

HITECH PLAST LIMITED

17TH ANNUAL GENERAL MEETING --- SATURDAY 20TH SEPTEMBER 2008

CHAIRMAN'S SPEECH

My dear shareholders,

It gives me great pleasure to welcome you all to the 17th Annual General Meeting of your Company. The Company's Annual audited accounts along with the consolidated financial statements, and the Report of Directors on the operations, Auditors' Report and Management Discussion & Analysis, of the Company for the year ended 31st March 2008, have already been circulated to you. I shall, with your kind permission, take them as read.

Corporate Performance for 2007-08:

The Company as well as its two subsidiaries have shown good growth during the financial year ended 31st March 2008. On a stand alone basis, i.e. Hitech

- Net sales increased to Rs. 106 crores from Rs. 93 crores in the previous year – a growth of 14%
- Profit after tax increased to Rs. 796 Lacs from Rs. 668 Lacs in the previous year, showing an increase of 19%

The overall picture on consolidated accounts is

- Net Sales increased to Rs. 179 crores as compared to Rs. 155 crores, for the previous year, representing a growth of 16%.
- Profit after tax and minority interest increased to Rs 952 Lacs from Rs 735 Lacs, representing a growth of 29%

Dividend:

Considering the performance of your Company, I am pleased to announce that your Directors have recommended payment of Dividend of 10% (Rs. 1.00 per equity share) for the financial year ended 31st March 2008, as against 8% for last year. I am confident that the shareholders will be happy to approve the recommended dividend.

Auditors:

M/s. Shah & Co., Chartered Accountants, the present Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. It is proposed to re-appoint them as the Statutory Auditors of the Company until the conclusion of the next Annual General meeting. M/s. Shah & Co., have furnished the certificate of their eligibility for re-appointment.

Economic Scene & business outlook:

India, the fourth largest economy globally, as measured by GDP on Purchasing Power Parity basis, emerged as one of the fastest growing economies in the world in the last few years.

But, benign global situation and sustained economic growth in the world led to excesses in international financial markets. Real estate and stock prices were progressively driven to irrational levels. The bubble eventually burst under the so called 'sub-prime mortgage crisis' in the US, causing global reverberations.

In our country, the inflation began to climb alarmingly at the same time, forcing RBI to tighten credit, which resulted in high interest rates. All these developments affected business confidence and consumer spending.

In the first quarter 2008-09, the crude oil prices also scaled new heights, causing the prices of polymers to peak to unprecedented levels. Your Company had to resort to substantial price increases, which are never pleasant. However, I am happy to inform you that our customers have remained loyal because they recognize our deep commitment to the industry, as demonstrated through our continued investments in R&D, to bring new products to market and infrastructure improvements to enhance our process efficiencies & ambience. We also stay in close partnership with our major customers, and bonds are strengthened by candid, two-way communication.

The upheavals of early this week in the international financial markets have further added to economic volatility and apprehensions towards the future filled with uncertainties. However, there is a silver lining. The prices of crude and thereby of polymers have started falling on the fears of economic recession in USA & other developed economies. It augurs well for your company. Barring unforeseen circumstances I am positive about the prospects for the current year.

Acknowledgements:

Before I conclude, I would like to thank all my colleagues on the Board, especially Independent Directors for their valuable insights and contribution which has helped your Company immensely. My genuine thanks to all stakeholders as well for being such important contributors to Hitech' s success. I also thank all our employees for enabling the Company to record a year of good performance. And last but not least, my special thanks to you all, our shareholders, for your sustained confidence & support and for making it convenient to attend this meeting.