



ESSEL PROPACK LIMITED

NOTICE

NOTICE is hereby given that the Twenty-sixth Annual General Meeting of the Members of ESSEL PROPACK LIMITED will be held on Tuesday, May 12, 2009, at 11.00 a.m. at the Company's Registered Office at P.O. Vasind, Taluka - Shahapur, District - Thane - 421 604, Maharashtra, India to transact the following business:-

ORDINARY BUSINESS:-

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended December 31, 2008 and the Balance Sheet as on that date and the Reports of the Director's and Auditor's thereon.
2. To declare a dividend.
3. To appoint a Director liable to retire by rotation in place of Mr. Tapan Mitra, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director liable to retire by rotation in place of Mr. Boman Moradian, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Statutory Auditors and fix their remuneration.

SPECIAL BUSINESS:-

6. To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Mukund M. Chitale, who was appointed as an Additional Director on the Company's Board of Directors and who holds office under Section 260 of the Companies Act, 1956, upto the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing under the provisions of Section 257 of the Companies Act, 1956 proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") (including any statutory modifications or re-enactment thereof) and subject to the approval of the Central Government and such other approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities in granting such approvals, permissions and sanctions, the Company do hereby confirms and approves the re-appointment of Mr. Ashok Kumar Goel as Vice Chairman & Managing Director of the Company for a period of five years commencing October 21, 2008 upon the terms and conditions and remuneration as per resolution passed by the Board on October 15, 2008 and October 22, 2008 (including the remuneration to be paid in the event of absence or inadequacy of profit in any financial year during Mr. Goyal's tenure) as set out in Explanatory Statement of material facts under Section 173 of the Act annexed to this notice convening the 26th Annual General Meeting of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board of Directors duly authorised in that behalf for the time being exercising powers conferred on the Board by this resolution) be and is hereby authorized to alter, vary or modify the said terms and conditions within the limits specified in the Act or any amendments thereto or otherwise as may be permissible by law and do all such acts, deeds, matters and things as it may in its absolute discretion,

deem necessary, expedient, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto and in partial modification of the resolution passed by the Members at the 21st Annual General Meeting held on April 29, 2004 regarding appointment and payment of remuneration to Mr. Ashok Kumar Goel, Vice-Chairman & Managing Director and subject to the approval of Central Government and such other necessary approvals, as may be required, the Company do hereby confirms and approves payment of Rs. 22,86,527 being minimum remuneration in order to protect his remuneration consisting of salary, allowances and perquisites, as per the terms of appointment for the period from January 1, 2008 to October 20, 2008 (being the last date of his earlier tenure), notwithstanding absence or inadequacy of profits during the financial year 2008.

By Order of the Board of Directors
For **ESSEL PROPACK LIMITED**

A. S. KHANDWALA

Vice President - Legal &
Company Secretary

Place : Mumbai

Date : March 31, 2009

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AT THE MEETING AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME FOR COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, May 6, 2009 to Tuesday, May 12, 2009 (both days inclusive).
3. The unclaimed dividends upto year 2000-2001 have been transferred to the Investor Education and Protection Fund of the Central Government pursuant to the provisions of Section 205-A of the Companies Act, 1956.
4. Unpaid / unclaimed Dividend for the year 2001 will be due for transfer on July 3, 2009, to the Investor Education & Protection Fund of the Central Government pursuant to the provisions of Section 205-C of the Companies Act, 1956. Members who have not yet encashed their aforementioned dividend warrants or dividend warrants for any subsequent year(s), are requested to claim the dividend(s) by writing to the Company's Registrar & Transfer Agents, Sharepro Services (India) Pvt. Ltd., 3rd Floor, Satam Estate, above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai - 400 099.
5. In respect of the Members having their shareholding in the electronic form, the Company has been disbursing dividends through direct deposit into the respective bank accounts, the particulars of which have been given by you to your Depository Participant (DP). In case you do not wish to receive the credit of any future dividend(s), in the said account, kindly issue the necessary instructions to your DP.
6. With a view to provide protection against fraudulent encashment of dividend warrants, Members having physical shares were

requested by the Company to provide their bank account numbers along with the names and addresses of the concerned banks to enable the Company to incorporate the said details on the dividend warrants. Members, who have not yet provided such information, are requested to provide the abovementioned details quoting their folio numbers. The Members will appreciate that the Company will not be responsible for any loss arising out of fraudulently encashed dividend warrants.

7. Members desirous of asking any questions at the Annual General Meeting (AGM) are requested to send their questions to the

Registered office of the Company addressed to the Company Secretary so as to reach at least ten days before the AGM so that the same can be suitably replied.

8. Members are requested to carry their copy of the Annual Report to the Meeting.

By Order of the Board of Directors
For **ESSEL PROPAC LIMITED**

A. S. KHANDWALA

Vice President – Legal &

Company Secretary

Place : Mumbai

Date : March 31, 2009

EXPLANATORY STATEMENT OF MATERIAL FACTS PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956:-

Item No. 6

Mr. Mukund M. Chitale was appointed as an Additional Director on the Company's Board of Directors with effect from March 24, 2009. He holds office under Section 260 of the Companies Act, 1956, upto the date of the twenty-sixth Annual General Meeting. The Company has received a notice in writing from a Member under the provisions of Section 257 of the Companies Act, 1956 proposing his candidature to the office of a Director of the Company. The Board considers it desirable that the Company should continue to avail the services of Mr. Chitale as a Non-Executive Independent Director.

The Board recommends the resolution for your approval.

None of the Directors of the Company, except Mr. Mukund M. Chitale is concerned or interested in the said resolution.

Item No. 7

Mr. Ashok Kumar Goel was appointed as Vice-Chairman and Managing Director of the Company for a period of five years with effect from October 21, 2003.

The Board of Directors of the Company has re-appointed Mr. Ashok Kumar Goel as the Vice-Chairman & Managing Director, subject to approval of Members and other approvals as may be required, for a further period of five years commencing from October 21, 2008 on the terms and conditions and remuneration as set out hereinbelow.

Terms of re-appointment and remuneration of Mr. Ashok Kumar Goel as the Vice-Chairman and Managing Director of the Company is as under:

Mr. Ashok Kumar Goel is re-appointed as the Vice-Chairman and Managing Director of the Company for a period of 5 years with effect from October 21, 2008. Mr. Ashok Kumar Goel shall exercise substantial powers of management and he shall be responsible for the overall management and control of the whole of the affairs of the Company under the overall supervision, superintendence, control and direction of the Board of Directors.

Remuneration:

1. Salary:

Rs.16,00,000/- (Rupees Sixteen Lacs only) per month with effect from October 21, 2008, with annual increments not exceeding Rs.1,50,000/- (Rupees One Lac Fifty Thousand only) per month as may be decided and at the discretion of Remuneration Committee and the Board of Directors of the Company, such increments being effective from the month of January of each year beginning with January 2009.

2. Annual Performance Bonus / Incentive:

The annual performance bonus / incentive payable to Mr. Ashok Kumar Goel shall be as per the annual performance targets as agreed and assessed by the Company's Board of Directors, which shall be paid in a graded manner. However, in no circumstances, it shall exceed 100% of the basic salary payable to him on the date of declaration of such bonus / incentive.

3. Perquisites:

Perquisites will be allowed in addition to salary. Perquisites shall be restricted to an amount of 50% of salary.

i. Housing:

Furnished accommodation will be provided. In the event of Mr. Ashok Kumar Goel opting to stay in the accommodation arranged by him, the Company will reimburse him rent, furnishing and maintenance of such accommodation, subject to the overall limit for perquisites as mentioned above.

ii. Other perquisites:

- a) Expenditure on gas, electricity and water at actuals.
- b) Soft furnishings subject to a ceiling of one month's salary.

iii. Medical benefits for self and family:

- a) Domiciliary Medical benefit at actuals subject to a ceiling of one month's salary in a year or three months' salary over a period of 3 years.
- b) Hospitalisation: in accordance with the rules of the Company from time to time.

iv. Leave Travel Concession for self and family: Once in a year, subject to a ceiling of one month's salary.

v. Club Fees: Maximum for two clubs. Admission and Life Membership fees are not permissible.

vi. Premium for Personal Accident Insurance: In accordance with the rules of the Company from time to time.

vii. Contribution to Provident Fund and Pension / Superannuation Fund: In accordance with the rules of the Company from time to time.

viii. Gratuity: In accordance with the rules of the Company from time to time, but not exceeding half a month's salary for each completed year of service.

ix. Earned / Privilege Leave: On full pay in accordance with the rules of the Company from time to time.

x. Car & Telephone: Provision of car with driver and telephone at Mr. Ashok Kumar Goel's residence for Company's business.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of such Rules, perquisites shall be evaluated at actual cost. Provision for use of the Company's car for official duties and telephone at residence shall not be included in the computation of perquisites.

Company's contribution to Provident Fund and Superannuation Fund and Gratuity payable to the extent these are not taxable under the Income Tax Act shall not be included in the computation of limits for remuneration or perquisites.

Minimum Remuneration:

Notwithstanding anything stated hereinabove, where in any financial year during Mr. Goel's tenure as the Vice-Chairman and Managing Director, the Company has no profits or its profits are inadequate, the remuneration by way of salary, allowances and perquisites as set out in paragraphs (1) and (3) above, shall be treated as the minimum remuneration payable to Mr. Ashok Kumar Goel, subject to the approval of the Central Government, if required.

Termination:

Either party shall be entitled to terminate the Agreement by giving not less than three months' notice in writing.

The Board of Directors of the Company in its meeting held on October 22, 2008 considered the possibility of inadequacy of profits for the financial year ending December 31, 2008 and approved that application be made to the Central Government for the payment of Minimum Remuneration as above mentioned, in case of absence or inadequacy of profits in any financial year during his tenure of five years with effect from October 21, 2008.

Accordingly, an application has been made to the Central Government and approval is awaited.

Pursuant to the provisions of Sections 198, 269, 309, 310, 311 and all other applicable provisions of the Companies Act, 1956, including Schedule XIII to the Act, a Special Resolution is placed for approval and confirmation of Members for re-appointment of Mr. Goel as Vice-Chairman & Managing Director of the Company and payment of remuneration as aforesaid.

The following documents are open for inspection by Members at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on all working days upto the date of this Annual General Meeting:

- (i) A copy of the Resolutions passed by the Board on October 15, 2008 and October 22, 2008 and Agreement dated October 24, 2008 entered into with Mr. Ashok Kumar Goel.
- (ii) A copy of the abstract of terms and conditions sent to the Members pursuant to Section 302 of the Companies Act, 1956.

None of the Directors of the Company, except Mr. Ashok Kumar Goel and Mr. Subhash Chandra (being related to Mr. Ashok Kumar Goel), is concerned or interested in the said resolution.

The Board recommends the Special Resolution for your approval.

Item No. 8

The Company has been paying remuneration to Mr. Ashok Kumar Goel, Vice-Chairman and Managing Director, as per the terms approved by the Members of the Company at the 21st Annual General Meeting held on

April 29, 2004. His remuneration consists of salary, allowances, perquisites and a variable annual performance bonus.

Terms of appointment of Mr. Goel also specified that where in any financial year during Mr. Goel's tenure as the Vice-Chairman and Managing Director, the Company has no profits or its profits are inadequate, Mr. Goel shall be paid a minimum remuneration by way of salary, allowances and perquisites not exceeding the maximum limits as may be prescribed under Para 1 of Section II, Part II of Schedule XIII to the Companies Act, 1956 and any amendment thereof from time to time.

The Board of Directors of the Company in its meeting held on October 22, 2008, considered the possibility of inadequacy of profits for the financial year ending December 31, 2008. Looking at the contribution made by Mr. Goel and his expertise, knowledge and valuable services, the Board approved that application be made to Central Government for the payment of the remuneration consisting of salary, allowances and the perquisites amounting to Rs.22,86,527 per month, for the period from January 1, 2008 to October 20, 2008 (being the last date of his earlier tenure) and such remuneration for the said balance period be treated as the 'Minimum Remuneration' in the absence or inadequacy of profits during the financial year ended December 31, 2008.

Accordingly, an application has been made to the Central Government and approval is awaited.

Members approval is being sought by means of Special Resolution for approving the above payment of aforesaid minimum remuneration.

None of the Directors of the Company, except Mr. Ashok Kumar Goel and Mr. Subhash Chandra (being related to Mr. Ashok Kumar Goel), is concerned or interested in the said resolution.

The Board recommends the Special Resolution for your approval.

By Order of the Board of Directors
For **ESSEL PROPACK LIMITED**

A. S. KHANDWALA

Vice President – Legal &
Company Secretary

Place : Mumbai

Date : March 31, 2009

ADDITIONAL INFORMATION ON DIRECTORS BEING APPOINTED/ RE-APPOINTED AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES :-

Name of Director: Retiring by rotation	Mr. Tapan Mitra	Mr. Boman Moradian		
Appointed / Re-appointed			Mr. Mukund M. Chitale	Mr. Ashok Kumar Goel
Age	70 years	58 years	59 years	47 years
Experience	He was the Finance Director and later Managing Director & Vice-Chairman of Indian Aluminium and Non-Executive Chairman of Haldia Petrochemicals during its project implementation and commissioning. He has also served as Chairman of Confederation of Indian Industries (CII), Eastern Region and Director of Industrial Investment Bank of India and was on number of National Committees of CII.	He has 32 years' rich experience having worked in various capacities, having consistently grown in stature and responsibility at Bharat Bijlee Ltd., Ambalal Sarabhai Enterprises (ASE) Ltd., Decom Marketing Ltd. and Shilpi Advertising Ltd. Since 1988, he is involved in freelance Management Consultation practice in Productivity, Marketing and Mathematical Modelling of Systems for various corporate clients.	He has over 35 years of experience as a practising Chartered Accountant. He was the President of the Institute of Chartered Accountants of India (ICAI) in 1997 - 1998. He was Member of the International Auditing Practices Committee of the International Federation of Accountants from January 1998 to June 2000, Verma Committee on Restructuring of Weak Public Sector Banks, Dr. Tarapur Committee on Procedures & Performance Audit of Public Services appointed by Reserve Bank of India and Company Law Advisory Committee of Central Government in 1992 and 1993. He is the Governing Council Member of Banking Codes and Standards Board of India and Chairman of the Ethics Committee of The Bombay Stock Exchange Ltd. (BSE).	He has been associated with Essel Propack Ltd. as a Director since 1984 and is presently Vice-Chairman & Managing Director. Mr. Goel is an experienced businessman who also oversees the management of the Essel Group's existing leisure properties; viz., EsselWorld and Water Kingdom. He has led the turnaround of an engineering tools company in the Essel Group and achieved manufacturing efficiencies. In July 2005, the renowned publication The 'Smart Manager', after in-depth research spread over three years, rated Mr. Ashok Kumar Goel as "one of the 25 truly world-class managers from India". He was the President and is the Founder Member of the Indian Association of Amusement Parks & Industries and was also the President of the Organisation of Plastic Processors of India.

Qualifications	Masters degree from the Calcutta University, Post-graduate studies at McGill University, Canada, Masters degree in Business Administration from the University of Geneva and Fellow Member of the Institute of Chartered Accountants of India.	Mechanical Engineer from VJTI, Mumbai, M.M.S in Operations from Jamnalal Bajaj Institute of Management Studies.	Commerce graduate and Member of the Institute of Chartered Accountants of India.	Commerce graduate.
List of Companies in which outside Directorship held	Thermax Ltd., Tube Investments of India Ltd., Patton International Ltd., West Bengal State Electricity Distribution Co.Ltd. West Bengal State Electricity Transmission Co.Ltd.	Garware Polyester Ltd.	Larsen & Toubro Ltd., ASREC (India) Limited, Ram Ratna Wires Ltd., Shriram Transport Finance Co. Ltd., ITZ Cash Card Ltd., ONGC Petro Additions Ltd., ONGC Mangalore Petrochemicals Ltd., Principal PNB Asset Management Company Pvt. Ltd.	Essel Infraprojects Ltd., Solid Containers Ltd., East India Company (Trading) Ltd., ITZ Cash Card Ltd., ITX Trade Exchange Ltd., SME Asset Reconstruction Company Ltd.
Chairman / Member of the Committees of the Board of other Companies	Chairman of following Committees: 1. <u>Audit Committee</u> - Thermax Limited Tube Investments of India Limited West Bengal State Electricity Distribution Co. Limited West Bengal State Electricity Transmission Co.Limited 2. <u>Remuneration Committee</u> - West Bengal State Electricity Distribution Co. Limited Member of following Committees: 1. <u>Audit Committee</u> - Patton International Limited 2. <u>Remuneration Committee</u> - Thermax Limited. Tube Investments of India Limited	Chairman of Investor Grievance Committee: Garware Polyester Limited Member of following Committees: 1. <u>Audit Committee</u> - Garware Polyester Limited 2. <u>Remuneration Committee</u> - Garware Polyester Limited	Chairman of Audit Committee: Principal PNB Asset Management Co.Pvt.Ltd. Member of Audit Committee of following Companies: Larsen & Toubro Limited ARSEC (India) Limited Ram Ratna Wires Limited Shriram Transport Finance Co. Limited ITZ Cash Card Limited	Member of Audit Committee: Solid Containers Limited.
Shareholding in the Company (No. of shares)	NIL	NIL	NIL	625