Vardhmān ACRYLICS LIMITED

Regd. Office : Chandigarh Road, LUDHIANA - 141 010 (INDIA)
PHONES : (0161) 2228943-48 FAX : (0161) 2601048, 2222616, 2601040
PAN No. : AAACV7602E

June 15, 2013

To

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: cmlist@nse.co.in

Dear Sir,

Please find attached herewith Postal Ballot Notice and Form of Vardhman Acrylics Limited, seeking members approval for "Increase in the limit of Investments/Inter corporate Loans u/s 372A of the Companies Act 1956 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", which was approved at the meeting of Board of Directors, held on May 28, 2013.

The dispatch of Postal Ballot Notice pursuant to section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, has been completed on 14th June, 2013 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

(Ruchita Kumar-Vij)
Company Secretary

Encl: as above

VARDHMAN ACRYLICS LIMITED

Regd Office: Vardhman Premises, Chandigarh Road, Ludhiana - 141 010

NOTICE OF POSTAL BALLOT

(PURSUANT TO SECTION 192A OF THE COMPANIES ACT, 1956)

Dear Shareholder(s)

Notice is hereby given pursuant to section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, that a Special Resolution u/s 372A of the Companies Act, 1956, is proposed to be passed by means of postal ballot to increase 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.

Accordingly the Company is seeking consent of members by way of a Special Resolution, to the proposal contained in the Draft Resolution, as given below. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, stating the material facts and reasons for the proposal and a Postal Ballot Form are enclosed for your consideration.

The Company has appointed Mr. Bhupesh Gupta of M/s. B.K. Gupta & Associates, Practising Company Secretary, as a Scrutinizer for conducting postal ballot process in accordance with the law and in fair and transparent manner.

You are requested to carefully read the instructions printed in the Postal Ballot Form and return the form duly completed in the attached self addressed, postage prepaid envelope, so as to reach the Scrutinizer on/before the close of working hours on 15th July, 2013. The ballot form received after the said date will be treated as not to have been received. The Scrutinizer will submit his report to the Chairman or Authorised Director of the Company after completion of the scrutiny and the result of the voting by postal ballot will be announced on 25th July, 2013 at 10.00 a.m. at the Company's Registered Office at Vardhman Premises, Chandigarh Road, Ludhiana - 141010 and will be hosted on the website of the Company, besides communication to the Stock Exchanges (NSE & LSE).

The resolution, if approved, will be taken as passed on the date of declaration of the result.

PROPOSED RESOLUTION TO BE PASSED :

INCREASE IN THE LIMIT OF INVESTMENTS/INTER CORPORATE LOANS U/S 372A OF THE COMPANIES ACT 1956 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:

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

"RESOLVED THAT pursuant to provisions of Section 192A and 372A read with Section 292 and other applicable provisions/rules, if any, of the Companies Act 1956 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, Inter Corporate Deposits (ICDs), and/or other market related products, mutual funds, fixed maturity plans, liquid plans etc, on such terms and conditions as the Board of Directors 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."

BY ORDER OF THE BOARD
FOR VARDHMAN ACRYLICS LIMITED

(Ruchita Kumar-Vij)
Company Secretary

PLACE: Gurgaon

DATE: May 28, 2013

UTILITY FORMS PVT. LTD., Delhi-46757575 Mumbai-66944090 Chennai-43542737, Kolkata-32619605 #56813

EXPLANATORY STATEMENT

(PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956)

The proposed special resolution pertains 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.

Your Company is currently examining options to expand its business operations and therefore the Company may have surplus funds for the time being which may exceed the existing statutory limits available u/s 372 A of the Companies Act, 1956. These funds will then need to be deployed by way of treasury operations/inter corporate loans and/ or investments in other market related products, mutual funds, fixed maturity plans, liquid plans etc. It is proposed to seek members' approval to give loans, advances, deposits, guarantees or provide securities in connection with a loan, invest the surplus funds of the Company in fixed deposits, Inter Corporate Deposits (ICDs), and/or other market related products, mutual funds, fixed maturity plans, liquid plans etc 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 its free reserves of the Company.

Pursuant to Section 192A of the Companies Act 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, the aforesaid proposal requires the consent of shareholders through postal ballot by way of Special Resolution.

None of the Directors are interested in the above Resolution.

The Board recommends the resolution set out in the accompanying Notice, for your approval as Special Resolution.

BY ORDER OF THE BOARD
FOR VARDHMAN ACRYLICS LIMITED

PLACE: Gurgaon

DATE: May 28, 2013

(Ruchita Kumar-Vij)
Company Secretary

VARDHMAN ACRYLICS LIMITED

Regd Office: Vardhman Premises, Chandigarh Road, Ludhiana - 141 010

POSTAL BALLOT FORM

Sr. No. SPECIMEN Stock Exchange

1. Name & Registered Address of the Sole/First named Shareholder
2. Name (s) of the Joint Holder(s), if any
3. Registered Folio No./DPID No. & Client ID No.* (*applicable to investors holding shares in dematerialised form)
4. Number of Shares held on 7th June, 2013.
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 Postal Ballot Notice of the Company by sending my/our assent or dissent to the said resolution by (✓) mark at the appropriate box below:

Description	No. of Equity Shares held	I/ We assent to the Resolution (FOR)	I/ We dissent to the Resolution (AGAINST)
Special Resolution U/S 372A of the Companies Act, 1956 Increase in the limit of Investments/Inter-corporate Loans U/S 372A of the Companies Act 1956 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.			

Place :

Date :

(Signature of the Shareholder)

Note : Read carefully the instructions printed overleaf before exercising the Vote.

NOTES / INSTRUCTIONS

1. Pursuant to the provision of Section 372A (1)(a), of the Companies Act, 1956 read with Companies (Passing of resolutions by Postal Ballot) Rules 2011, the assent or dissent of the members shall be given in respect of the **Special Resolution** contained in the Postal Ballot Notice.
2. The votes should be cast either in favour or against by putting the tick (√) Mark in the column provided for assent or dissent. Postal Ballot Form bearing (√) in both the column will render the form invalid.
3. Voting rights shall be reckoned on the paid up value of the shares registered in the name of the Shareholders on 7th June, 2013.
4. The Scrutinizer will submit his final report as soon as possible after the last date of receipt for postal ballot.
5. The result of the voting by postal ballot will be announced by the Chairman of Company or Authorised Director on 25th July, 2013 at 10.00 a.m. at the Company's Registered Office at Vardhman Premises, Chandigarh Road, Ludhiana - 141010 and the result will be hosted on the website of the Company.
6. The Result of the postal ballot will also be published in the newspapers within 48 hours of the declaration of the results.
7. Shareholders desiring to exercise voting right by Postal Ballot may complete the Postal Ballot Form and send it to the Scrutinizer in the attached self-addressed pre-paid envelope. Postage will be borne and paid by the Company.
8. The Postal Ballot 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 the next named Shareholder. However, where the Form is sent separately by the first named Shareholder and the Joint holder(s), the vote of the first named Shareholder would be valid.
9. In case of shares held by Companies, Trusts, Societies etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of the Board Resolution/Authority, with signature(s) of Authorized Signatory (ies).
10. Postal Ballot cannot be exercised by a Proxy.
11. Incomplete, unsigned or incorrectly filled Postal Ballot Forms are subject to rejection by the Scrutinizer.
12. Members are requested not to send any other matter along with the Postal ballot Form in the enclosed pre-paid postage self-addressed envelope. If any extraneous papers are found, the same will be destroyed by the scrutinizer.
13. Any query in relation to the resolution proposed to be passed Postal Ballot may be addressed to Ms. Ruchita Kumar-Vij, Company Secretary, Vardhman Acrylics Limited, Vardhman Premises, Chandigarh Road, Ludhiana – 141010, Telephone No. +91 161 2228943-48 Ext. 1210, Fax No. 91 161 6701435, Email Id: ruchitavij@vadhman.com.