

SCY/SEC/SE:870

April 02, 2016

The General Manager
Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai – 400 001

The Manager
Listing Department
National Stock Exchange of India Ltd.
"Exchange Plaza"
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051

STOCK SYMBOL: VSTIND

STOCK CODE: 509966

Dear Sir,

Sub: Clarification on media report

This is with reference to your e-mail dated April 04, 2016 seeking clarification on media report in the Financial Express on April 02, 2016.

VST Industries Limited has stopped manufacturing of cigarettes with effect from 1st April, 2016 in view of uncertainty regarding rules on health warnings. Revised health warnings to be effective from 1st April, 2016 were notified by the Government in September 2015 which was challenged in the courts. A parliamentary sub-committee was also set up to look into the aspects of health warnings which subsequently filed its report on 15th March, 2016 reducing the size of the health warnings. Because of the prevailing ambiguity, the Company has decided to suspend its production, temporarily awaiting clarity on the matter. As of now we do not anticipate any material impact on the financial performance of the Company on account of the aforesaid temporary suspension of production.

This is for your information and records.

Yours faithfully,

For XST INDUSTRIES LIMITED

NITESH BAKSHI

COMPANY SECRETARY