

HITECH PLAST LIMITED

19TH ANNUAL GENERAL MEETING --- SATURDAY 4TH SEPTEMBER 2010

CHAIRMAN'S SPEECH

Ladies & Gentlemen, on behalf of the Board, I am pleased to extend a warm welcome to you all at the 19th Annual General Meeting of your Company.

The Company's Annual audited accounts along with the consolidated financial statements incorporating the accounts of a subsidiary, the Report of Directors on the operations, Auditors' Report and Management Discussion & Analysis for the year ended 31st March 2010, have already been circulated to you. I shall, with your kind permission, take them as read.

Economic Scene for 2009-10:

By the end of the financial year 2008-09, the Indian Economy was reeling under pressures emanated from global economic crisis and the prospects for economic growth in the financial year 2009-10 were expected to remain muted. The financial year 2009-10 began as a difficult one. A delayed and severely sub normal monsoon and emergence of double-digit food inflation added to the overall pessimistic and uncertain environment. The continued recession in the developed world for the major part of 2009-10 meant slowdown in financial flows into the Indian economy. While many global economies are still finding the going difficult, the Indian Economy has been quicker to recover, thanks to its strong fundamentals, well-timed Government stimuli and RBI funded liquidity due to which the GDP growth rate of 7.4% was achieved for the year 2009-2010.

Corporate Performance :

Your Company responded well to the challenges of this dynamic business environment and its sales on standalone basis increased to ` 158 crores from ` 134 crores, a growth of 18% in

value, and a volume growth of 22.3%. Profit after tax increased substantially by 48% to ₹ 13.75 crores from ₹ 9.26 crores, in previous year.

Overall for the group including subsidiaries, net sales went up to ₹ 262 crores as compared to ₹ 216 crores, a growth of 21% in value, and a volume growth of 25.9%. Profit after tax and minority interest increased substantially by 47% to ₹ 14.94 crores from ₹ 10.19 crores, in previous year.

Considering the growth in profits, I would be pleased to receive your approval of the enhanced dividend of 15%, i.e. ₹ 1.50 per equity share, as recommended by the Directors for the financial year ended 31st March 2010, as against 11% for previous year.

Business outlook:

Though the economy is expected to expand at a faster rate of 8.5% this fiscal, high inflation, low farm productivity and poor infrastructure are matters of concern. Containing surging prices, improving farm productivity and improving infrastructure are essential to put the country on a 9% growth path on sustained basis.

Given unabated increase in input costs i.e. materials, power and labour cost, the main challenge for your Company would therefore continue to be maintaining margins. The propylene polymer prices were almost 15% higher than those prevailing in the corresponding first quarter of previous year. In addition, anti-dumping duty on imports is adversely affecting the sentiment.

We expect both paint and FMCG industry, two most important market sectors for your Company, to grow well in 2010-11. Our initiative of passing the increased cost to the customers is critically linked to enjoyment of relationship vis-à-vis the customers and positions of strength in delivering suitable products meeting customers' needs. The geographical spread of the units and hence logistical benefits, coupled with procurement and supply chain efficiencies will help your Company in its struggle to protect margins. Besides, after successfully navigating through rough waters in the short term, we are focussing on developing newer strengths for the long term.

Your Company has completed its first phase at Rohtak and commenced commercial production on 9th April 2010. Your Company has also initiated steps towards expansion of capacity at a few other existing locations and expects to complete it before the commencement of paints season. With this, the Company intends to strengthen its position in the Paint industry.

In order to attain objective of consolidation and for ease of operations control, the Company's subsidiary namely Mipak Polymers Limited was merged into Clear Plastics Limited and the merged entity renamed as "CLEAR MIPAK PACKAGING SOLUTIONS LIMITED" to reflect synergy of both the Companies. It is expected that the merger would facilitate the integration and consolidation of our packaging of FMCG and pesticides business as well as enable the subsidiary company to operate more efficiently and effectively resulting in substantial savings.

Auditors:

M/s. Shah & Co., Chartered Accountants, the present Statutory Auditors of the Company hold office until the conclusion of this 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.

Acknowledgements:

Finally, I would like to sincerely thank all my colleagues on the Board, especially Independent Directors for their continued assistance, support and wise counsel.

I would also like to express my appreciation of the efficient and loyal services rendered by the Company's employees at all levels. Without their enthusiasm, professionalism, continuous efforts and contributions, our success would simply not be possible. I must also express my gratitude to our numerous business partners and suppliers for their continued support. Most importantly, I want to thank you, our shareholders, personally and on behalf of the Board for your sustained support and confidence in the management of your Company.

We remain, as always, committed to serving you and we will continue to do our best to deliver superior value to all stakeholders.