

EPL/LEGAL/2015

January 22, 2015

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Company Scrip Code : ESSELPACK

Sub.: Clarification with respect to news article appearing in The DNA on January 16, 2015 titled "Essel Propack adds cosmetic tube capabilities in Egypt"

Dear Sir,

We are in receipt of your mail dated January 16, 2014 seeking clarification on aforementioned matter. With reference to said matter, we wish to inform you that the Company has not set up any new manufacturing capabilities in its unit/division. The new manufacturing capabilities are set up by the Company's subsidiaries in China and Egypt to cater to FMCG & cosmetic brands in Middle East, Africa & China. These subsidiaries are separate legal entities. The information about the development & progress of all the subsidiaries is disseminated to the shareholders by the Company in its Annual Reports & quarterly updates which are also shared with the stock exchanges on a regular basis.

Likewise, the information relating to development & progress of Company's subsidiary companies in Egypt & China was given to the shareholders and stock exchange via Company's Annual Report – 2014. In the Management discussion and analysis (MDA) segment; the Company informed that "its Egypt unit had made new customer acquisitions in the pharma and cosmetic space, accordingly investment to expand the new categories is now in progress to accelerate the growth of the unit in the coming years." Similarly, the Company had also disclosed that "its China unit had won a contract for supply of premium laminated tubes for a prestigious FMCG cosmetic brand in the last quarter of the year & there is a large cosmetic industry in the South East China. To tap the opportunity there, the unit is setting up new facility in South East China, which is expected to commission by July 2014."

In furtherance to said expansion plans of the subsidiaries, Company's Egypt subsidiary invested in its existing plant for enhancing the tube manufacturing capabilities & Company's China subsidiary invested for setting up a new facility and these projects got commissioned recently.

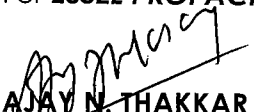
You may please note that expansion of manufacturing capabilities is part of our routine business operations in order to meet the demand of our customers. We would like to bring to your kind attention that the manufacturing capability was set up not by any unit/division of the Company but by the Company's subsidiaries, and in any case the revenue expected to be generated from the operation of the plant/facility would be less than 10% of the consolidated revenue of the Company for the financial year 2014-15. Further, the said expansion plan was already in the public knowledge being part of the MDA in the 2014 Annual report issued in June 2014. In the premises aforesaid, no further reporting under clause 36 of the listing agreement had to be made.

Please note that the Company has been always compliant and reported to the stock exchanges regularly on all material events as per the relevant provisions of the listing agreement and will continue to abide with the listing agreement in future as well.

We hope the above clarification meets your requirements, please let us know in case any further information required in this regard.

Thanking you,

Yours faithfully,
For **ESSEL PROPACK LIMITED**


AJAY N. THAKKAR
COMPANY SECRETARY & HEAD – LEGAL