuant to the provisions of Regulation 15(d) read with Regulation 15(c) and all other applicable provisions of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998 including any statutory modifications and amendments from time to time ("Buy-Back Regulations") and contains the disclosures as specified in **Schedule II** to the said Buy-Back Regulations.

PART A

1. THE BUY-BACK

1.1 The Board of Directors of Vardhman Acrylics Limited (hereinafter referred to as **"VAL"** or **" The Company"**) at its meeting held on **May 09, 2012 (the "Board Meeting")** approved the proposal for Buy-Back of its own fully paid up Equity shares of Rs. 10/- each (hereinafter referred to as "the Buy-Back") not exceeding 2,00,00,000 Equity Shares (Maximum Offer shares) in accordance with the provisions contained in the **Article 7** of the Articles of Association of the Company, Section 77A, 77AA and 77B and other applicable provisions of the Companies Act, 1956 (the "Act") and the provisions contained in the Buy-Back Regulations, subject to other applicable laws, approval(s) as may be necessary, from time to time from statutory authorities including but not limited to Securities and Exchange Board of India, Stock Exchanges, etc. as may be required and further subject to such conditions as may be prescribed while granting such approval(s) which may be agreed to by the Board of Directors of the Company(which term shall include a Committee of Directors, hereinafter referred to as "the Board").

1.2 The Buy-Back offer is being proposed with an objective of maximizing returns to investors, reducing outstanding number of Equity shares and enhancing overall shareholder value by returning surplus funds to shareholders in an efficient and investor friendly manner without compromising on the high growth opportunities available to the Company. The Buy-Back will also result in reduction in the overall capital employed in the business, which will, in turn, lead to higher earnings per share and enhanced return on Equity and return on capital employed, return on net worth, return on assets and other financial ratios subject, however, to the prevailing business conditions. The Buy-Back will also provide a reasonable exit opportunity to those shareholders who so desire.

1.3 The Board has proposed a maximum limit of up to Rs. 2500 Lacs for the Buy-Back ("Maximum Offer Size"). The Maximum Offer Size represents 9.97% of the aggregate of the Company's paid up Equity share capital and free reserves as at March 31, 2012 (the date of the latest audited accounts as on the date of the Board Meeting). The amount required to be invested by the Company for the Buy-Back, subject to the Maximum Offer Size, will be financed out of the internal resources of the Company. Though the Company does not propose raising debt for effecting the Buy-Back, it may continue to borrow funds in the ordinary course of its business.

1.4 The Board has proposed Buy-Back of Equity Shares at a maximum price not exceeding Rs. 12.50/- per Equity share ("Maximum Offer Price"). The Maximum Offer Price has been arrived at after considering certain parameters including but not limited to the trends in the market price of the Equity Shares and the possible impact of the Buy-Back on the Company's earnings per Equity Share. The Maximum Offer Price offers a premium of 56.25% over the closing price of the Equity Shares on NSE, as on May 08, 2012, being the last trading day prior to the Board Meeting. The Maximum Offer Price as proposed would not impair the growth of the Company and will rather contribute to the overall enhancement of shareholders' value.

1.5 As per the provisions of the Companies Act, 1956, the maximum number of equity shares permitted to be bought back in any financial year shall not exceed 25% of the total paid-up Equity Share Capital of the Company in that financial year. The Company proposes to Buy-Back a maximum of 2,00,00,000 Equity Shares in the financial year 2012-13. Such a Buy-Back will be well within the limit of 25% of the total paid up equity share capital of the Company.
The Buy-Back of the Equity Shares would further be subject to the conditions for continuous listing prescribed in terms of Clause 40A of the Listing Agreement between the Company and the Stock Exchanges for maintaining a minimum public shareholding of 25% of the total paid-up share capital of the Company.

1.6 The Buy-Back is proposed to be implemented by the Company through the methodology of **"Open market purchases through Stock Exchange"**, as provided in the Buy-Back Regulations. The Buy-Back will be implemented in the manner and following the procedure as prescribed in the Act and the Buy-Back Regulations and as may be determined by the Board and on such terms and conditions, as may be permitted by law from time to time. There will be no negotiated deals (whether on or off Stock Exchange), spot transactions or any other private arrangements in implementation of the Buy-Back.

1.7 a) The aggregate shareholding of the Promoter/Promoter Group/Persons in control of the Company (collectively referred to hereinafter as the "Promoter and Promoters Group") as on the date hereof is 64570362 equity shares constituting approximately 59.49% of the paid up equity share capital of the Company. The aggregate shareholding of non Promoter directors (i.e. other than Promoter directors) of the corporate Promoter as on the date hereof is 1000 equity shares constituting approximately 0.001% of the paid up equity share capital of the Company.
b) None of the members of the Promoter and Promoters Group and also the non Promoter directors of the corporate Promoter have purchased or sold any shares during the period of six months preceding May 09, 2012, being the date of meeting of the Board of Directors at which the Buy-Back was approved.

1.8 The Promoter and Promoters Group have confirmed that they will not sell their holding under the proposed Buy-Back as they are prohibited from selling their Shares in terms of Regulation 15(b) of the SEBI Buy-Back Regulations. In accordance with the same, no shareholder belonging to the Promoter and Promoters Group of the Company intends to tender his/her/its equity shares to the Company under the proposed Buy-Back Offer.

1.9 The Company confirms that there are no defaults subsisting in repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.

1.10 The Board confirms that, they have made necessary and full enquiry into the affairs and prospects of the Company and have formed the opinion:

- that immediately following the date on which the meeting of the Board of Directors is convened there will be no grounds on which the Company could be found unable to pay its debts;
- as regards its prospects for the year immediately following the date of the meeting that, having regard to its intentions with respect to the management of the Company's business during this year and to the amount and character of the financial resources which will, in the view of the Board, be available to the Company during this year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the meeting; and
- that in forming its opinion for the above purposes, the directors have taken into account the liabilities as if the Company was being wound up under the provisions of the Companies Act, 1956 (including prospective and contingent liabilities).

1.11 The text of the report dated May 09, 2012 received from M/s S. S. Kothari Mehta & Company, Chartered Accountants, the statutory auditors of the Company, addressed to the Board is reproduced below:-

Quote

The Board of Directors,
Vardhman Acrylics Limited
Vardhman Premises, Chandigarh Road, Ludhiana - 141010

Dear Sirs,

Subject: Report in terms of Clause (xi) of Schedule II of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998 as amended to date.

"In connection with the proposed Buy-Back of Equity Shares approved by the Board of Directors of Vardhman Acrylics Limited (the "Company") at its meeting held on May 09, 2012, in pursuance of the provisions of Sections 77A, 77AA and 77B of the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998 and as amended from time to time (the "Buy-Back Regulations"), and based on the information, explanations and representations given to us and on the basis of such verification of relevant records as we considered appropriate, we report that:

I. We have inquired into the state of affairs of the Company in relation to its audited financial statements for the year ended **March 31, 2012**, which were taken on record by the Board of Directors in their meeting held on May 09, 2012.

II. The Board of Directors has proposed to Buy-Back the Company's Equity to the extent of Rs. 2500 Lacs ("Maximum Offer Size") at a price not exceeding Rs. 12.50/- per Equity share ("Maximum Offer Price"). In our view, the capital payment (including premium) towards Buy-Back of Equity shares has been properly determined in accordance with Section 77A(2) of the Companies Act, 1956 and is within the permissible amount of 10% of the paid up Equity capital and free reserves of the Company, as computed below:

Particulars	Amount (Rs. in Lacs)
Paid up capital as on March 31, 2012	
108,532,508 fully paid-up Equity Shares of Rs.10 each **(A)**	10853.25
Free Reserves as on March 31, 2012 comprising of General Reserve **(B)**	14228.03
Total Paid up Capital and Free Reserves (A + B)	**25081.28**
Maximum Permissible Buy - back Amount i.e. 10 % of total paid up Equity Share Capital and free reserves	2508.12
Maximum Offer Size i.e. 9.97% of total paid up Equity Share Capital and free reserves	**2500.00**

Based on audited financial statements of the Company for the year ended March 31, 2012.

III. The Board of Directors in their meeting held on May 09, 2012 has formed the opinion as specified in Clause (x) of Part A Schedule II of the Buy-Back Regulations on reasonable grounds that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from that date.

IV. We are not aware of anything to indicate that the opinion expressed by the Board of Directors of the Company as above is unreasonable in any manner.

V This certificate has been prepared only for the Company and is in reference (including disclosing in the Public Announcement as required under the Buy-Back Regulations) to proposed Buy-Back of Equity Shares approved by the Board of Directors of the Company at their meeting held on May 09, 2012, in pursuance of the provisions of Section 77A, 77AA and 77B of the Companies Act, 1956 and the Buy-Back Regulations and for no other purpose. We do not accept any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

For M/s S. S. Kothari Mehta & Co.
Chartered Accountants
Firm Reg. No. 000756N
Sd/-
(KAMAL KISHORE)
Partner
Membership No.: 78017
Place: New Delhi
Date: May 09, 2012"
Unquote

1.12 The Equity Shares of the Company are listed on the National Stock Exchange of India Limited (NSE) and The Ludhiana Stock Exchange Limited (LSE).

1.13 The Company shall transfer from its Free Reserves, a sum equal to the nominal value of the Equity Shares purchased through the Buy-Back to the Capital Redemption Reserve account and the details of such transfer shall be disclosed in its subsequent audited balance Sheet.

1.14 As required under the Act, the ratio of the debt owed by the Company would not be more than twice the equity share capital and free reserves after completion of the proposed Buy-Back.

1.15 All the Equity Shares of the Company are fully paid up. Further neither the Equity shares of the Company are under lock-in nor are they non-transferable. Hence, as required under the Act, the Company shall purchase fully paid-up Equity Shares only.

1.16 As per the provisions of the Act, the Company confirms that it will not issue fresh Equity Shares within a period of six months after the completion of the Buy-Back, except by way of bonus issue or in discharge of subsisting obligations such as conversion of warrants, stock options schemes, sweat Equity or conversion of preference shares or debentures into Equity Shares.

1.17 The Buy-Back from shareholders who are persons resident outside India, including the Foreign Institutional Investors, Overseas Corporate Bodies, if any, shall be subject to such approvals as are required including approvals from the RBI under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder.

1.18 There will be no Buy-Back from any persons through negotiated deals whether through the Stock Exchanges or through spot transactions or through any private arrangement.

1.19 The Buy-Back is expected to be completed within the statutorily prescribed validity period of Twelve months from the date of passing of the Board resolution or within such shorter period as may be determined by the Board and as disclosed by way of a Public Announcement.

1.20 In accordance with the regulatory provisions, the shares bought back by the Company will compulsorily be cancelled and will not be held for re-issuance.

1.21 The company has not bought back its shares in the past.

PART B

2. Date of Shareholders Approval: Not Applicable (The present Buy-Back has been authorized by the Board of Directors of the Company in their meeting on May 09, 2012)

3. THE MINIMUM AND MAXIMUM NUMBER OF EQUITY SHARES PROPOSED TO BE BOUGHT BACK, SOURCES OF FUNDS AND COST OF FINANCING THE BUY-BACK

3.1 Pursuant to the resolution passed by the Board of Directors of the Company on May 09, 2012, the Maximum Offer Price for the proposed Buy-Back has been fixed at **Rs. 12,50/-** per Equity Share. The Maximum Offer Shares will not exceed 2,00,00,000 (Two Crore) Equity Shares . The Board shall determine, as per its discretion, the date of early closure of the Buy-Back and may close the Buy-Back anytime after buying back of 50,00,000 (Fifty Lacs) shares (Minimum Offer Shares) before the period of twelve months from the date of the Resolution authorizing the Buy-Back.

3.2 The amount required by the Company for the Buy-Back will be financed out of the internal resources of the Company. Though the Company does not propose raising debt for effecting the Buy-Back, it may borrow funds in the ordinary course of its business.

4. PROPOSED TIME TABLE

Activity	Date
Date of Board Meeting approving the Buy-Back.	May 09, 2012
Date of Publication of Public Announcement in Newspapers.	May 11, 2012
Date of commencement of the Buy-Back	May 29, 2012
Acceptance of Equity Shares and verification thereof.	Within 15 days of the relevant payout dates of the Stock Exchanges.
Extinguishment of Equity Shares.	Within 15 days of acceptance of Equity Shares as above. Further, all the Equity Shares bought back will be extinguished within 7 days of the last date of completion of Buy-Back.
Last Date for the Buy-Back	May 08, 2013 (i.e. 12 months from the date of the Board Meeting authorizing the Buy-Back) or when the Company completes the Buy-Back of 2,00,00,000 Equity Shares, whichever is earlier. However, the Board in its absolute discretion may decide to close the Buy-Back at an earlier date in the event of Minimum Offer Shares being purchased under Buy-Back, even if the Maximum Offer Size has not been reached or the Maximum Offer Shares have not been bought back, by giving appropriate notice of such date and completing all formalities in this regard as per relevant laws and regulations.

5. PROCESS AND METHODOLOGY FOR BUY-BACK PROGRAMME

5.1 The Offer is open to all Equity Shareholders/Beneficial Owners of the Equity Shares, both registered and unregistered, holding Equity Shares in physical and/or electronic form, except the Promoter and Promoters Group as indicated in this Public Announcement.

5.2 The Company proposes to implement Buy-Back from the Open Market through the Stock Exchange with nationwide trading terminals. Accordingly the Company proposes to effect the Buy-Back through electronic terminals of the NSE.

5.3 For the aforesaid Buy-Back, the Company has appointed M/s Master Capital Services Limited having its office at SCO 19, Master Chambers, Feroze Gandhi Market, Ludhiana - 141 001 as the Broker through whom the purchases and settlement on account of the Buy-Back would be made.

5.4 The Buy-Back of Equity Shares will be made only through the order matching mechanism except "all or none" order matching system.

5.5 The Company shall from time to time but not earlier than the date of opening of the Buy-Back, place "buy" orders, on the NSE to buy Equity Shares through the Broker, in such quantity and at such prices, not exceeding Maximum Offer Price of Rs.12.50/- per Equity Share, as it may deem fit. Intimation about the Company's presence on NSE to Buy-Back its Equity Shares will be made available to the Stock Exchanges. When the Company has placed an order for Buy-Back of Equity Shares, the identity of the Company as purchaser would be available to the market participants of the NSE.

5.6 Equity Shareholders/beneficial owners of the Equity Shares, who desire to sell their Equity Shares under the Buy-Back, would have to do so through a stock broker, who is a member of NSE. Whenever the Company has placed a "buy" order for Buy-Back of Equity Shares, such Equity Shareholders/beneficial owners of the Equity Shares, who desire to sell their Equity Shares may indicate the details of the Equity Shares they intend to sell, to their broker. The trade would be executed at the price at which the order matches and that price would be the price for that seller. Such buy order shall be placed in normal and/or physical/odd lot segments. The Equity Shares held in physical form shall also be accepted by the appointed Broker. The execution of the order, issuance of contract note, delivery of stock to the member and receipt of payment from the member would be carried out in accordance with the Stock Exchange's and the SEBI requirements.

5.7 It may be noted that all Equity Shares bought back by the Company may not be at a uniform price. However, the Company shall ensure and undertakes to place a buy order both on the normal trading segment and on the physical/odd-lot segment of the NSE at least once a week. The Company and the Manager to the Buy-Back Offer shall submit the information regarding bought back shares to the Stock Exchanges on a daily basis and publish the said information in a national daily on a fortnightly basis and every time when an additional 5% of the Buy-Back has been completed. Provided that where there is no Buy-Back during a particular period, the Company and the Manager to the Buy-Back Offer shall not be required to publish the details in a national daily.

5.8 The Equity Shares of the Company are traded in the compulsory demat mode. (Trading Code: NSE: VARDHACRLC - EQ; LSE: VACR; ISIN: INE116G01013). Shareholders holding Equity Shares in physical form can sell their Equity Shares in the odd lot trading segment of the NSE.

5.9 Nothing contained herein shall create any obligation on the part of the Company or its Board to Buy-Back any Equity Shares or confer any right on the part of the shareholders to offer any Equity Shares for Buy-Back.

6. METHOD OF SETTLEMENT

6.1 While the requirement of opening an escrow account is not applicable as the Buy-Back is from the open market through the Stock Exchange, the Company will pay the consideration to the Appointed Broker on every settlement date as applicable in respect of Equity Shares bought back.

6.2 The shareholders/beneficial owners holding Equity Shares in the demat form would be required to transfer the number of Equity Shares sold by them by tendering the delivery instruction to their respective depository participant ("DP") for debiting their beneficiary account maintained with the DP and crediting the same to the pool account of the brokers through whom the trade was executed. The shareholders/beneficial owners holding Equity Shares in physical form may present the share certificates along with valid transfer deeds to their respective brokers through whom the trade was executed.

6.3 The Company has opened a Depository Account styled "Vardhman Acrylics Limited: Buy-Back Offer" with Master Capital Services Limited with DP ID IN 3001143 and Client ID 11069731. Equity Shares bought back in the demat form would be transferred into the aforesaid account by the Appointed Broker on receipt of Equity Shares from the clearing and settlement mechanism of the NSE.

6.4 The Company shall complete the verification of acceptances within fifteen days of the pay-out. The Company shall extinguish and physically destroy the Share certificates so bought back in the presence of the Registrar to the Company for Buy-Back or the Manager to the Buy-Back Offer and the Statutory Auditor within fifteen days of the date of acceptance of the shares. In case the shares bought back are in dematerialized form, the same will be extinguished and destroyed in the manner specified in Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 and the bye-laws framed thereunder. The Company will extinguish all the shares bought back within seven days of the last date of completion of Buy-Back.

7. BRIEF INFORMATION ABOUT THE COMPANY

Vardhman Acrylics Limited ("VAL" or "Company") was incorporated on December 24, 1990 under the Indian Companies Act 1956, as a Public limited Company bearing Certificate of Incorporation No. 20-12572 of 1990 in the State of Uttar Pradesh. The Company received its Certificate for Commencement of Business bearing No.16-19212 on April 26, 1991. Its Corporate Identification Number is L51491PB1990PLC019212.

The Company, vide a Special Resolution passed at its Extra-ordinary General Meeting held on March 02, 1996 shifted its registered office from the state of Uttar Pradesh to Punjab and a Fresh Certificate of Incorporation was issued by the Registrar of Punjab, Himachal Pradesh and Chandigarh, bearing No. 16-19212 on November 22, 1996.

In September 2003, M/s. Vardhman Textiles Limited, a shareholder of the Company, made an offer for sale of shares of the Company to the Public. Subsequently, the shares of the Company were listed on the National Stock Exchange of India Limited (NSE) on September 26, 2003 and the Ludhiana Stock Exchange Limited (LSE) on September 27, 2003. The trading of the Equity Shares of the Company started on NSE on September 30, 2003 under the scrip code VARDHACRLC-EQ.

It is a subsidiary of Vardhman Textiles Limited.

The Company is mainly engaged in Acrylic fiber manufacturing.

8. BRIEF FINANCIAL INFORMATION OF THE COMPANY

(Rs. in Lacs)

Particulars	Year ended 31.03.2012 (12 Months) Audited	Year ended 31.03.2011 (12 Months) Audited	Year ended 31.03.2010 (12 Months) Audited
INCOME			
Revenue from operations	39,014.09	39,887.32	27,055.93
Other income	1,309.38	647.01	400.92
Total Income	**40,323.46**	**40,534.33**	**27,456.85**
EXPENDITURE			
Raw material consumed	22,004.43	21,682.96	12,275.42
Purchase of Stock-in-trade	8635.98	9,061.83	5,261.70
(Increase) / Decrease in finished goods and work in progress	84.36	(547.13)	(87.00)
Employee benefit expenses	763.51	711.91	648.18
Financial expenses	43.71	40.62	33.14
Depreciation and amortisation	1,124.18	1,116.89	1,124.28
Other expenses	4,138.55	2,828.37	2,494.10
Total Expenditure	**36,794.72**	**34,895.45**	**21,749.82**
Profit before Tax	**3,528.74**	**5,638.88**	**5,707.03**
Current Tax	1,325.00	2,163.00	1,150.00
Deferred Tax	(252.69)	(243.76)	212.88
Deferred Tax Adjustment		(54.08)	0.00
Income Tax Adjustment for earlier years	2.94	0.00	0.01
Profit after Tax	**2,453.49**	**3,773.72**	**4,344.14**
Less: Prior Period Adjustments (Net)	4.55	9.56	0.04
Net Profit	**2,448.94**	**3,764.16**	**4,344.10**
Paid up share capital	10,853.25	10,853.25	10,853.25
Reserves	14228.03	11,779.10	8,014.95
Net Worth	**25081.28**	**22,632.35**	**18,868.20**
Key Ratios			
Earning per Share (Rs.)	2.26	3.47	4.00
Book value per Share (Rs.)	23.11	20.85	17.38
Return on Net Worth (%)	9.76	16.63	23.02
Debt/Equity Ratio	0.03	0.01	0.01
Dividend	NIL	NIL	NIL

Note: Previous year's figures have been recast/regrouped wherever considered necessary.

9. ESCROW ACCOUNT: Not Applicable

10. LISTING DETAILS AND STOCK MARKET DATA

10.1 The Equity Shares of the Company are listed on the National Stock Exchange of India Limited ("NSE") and the Ludhiana Stock Exchange Limited ("LSE").
Trading Code: NSE: VARDHACRLC - EQ
Trading Code: LSE: VACR

10.2 The high, low and average market prices for the preceding three years i.e. 2009-10, 2010-11 and 2011-12 during the period April- March of each year and the monthly high and low market prices for the six full months preceding the date of this Public Announcement and also during the period May 01, 2012 to May 08, 2012 and the corresponding volumes on the NSE are as follows:

NSE

Peroid	High (RS.)	Date of High	Number of Shares Traded on that date	Low (Rs.)	Date of Low	Number of Shares Traded on that date	# Average Price (Rs.)	Total Volume Traded in the period (No. of Shares)
Last 3 Years								
Year 2009-10	13.50	5-Jan-10	978,190	3.80	01-Apr-09	9,580	8.65	61,765,174
		6-Jan-10	579,874					
Year 2010-11	16.75	19-Jul-10	2,390,679	9.00	10-Feb-11	93,014	12.88	76,199,113
		5-Aug-10	1,059,749					
Year 2011-12	12.55	5-May-11	1,495,837	6.65	21-Dec-11	54,738	9.60	18,647,141
Last 6 months								
November-11	9.35	9-Nov-11	112,783	7.6	25-Nov-11	35,212	8.48	1,174,314
December-11	8.00	5-Dec-11	39,693	6.65	21-Dec-11	54.738	7.33	756,916
January-12	9.00	13-Jan-12	167,017	6.95	02-Jan-12	6,000	7.98	1,102,712
February-12	8.90	3-Feb-12	45,104	7.90	27-Feb-12	37,009	8.40	1,347,011
March-12	8.40	1-Mar-12	44,764	7	27-Mar-12	65,792	7.70	1,647,357
					28-Mar-12	8,158		
					29-Mar-12	308,408		
					30-Mar-12	344,360		
April - 12	8.70	30-Apr-12	145777	7.10	02-Apr-12	130,273	7.90	1,216,282
May 01, 2012 to	8.20	04-May-12	35,363	7.65	07-May-12	13,351	7.93	175,454
May 08, 2012		08-May-12	38,205					

(Source: www.nseindia.com)
 # Arithmetic average of high & low prices.

LSE

Peroid	High (RS.)	Date of High	Number of Shares Traded on that date	Low (Rs.)	Date of Low	Number of Shares Traded on that date	# Average Price (Rs.)	Total Volume Traded in the period (No. of Shares)
There has been no trading in the scrip of VAL on the LSE since January 23, 2002								

Stock market data for the period marked by changes in Capital structure:
There has been no change in the capital structure of the Company in the periods mentioned above.
The number of fully Paid up Equity Shares as on the date of Public Announcement are 10,85,32,508.

10.3 The closing market prices of the Equity share of the Company immediately after the date of the resolution of the Board of Directors approving the Buy-Back are as under :
May 09, 2012 : Rs. 8.25
May 10, 2012 : Rs. 8.45

11. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN OF THE COMPANY

11.1 The Share Capital of the Company as on date of this Public Announcement is as follows:

Particulars	Amount (Rupees in Lacs)	
	Pre Buy-Back	Post Buy-Back #
Authorized Capital		
15,00,00,000 Equity Shares of Rs. 10/- each	15000.00	15000.00
Issued Capital, Subscribed and Paid up Capital		
10,85,32,508 Equity Shares of Rs. 10/- each (Post Buy-Back: 8,85,32,508 Equity Shares of Rs. 10/- each)	10853.25	8853.25

#Assuming complete Buy-Back of 2,00,00,000 Equity shares by the Company. The shareholding, post proposed Buy-Back, may differ depending upon the actual number of Equity Shares bought back under the proposed Buy-Back.

11.2 There are no partly paid-up or locked-in or non-transferable shares. There are no outstanding instruments convertible into shares as on May 09, 2012.

11.3 The shareholding pattern of the Company as on May 04, 2012 and after the proposed Buy-Back is as given below:

Category of Share holder	No. of Equity Shares held	% of the Existing Equity Share Capital	No of Equity Shares Post Buy-Back*	% of holding post Buy-Back
Shareholding of Promoter and Promoters Group				
Indian- Individuals/HUF	30	0.00	30	0.00
Bodies Corporate	64,570,332	59.49	64,570,332	72.93
Others	0	0.00	0	0.00
Foreign	0	0.00	0	0.00
SUB TOTAL (A)	64,570,362	59.49	64,570,362	72.93
Public Shareholding				
FI/Bank	0	0.00	2,39,62,146	27.07
Non-Institutions	0	0.00		
Bodies Corporate	10,792,796	9.94		
Individuals	32,907,158	30.32		
NRI's/OCB	179,203	0.17		
Trust & Foundation	82,989	0.08		
SUB TOTAL (B)	**43,962,146**	**40.51**	**2,39,62,146**	**27.07**
TOTAL (A)+(B)	**108,532,508**	**100**	**88,532,508**	**100**

**Assuming complete Buy-Back of 2,00,00,000 Equity Shares by the Company. The shareholding pattern, post proposed Buy-Back, may differ depending upon the actual number of Equity Shares bought back under the proposed Buy-Back.*

11.4 The aggregate shareholding of the Promoter and Promoters Group as on the date hereof is 64570362 equity shares constituting approximately 59.49% of the paid up equity share capital of the Company. The aggregate shareholding of non Promoter directors (i.e. other than Promoter directors) of the corporate Promoter as on the date hereof is 1000 equity shares constituting approximately 0.001% of the paid up equity share capital of the Company.

11.5 None of the members of the Promoter and Promoters Group and also the non Promoter directors of the corporate Promoter have purchased or sold any shares during the period of twelve months preceding May 09, 2012, being the date of meeting of the Board of Directors at which the Public Announcement for the Buy-Back was approved.

12. MANAGEMENT DISCUSSION AND ANALYSIS ON LIKELY IMPACT OF THE BUY-BACK ON THE COMPANY

12.1 The Buy-Back is not likely to cause any material impact on the operations of the Company.

12.2 The Buy-Back is expected to result in overall enhancement of the shareholders' value.

12.3 The Promoter and Promoters Group will not offer Shares held by them under the proposed Buy-Back. However their percentage of shareholding may undergo a change based on the number of Equity Shares bought back by the Company from shareholders not belonging to the category of Promoter and Promoters Group. The existing Promoter is already in control over the Company and the Buy-Back of shares will not result in a change in control or otherwise affect the existing management structure of the Company. Hence Regulation 4 of the Takeover Regulations is not applicable.

Further, Mr. Shri Paul Oswal and Mr. Sachit Jain, being interested in the resolution approving the Buy-Back, in their capacity as part of the Promoters Group and Mr. B.K. Choudhary, Managing Director and Mr. D.L. Sharma, Director, being persons directly interested in the capacity of the positions held by them in Vardhman Textiles Limited (the Promoter of Vardhman Acrylics Limited) and/or its Subsidiary Companies, had abstained themselves from voting on the resolution approving the Buy-Back, passed by the Board of Directors of the Company at its meeting held on May 09, 2012. Thus, in terms of the clause (iii) to the Proviso to Regulation 10(4)(c) of the Takeover Regulations, any consequential increase in the shareholding/voting rights of the Promoter and Promoters Group will be exempt from the obligations to make an open offer under sub regulation (2) of Regulation 3. The company is complying with the condition, as envisaged under Regulation 10(4)(c)(iii) of the SEBI (SAST) Regulations, 2011.

Further, as the provision of clause (iii) to the Proviso to Regulation 10(4)(c) of the Takeover Regulations has been duly met, the second proviso regarding reduction of shareholding of the Promoter and Promoters group will also not be applicable in relation to the proposed Buy-Back through this Public Announcement.

12.4 The Debt-Equity ratio post Buy-Back will be below the maximum allowable limit of 2:1 prescribed by the Companies Act, 1956.

12.5 Consequent to the Buy-Back and based on the number of equity shares bought back from the non-resident shareholders, non-resident Indian (NRI) shareholders, foreign institutional investors (FIIs), Indian financial institutions, banks, mutual funds and the public including other bodies corporate, the shareholding pattern of the Company may undergo a consequential change but it would be in compliance with Clause 40A of the Listing Agreement.

12.6 The Company shall not issue any shares or other specified securities including by way of bonus till the date of closure of the offer.

12.7 As per the provisions of the Act, the Company will not issue fresh Equity Shares within a period of six months after the completion of the Buy-Back, except by way of bonus issue or in discharge of subsisting obligations such as conversion of warrants, stock options schemes, sweat Equity or conversion of preference shares or debentures into Equity Shares.

12.8 The Promoter and Promoters Group shall not deal in the shares of the Company during the period the Buy-Back is open.

12.9 The Company shall not withdraw the offer of Buy-Back after the Public Announcement is made.

12.10 The Company shall not Buy-Back its shares so as to delist its shares from the Stock Exchanges.

13. STATUTORY APPROVALS

13.1 The present Offer of Buy-Back of Equity Shares of the Company from Open Market through Stock Exchanges has been duly authorized by the resolution passed by the board of directors of the Company at their Meeting held on May 09,2012.

13.2 The Buy-Back of Equity Shares from Non-Resident shareholders will be subject to approvals, if any, of the appropriate authorities as applicable including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder.

13.3 The Buy-Back shall be subject to approval/(s)/observations/comments/remarks as may be necessary from time to time from statutory authorities.

14. COLLECTION AND BIDDING CENTRES: Not Applicable

15. COMPLIANCE OFFICER AND INVESTORS SERVICE CENTRE

In case of any query, clarification or for redressal of grievances, a shareholder may contact at the following address, from Monday to Friday between 10 a.m. to 5 p.m.

Vardhman Acrylics Limited
Mrs. Ruchita Kumar-Vij
Company Secretary and Compliance Officer
Tel No.: +91 161 2228943-48
Ext. 1210
Fax: 0161-6701429
E-mail: secretarial.lud@vardhman.com
Website: www.vardhmanacrylics.com

Registrar to the Company
MCS LIMITED
Kashiram Jamnadas Building,
Office No. 21/22 Ground Floor
5 P.D'Mello Road, Ghadiyal Godi
Mumbai – 400 009, Maharastra
Tel : 022-23726253-55
Fax : 022-23726252, 23726256
Contact Person: Ms. Valsa Sajan
Email ID : mcspanvel@yahoo.co.in
Website : www.mcsdel.com
SEBI Reg. No. : INR000000056

16. MANAGER TO THE BUY-BACK OFFER

SOBHAGYA CAPITAL OPTIONS LIMITED
B- 206, Okhla Industrial Area, Phase- I, New Delhi- 110020.
Tel. No.: +91 11 40777000
Fax No.: +91 11 40777069
Website: www.sobhagyacapital.com
Contact Persons: Heemadri Mukerjea and Amit Kumar
Email id: delhi@sobhagyacap.com
SEBI Registration Number: MB/INM000008571

17. DIRECTORS' REPONSIBILITY

The Board of Directors of the Company accepts responsibility for the information contained in this Public Announcement.

For and on behalf of the Board of Directors of Vardhman Acrylics Limited

Sd/-	**Sd/-**	**Sd/-**
(B.K. CHOUDHARY)	**(D.L. SHARMA)**	**(RUCHITA KUMAR-VIJ)**
Managing Director	**Director**	**Company Secretary and Compliance Officer**

Date: May 10, 2012
Place: Ludhiana