

**HITECH PLAST LIMITED**  
**20<sup>TH</sup> ANNUAL GENERAL MEETING --- SATURDAY 30<sup>TH</sup> JULY 2011**  
**CHAIRMAN'S SPEECH**

**My dear shareholders,**

Once again, Good morning and a warm welcome to the 20th Annual General Meeting of your Company. First, on behalf of the Company, I thank you all for your continued trust, encouragement and support to the Company and its management. The Company's Annual audited accounts along with the consolidated financial statements, the Report of Directors on the operations, Auditors' Report and Management Discussion & Analysis of the Company and Audited Accounts of subsidiary company i.e. Clear Mipak Packaging Solutions Limited for the year ended 31<sup>st</sup> March 2011, have already been circulated to you. I shall, with your kind permission, take them as read.

Economy in perspective:

If we can term 2009 as the year of recession impact, 2010 should be described as a year when the Indian economy rebounded positively. The GDP growth for the year 2010-11 was 8.6% as per the Economic Survey 2010-11. This growth has been due to notable growth in both manufacturing and service sectors and sustained growth in the agricultural sector.

The high (Food) inflation rate was a major concern especially towards the last quarter of 2010-11. The consumer price index saw double digit growth which continued in 2011-12. This was mostly attributed to increase in crude oil prices and other commodities (mainly due to supply issues in oil producing countries due to political turmoil as well as demand pressures on food grains).

The outlook for 2011-12 remains positive for India, except concerns arising out of inflation and consequent interest rates. The manufacturing is expected to grow at reasonable rates along with Infrastructure, Finance and Business Services. With the recent prediction of a normal monsoon by the Meteorological experts for 2011-12, the Agricultural sector is also expected to grow at 4%.

Company's Performance:

Your Company along with its subsidiary was able to maintain its top-line march forward, though profitability was affected to some extent. Hitech stand alone sales increased to ` 203 crores from ` 159 crores, a growth of 28% in value, and a volume growth of 18.3 %. Profit after tax decreased to ` 11.86 crores from ` 13.75 crores, in previous year.

Overall for the group including subsidiaries, net sales went up to ` 343 crores as compared to ` 262 crores, a growth of 31% in value, and a volume growth of 20.4%. Profit after tax and minority interest marginally decreased to ` 14.41 crores from ` 14.93 crores, in previous year. Significant investments were made in setting up of a manufacturing unit at Rohtak and capacity creation at various other units. This resulted in an increase in interest and depreciation cost to the extent of about 7 crores, as compared to previous year, which impacted the PAT. Your Directors feel happy in announcing that first phase of Rohtak project is fully implemented.

Dividend:

Given the challenging and uncertain environment and after considering the last year's performance, I would be pleased to receive your approval for the enhanced dividend of 16%, i.e. ` 1.60 per equity share, as recommended by the Directors for the financial year ended 31<sup>st</sup> March 2011, as against 15% for previous year.

Economic Scene and business outlook:

In an environment of uncertainty, volatility and modest growth prospects it is tempting to fall into a mood of pessimism.

But for sure, the objective is to create strength by overcoming uncertainties. Further, both Paint and FMCG industry, two most important market segments for your Company, are expected to record reasonable growth in volume terms in 2011-12, since the spectre of drought has been diffused to some extent by recent wide-spread rains in the country.

India's fastest growing economy, after China, represents an attractive potential for business growth, emerging as an exciting global investment destination. Supported by the liberalized economic policies and robust fiscal initiatives by the government, encouraging private sector investment and foreign capital, the country is all set to transform from a developing to a developed nation. The manufacturing sector remains the principal growth driver and would continue to remain so across the foreseeable future. The Indian corporate sector is well equipped to grab the emerging opportunities, through rapid expansions facilitated by favourable government policies.

The main raw materials which are derivative of crude oil expose the Company to the volatility in raw material prices. Pricing power enjoyed by the Company, allowed it to pass on partially the increased cost to the customers. Non availability of required power across the country had its own impact on the overall variable cost. The location benefits, coupled with procurement and supply chain efficiencies will help your Company to maintain margins. Your Company is about to start its 2<sup>nd</sup> phase in Rohtak and will further consolidate its position in the Paint industry in Northern India, once this project goes into production. Consolidation of manufacturing units of the subsidiary company Clear Mipak Packaging Solutions Limited, would commence shortly, so as to achieve operational efficiencies and meeting evolving demand from the FMCG customers.

Directors:

During the financial year 2010-11, the Board of Directors appointed Mr. Somasekhar Sundaresan, as an Additional Director with effect from 28<sup>th</sup> September 2010, and appointed Mr. Ashwin Nagarwadia in a casual vacancy with effect from 31<sup>st</sup> January 2009. Their experience and understanding of the Company would help your Company going forward. The Board recommends their appointment as Directors of your Company.

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.

Place: Mumbai

Date: 30<sup>th</sup> July 2011

Chairman

Registered Office:

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