
14TH ANNUAL REPORT
2004 - 2005



Unit - Baddi, HP



HITECH PLAST LIMITED
(Formerly known as Hi-Tech Plast Containers (India) Limited)

BOARD OF DIRECTORS:

Ashwin S. Dani	Chairman
Homi K. Bilpodiwala	
Ashwin R. Nagarwadia	
Abhay A. Vakil	
R. B. Desai	
Rameshchandra S. Gandhi	with effect from 31.01.05
Harish N. Motiwalla	with effect from 10.12.04
Jalaj A. Dani	
Hasit A. Dani	
Ashok K. Goyal	Managing Director (CEO)

INVESTOR'S GRIEVANCE COMMITTEE:

Ashwin S. Dani	Chairman
Abhay A. Vakil	
Hasit A. Dani	
Ashok K. Goyal	

AUDIT COMMITTEE:

Abhay A. Vakil	Member & Chairman up to 31.01.05
R. S. Gandhi	Member & Chairman w.e.f. 31.01.05
Homi K. Bilpodiwala	
Hasit A. Dani	Member up to 31.01.05
Harish N. Motiwalla	Member with effect from 31.01.05

SHARE TRANSFER SUB-COMMITTEE:

Ashok K. Goyal	Chairman
Bhupendra P. Dusara	
Rahul S. Bhandari	

MANAGEMENT TEAM:

A. K. Goyal	CEO
V. Ramesh	COO
B. P. Dusara	CFO
R. S. Bhandari	Compliance Officer

STATUTORY AUDITORS:

Shah & Co., Chartered Accountants
Mumbai

INTERNAL AUDITORS:

Shashank Patki & Associates, Pune
Deepak Shah & Co., Mumbai

BANKERS & TERM LENDERS:

State Bank of India
Kotak Mahindra Bank

REGISTERED OFFICE:

Gut Nos. 939 & 940
Village Sanaswadi, Taluka Shirur
District- Pune,
Maharashtra - 412 208

PLANTS:**UNIT-I SANASWADI:**

Gut Nos. 939 & 940,
Village Sanaswadi, Taluka Shirur
District- Pune, Maharashtra - 412 208

UNIT – II MASAT:

Silvassa Technopark Building – 1, Ground Floor
Behind Santogen Mills, Masat,
Silvassa – 396 230

UNIT – III PONDICHERRY:

RS No.146/3/4/5, Ariyur Village
Vallianur Commune, Pondicherry 605 102

UNIT-IV PLASTIC & PRECISION MACHINEFABRIK:

Plot No.4615 & 4616
Plastic Zone, Rd. No.46, Manda Village
GIDC, Sarigam – 396155, Dist: Valsad

UNIT – V SRIPERUMBUDUR:

F-16, SIPCOT Industrial Park
Kancheepuram, Sri Perumbudur, Tamil Nadu

SUBSIDIARY COMPANIES:

Multitech Plast Containers Limited
Clear Plastics Limited

SUBSIDIARIES PLANTS:**UNIT-GALONDA:**

Survey No. 374/1, Village Galonda
Silvassa – Kelvani Road, Silvassa 396230

UNIT-NAROLI:

709/3/1/1 Vadfalia, Bhilad Naroli Road
Naroli 396 235

UNIT-SARIGAM:

4923 Plastic Zone Road No 46A,
Manda Village G I D C
Sarigam 396155

UNIT-HP:

Khasra No.544/151, Village Dhana
Tehsil Nalagarh, Dist Solan 174101

CORPORATE OFFICE:

C-130, "Solaris", Building No. 1,
Opp. L&T Gate No. 6, Powai, Mumbai - 400 072

ADMINISTRATIVE OFFICE:

22, Graficon Arcade, 1st Floor
Opp. Jehangir Hospital, 38 Sasoon Road
Pune - 411 001

REGISTRAR & TRANSFER AGENTS:

Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound,
LBS Rd., Bhandup (W)
Mumbai – 400 078
email : isrl@intimespectrum.com

Hitech Plast Limited

(formerly known as Hi-Tech Plast Containers (India) Limited)

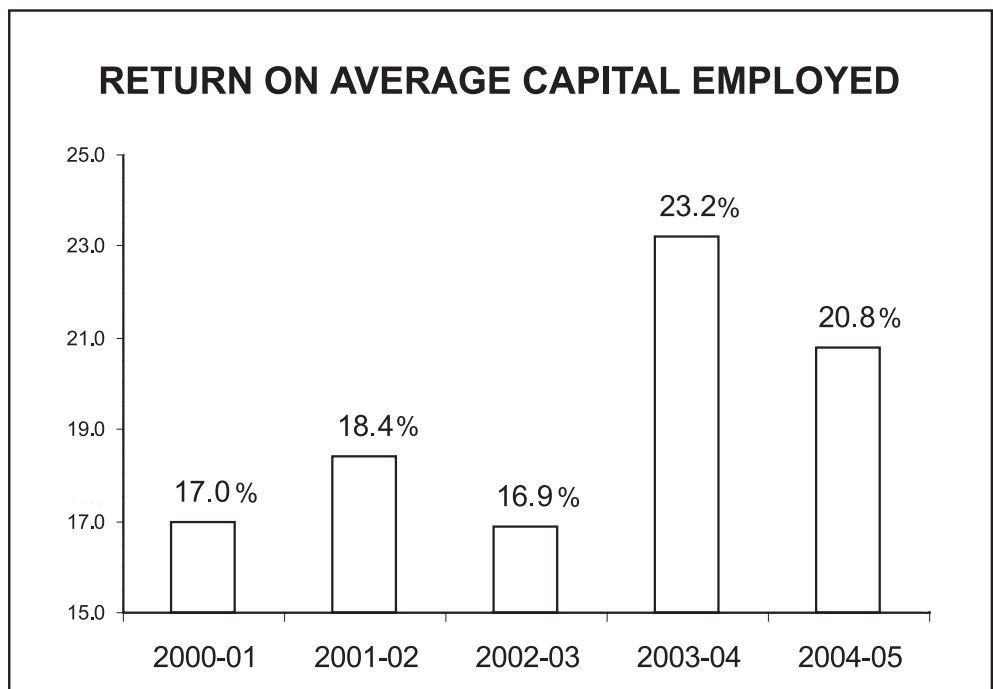
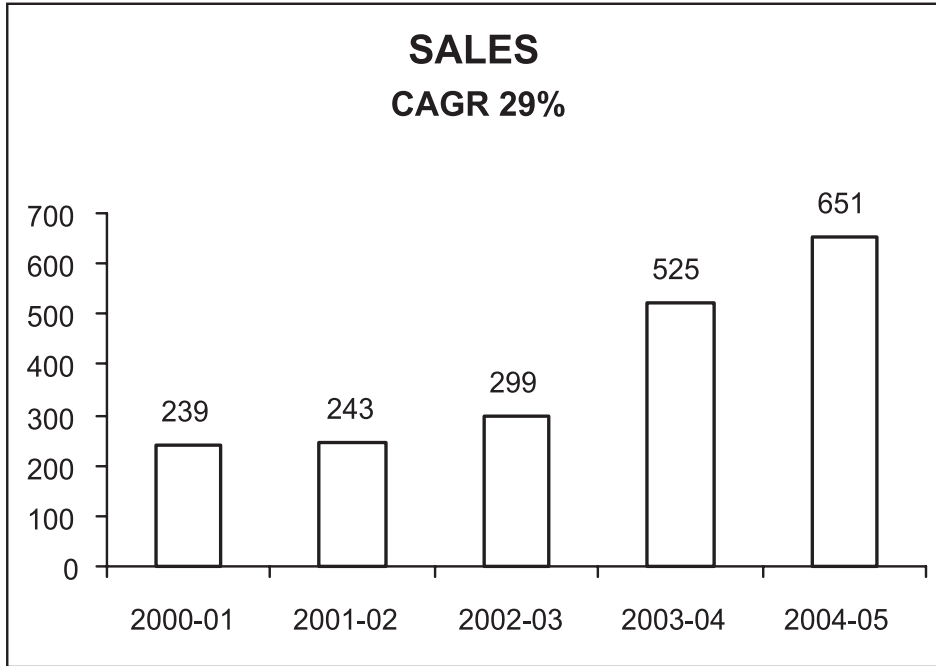
FIVE YEAR REVIEW - HITECH PLAST LIMITED - STANDALONE

(Rs. in Thousands except for per share data, number of employees and ratio)

Results for the Accounting Year	2004-2005	2003-2004	2002-2003	2001-2002	2000-2001
REVENUE ACCOUNT					
Gross Sales	451,920	350,705	242,783	195,461	233,357
Net Sales and Operating Income	375,951	290,856	198,955	162,768	200,317
Growth Rate (%)	29.26	46.19	22.23	(18.74)	14.73
Materials Consumed	168,238	110,486	70,471	62,167	99,112
% to Net Sales	44.75	37.99	35.42	38.19	49.48
Overheads	133,922	123,564	95,659	71,153	65,752
% to Net Sales	35.62	42.48	48.08	43.71	32.82
Operating Profit (PBITD & Extra-ordinary item)	84,938	76,466	36,400	36,276	39,549
Interest Charges	10,743	13,225	10,183	10,209	11,452
Depreciation	39,395	34,800	14,021	15,111	19,605
Profit Before Tax and Extra-ordinary item	34,800	28,441	12,196	10,956	8,492
% to Net Sales	9.26	9.78	6.13	6.73	4.24
Extraordinary item	-	-	-	-	6,777
Profit Before Tax and after Extra-ordinary item	34,800	28,441	12,196	10,956	15,269
% to Net Sales	9.26	9.78	6.13	6.73	7.62
Profit After Current Tax	30,299	28,441	12,196	10,888	15,269
Prior period items	97	-	-	-	(97)
Profit After Current Tax and prior period items	30,396	28,441	12,196	10,888	15,172
CAPITAL ACCOUNT					
Share Capital	118,970	160,970	132,000	132,000	132,000
Reserves and Surplus	11,600	11,600	11,600	11,600	11,600
Deferred Tax Asset (Net)	2,601	8,400	25,031	26,287	-
Loan Funds	165,774	108,176	98,246	66,795	80,112
Fixed Assets	90,535	101,508	67,549	63,908	76,292
Investments	95,040	45,035	9,853	5,331	-
Net Current Assets	102,720	95,759	92,284	56,190	51,275
Debt - Equity Ratio	1.35	0.81	1.38	1.14	1.69
Market Capitalisation	374,755	173,696	58,500	139,500	32,400
PER SHARE DATA					
Earning Per Share (Rs.)	2.55	2.62	0.80	0.30	1.13
Dividend (%)	Nil	Nil	Nil	Nil	Nil
Book Value (Rs.)	10.30	11.27	7.94	6.51	5.27
OTHER INFORMATION					
Number of Employees	225	225	109	112	109

HITECH PLAST GROUP (Including 100% Subsidiaries)

(Rs. in Million)



Business Approach and Values

BUSINESS APPROACH AND VALUES

OUR VALUES

Our values are determined by our relentless pursuit of the business direction captured in the maxim “CREATE WEALTH BY INNOVATION FOR CUSTOMERS”.

CREATIVITY

The word “creativity” derives from the Latin creare: to make and the Greek Krainein: to fulfill. Creativity is the paradoxical integration of doing and being. Thus it is a flexible encounter with our world — an active letting go, an aggressive receptivity, a passive responding. It is the assimilation and integration of polarities to find new directions, new solutions, and a fresh viewpoint. It is the integration of our logical side with our intuitive side, our left-brain with our right. It is all of these and more.

EXCELLENCE

We will focus on policies and practices where people produce consistently superior performance and where people are encouraged to discover their untapped potential. Competent members will be careered through increased and varied role responsibilities. They will be attractively compensated based on personal and collective accomplishment.

WEALTH

All our efforts must culminate in the creation of wealth. We will do so by continuously adding value in everything we do through a variety of methods. We will use resources productively, eliminate waste, reduce processing times and costs, and expand the consumer base.

INNOVATION

Innovation is the conversion of knowledge and ideas into a benefit, which may be for commercial use or for the public good; the benefit may be new or improved products, processes or services. Innovation and technological changes are without doubt the main drivers of economic growth at organised sector and economy-wide levels.

The future of our organisation rests on our willingness to experiment, push in new and untested directions, think in uncommon ways and take calculated risks. Continuous improvement should be a part of everyday work. We must also innovate to achieve dramatic results. Members will be encouraged to experiment and take calculated risks where necessary. We acknowledge that failure is inherent in any new initiative. We will commit resources for experimentation and invest in processes for reviewing and sharing of learning.

CUSTOMERS

The wealth of the Company is created by the patronage of customers. The primary focus of our efforts will be to understand what adds greatest value to them by providing innovative products. We will understand and respond to changing needs and desires of the customers; and translate these into innovative products and an ever-expanding base of loyal customers, with speed and a quality of response that surpasses the competition. We commit ourselves to improve the quality standards of innovative and need-based products for our customers.

Notice of 14th Annual General Meeting

NOTICE

Notice is hereby given that the FOURTEENTH ANNUAL GENERAL MEETING of the Members of HITECH PLAST LIMITED will be held on Friday, the 23rd day of September 2005, at 11.30 a.m. at the Registered Office of the Company at Gut Nos. 939 & 940, Village Sanaswadi, Tal. Shirur, Dist. Pune, Maharashtra - 412 208, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March 2005 and the Profit and Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Hasit A. Dani, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Abhay A. Vakil, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Rajnikant B. Desai, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to 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. Harish N. Motiwalla be and is hereby appointed as Director liable to retire by rotation"
7. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Rameshchandra S. Gandhi be and is hereby appointed as Director liable to retire by rotation"
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 Section 309(4) read with Section 309(7) and other applicable provisions, if any, of the Companies Act, 1956 (the Act) and Article 109(a) of the Articles of Association of the Company, so long as the Company has a Managing

Director, the Company do pay to its Resident Indian, Non-Promoter, Non-Executive Directors of the Company, a commission not exceeding 1% of the net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 1956 for each of five years commencing from 1st April 2005, such commission being divisible amongst the Directors in such proportion as the Board may determine or failing such determination, as the Chairman for the time being of the Board shall decide from time to time.

AND RESOLVED that this resolution shall be effective for a period of five years commencing 1st April 2005 and for determining the commission payable for any broken period of a year, in pursuance of the above Resolution, the net profits shall be arrived at on a proportionate basis."

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to be effective must reach the Registered Office of the Company at least 48 hours before the time fixed for the Meeting.
3. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item No 6, 7 and 8 is annexed hereto.
4. Memorandum and Articles of Association and the documents referred to in this Notice and Explanatory Statement are available for inspection at the Registered Office of the Company during the business hours.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 16th September 2005 to 23rd September 2005 (both days inclusive).
6. Members are requested to lodge Share Transfer documents and all other correspondence and queries relating to Share Transfer, Share Certificates, Change of Address etc., at the Office of Registrar & Transfer Agent i.e. Intime Spectrum Registry Ltd. C-13, Pannalal Silk Mills Compound, LBS Rd., Bhandup (W) Mumbai - 400 078
7. The Equity Shares of the Company are listed on BSE. The Company has paid the annual listing fees for the financial year 2005-2006.

Notice of 14th Annual General Meeting (Contd.)

9. Shareholders who wish to attend the Annual General Meeting at the Registered Office at Sanaswadi may avail of bus transport arranged by the Company from

its Administrative Office at 22 Graficon Arcade, 1st Floor, Opp. Jehangir Hospital, 38 Sasoon Road, Pune-411 001. The bus will leave at 10.30 a.m. sharp.

Registered Office:

Gut Nos. 939 & 940
Village Sanaswadi
Tal. Shirur, Dist. Pune
Maharashtra 412 208
Place : Mumbai
Date: 18th June 2005

By Order of the Board

Rahul S. Bhandari
Asst. Company Secretary

ANNEXURE TO THE NOTICE

I Explanatory Statement

[Pursuant to Section 173(2) of the Companies Act, 1956]

Item No. 6

Mr. Harish N. Motiwalla was appointed as an Additional Director of the Company with effect from 10th December 2004. Pursuant to Article 107 of the Articles of Association of the Company, he holds office upto the date of the ensuing Annual General Meeting. A shareholder of the Company has given notice along with deposit of Rs.500/- under Section 257 of the Companies Act, 1956, proposing the candidature of Mr. Harish N. Motiwalla as a Director at the ensuing Annual General Meeting.

Mr. Harish N. Motiwalla is a Chartered Accountant and has a vast expertise in the field of accounts, finance and corporate governance.

Other Directorships:

Outside directorships: 1 Excel Industries Limited
2 Bob Cards Limited
3 Jeevan Bima Sahyog Asset Management Company

Mr. Harish N. Motiwalla holds 5000 Equity Shares of Rs.10/- each of the Company.

The Board commends the adoption of the resolution. None of the Directors of the Company is interested in the said resolution.

Item No. 7

Mr. Rameshchandra S. Gandhi was appointed as an Additional Director of the Company with effect from 31st January 2005. Pursuant to Article 107 of the Articles of Association of the Company, he holds office upto the date of the ensuing Annual General Meeting. A shareholder of the Company has given notice along with deposit of Rs.500/- under Section 257 of the Companies Act, 1956, proposing the candidature of Mr. Rameshchandra S. Gandhi as a Director at the ensuing Annual General Meeting.

Mr. Rameshchandra S. Gandhi, a Chartered Accountant by profession also holds membership of the Institute of

Company Secretaries of India and a Masters degree in Business Administration from University of Columbia. He has a vast expertise in the field of corporate laws, accounts and corporate governance as he was Finance Director and Company Secretary of Bombay Burmah Trading Corporation Limited, for 19 years.

Other Directorships:

Outside directorships:

- 1 Botanium Limited
- 2 Clear Plastics Limited
- 3 Damacus Investments & Trading Co. Limited
- 4 Harvard Plantations Limited
- 5 Kalabakan Investments Co. Limited
- 6 Leila Lands Sendraian Berhad, Malaysia
- 7 Macrofil Investments Limited
- 8 Multitech Plast Containers Limited
- 9 Naira Holdings Limited, BVI
- 10 Naperol Investments Limited
- 11 N. W. Exports Limited
- 12 Perman Projects Supports Limited
- 13 Placid Plantations Limited

Committee Membership: One

Mr. Rameshchandra S. Gandhi holds 5000 Equity Shares of Rs.10/- each of the Company.

The Board commends the adoption of the resolution. None of the Directors of the Company is interested in the said resolution.

Item No. 8

Having regard to the fact that the Directors render specific useful services to the Company, it is considered desirable to pay a commission to non-promoters, non-executive directors who are resident in India. The payment of commission to the Directors requires the approval of shareholders by a Special resolution under Section 309 (4) of the Companies Act, 1956 where the payment of commission does not exceed 1% per annum, if the company has a Managing or Whole-time Director and 3% if the company has no Managing Director or Whole time

Notice of 14th Annual General Meeting (Contd.)

Director. Section 309(7) further provides that such approval shall not be for more than 5 years at a time.

The approval of the shareholders by a Special Resolution is being sought, pursuant to the provisions of Section 309(4) of the Companies Act, 1956 for payment of commission at a rate not exceeding 1% of the net profits of the Company per annum to Non-Promoter, Non-Executive Directors who are resident in India. This approval would be effective for a period of five years commencing from April 1, 2005.

Mr. Homi K. Bilpodiwala, Mr. Rameshchandra S. Gandhi and Mr. Harish N. Motiwalla who are resident Indian Non-Promoter, Non-Executive Directors of the Company may be deemed to be concerned or interested in the passing of this Special Resolution as it concerns them. None of the other Directors of the Company is interested or concerned in the passing this Special Resolution.

II. As required under Clause 49VI of the Listing Agreement given below are the details of the directors proposed for re-appointment.

Mr. Hasit A. Dani

Mr. Hasit A. Dani holds a Bachelors degree in Business Administration from University of Massachusetts and Masters degree from University of Pittsburgh, USA and has working experience in general administration, having worked with Asian Paints (India) Ltd. Presently; he is the Managing Director of Gujarat Organics Limited.

Other Directorships:

Outside directorships:

- 1 Asian Paints (I) Ltd.
- 2 Gujarat Organics Ltd.
- 3 Geetanjali Trading and Investments Ltd.

- 4 S C Dani Research Foundation Ltd.
- 5 Dani Holding & Trading Co. Pvt. Ltd.
- 6 Dani Finance & Investments Co. Pvt. Ltd.
- 7 Dani Capital & Investments Co Pvt. Ltd.
- 8 Dani Enterprises Pvt. Ltd.

Committee Membership: None

Mr. Abhay A. Vakil

Mr. Abhay A. Vakil is a director of the Company since 1993. He holds a Bachelors degree in Science and has over 25 years of Industrial Experience. Presently he is the Managing Director of Asian Paints (India) Limited.

Other Directorships:

Outside directorships:

- 1 Asian Paints (I) Ltd.
- 2 Vikatmev Containers Ltd.
- 3 Asian Paints Industrial Coatings Ltd.
- 4 Asian Paints (SI) Ltd.
- 5 Kalica Paper Industries Pvt. Ltd.
- 6 Asteroids Trading and Investments Pvt. Ltd.
- 7 Nehal Trading and Investments Pvt. Ltd.

Committee Membership: Two

Mr. Rajnikant B. Desai

Mr. R. B. Desai, a non-resident Indian, Ex-GM of Herdillia Chemicals Limited, is a director of the Company since 1993. He has rich professional experience in the industry and moulding related field.

Outside directorships : None

Committee Membership : None

Registered Office:

Gut Nos. 939 & 940
Village Sanaswadi
Tal. Shirur, Dist. Pune
Maharashtra 412 208
Place : Mumbai
Date: 18th June 2005

By Order of the Board

Rahul S. Bhandari
Asst. Company Secretary

Management Discussion and Analysis (Contd.)

MANAGEMENT DISCUSSION & ANALYSIS:

In line with the accepted good corporate practices, Hitech Plast has been reporting consolidated results – taking into account the results of its subsidiaries. During the year April 2004 – March 2005, Hitech Plast purchased the remaining equity shares of Multitech Plast Containers Limited and Clear Plastics Limited, thereby making them the wholly owned subsidiaries of your Company. This discussion therefore covers the financial results and the business development during April 2004 – March 2005 in respect of Hitech Plast consolidated – Hitech Plast Limited together with its two wholly owned subsidiaries as mentioned above. The consolidated entity has been referred to as “Hitech Group” or “Your Company” in the management discussion and analysis.

Some statements in this Discussion describing the projections, estimates, expectations or outlook may be forward looking. Actual results may differ materially from those stated on account of factors such as change in government regulations, tax regimes, economic developments within India and outside influencing the related policies, exchange rate and interest rate movements, impact of competing products and their pricing, product demand and supply.

INDUSTRY STRUCTURE AND DEVELOPMENT

In accordance with its Business Approach, your Company is committed to improve the packaging – a shelf differentiator – through innovative products and services. Your Company supplies primarily, to two industries – Paint Industry and the Fast Moving Consumer Goods (FMCG) Industry, covering over 80% of its turnover.

The size of Indian paint industry is difficult to estimate given the fragmented nature with large number of small and medium scale paint manufacturers. However, the paint industry revenues are expected to grow steadily at 10-12%. Your Company's growth not only depends on the user industry but is also driven by improving value propositions to our customers and by substituting other materials with plastic packaging. Your Company expects to clock growth of 20% by volume.

The FMCG industry comprises segments such as Personal Products, Detergents, Skin and Hair Care, Health and Hygiene Products, Foods and beverages, Dairy Products, etc. The sales to FMCG industry are expected to grow by 20% in value.

Hitech Plast Group portfolio offers a basket of products, in most of which over the years, Hitech has built market share. The range encompasses Bocan, Tapered Pails, Pails for Lube and Grease Industry, Hair and Skin Care Jars, Health and Hygiene Care Flats and Containers and Bottles for Food and Dairy Products.

OPPORTUNITIES AND THREATS

Your Company continuously identifies and explores new opportunities, which will help in accomplishment of its objectives. Your Company also seeks new opportunities in expanding its current portfolio of products, through continuous gathering of new insights in customers'

preferences. Your Company has been expanding its base geographical location-wise with new units spread across the country, namely Sriperumbudur and Pondicherry in the South and Baddi in North.

Your Company is striving hard to expand its presence in the FMCG industry by offering innovative products to reduce the customers' cost of packaging and enhancing value propositions to the customers. To this end, a few of the products are introduced during the year and others are in the pipeline for introduction in the FMCG sector.

Since a major portion of suppliers to your Company's market segments is still dominated by the unorganized sector, the stiff competition remains a continuously ambient threat on the product pricing policies.

RISKS AND CONCERNS

Your Company mostly caters to the needs of Paint and FMCG industry. The risks associated with Paint and FMCG Industry will affect your Company as well. The macro economic factors like the high oil prices, potential slow down in the economy, sluggish demand conditions, may affect the business of your Company as also the industry at large. Since petroleum based raw materials form an important cost component of your Company's value chain, it is an area of concern.

Your Company, to address partly these risk factors, has explored the possibility of hedging the polymer price movements, and in the near future Multi Commodity Exchange (Mcx) is expected to come out with the futures and options in polymers. Your Company, with forays in diversified industries, has been able to significantly limit the impact of these risks/concern.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company maintains adequate system, procedures and policies of internal control, which provide reasonable assurance of recording the transactions of its operations in all material respects and providing protection of assets. The procedures and policies developed by your Company ensure reliability as well as promptness of financial and operational reports.

The Company has an independent internal Audit function. Regular internal Audits are undertaken by the internal auditors at various locations, covering various areas like purchases, systems, sales, finance etc. based on an annual audit plan. The Reports of the internal auditors are regularly reviewed by the management and corrective action initiated to strengthen the controls and enhance the effectiveness of existing system. Summaries of the audit observations and the 'actions taken reports' are presented to the Audit Committee of the board on quarterly basis. The audit committee's observations are noted and action taken accordingly.

During the year, at one of the locations, your Company has implemented Enterprise Resources Planning (ERP), covering purchase, stores, production process, distribution and integrated accounting. This would ensure real time checks on various transactions emanating from various business processes.

Management Discussion and Analysis (Contd.)

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The relations with the employees were cordial and peaceful. The Directors wish to place on record the excellent cooperation and contribution made by the employees at all levels in the organization to the continued growth of the Company.

Your company has developed a talent management program which integrates evaluation and calibration, mentoring individual development plans, cross functional training and learning programmes that identify develop and deploy talent. The total number of employees at 31st March 2005 was 571.

FINANCIAL PERFORMANCE WITH REFERENCE TO OPERATIONAL PERFORMANCE

Despite uncontrolled increase in the polymer prices, your Company turned in a reasonable performance during the year ended 31st March 2005 (FY05). Total Revenue at Rs 659,376 Thousands (Previous year ended Rs.544,152 Thousand) , showed a growth of 21.17% over the year ended 31st March 2004 (FY04).

NEW PRODUCTS

Hitech Plast has always emphasized new product development as a corner stone of its growth mission, with an additional dimension of a focus on achieving the lowest possible cost so that the relentless pursuit of growth through organically and/or inorganically grown new products is adequately de-risked.

FINANCIAL ANALYSIS (HITECH GROUP)

	[Rs. In '000]	
	As of March 31 2005	2004
Sales	651,190	524,975
Stock Variation	(761)	7,067
Sales Tax set-off	1,623	1,383
Other Income	7,324	10,727
TOTAL	659,376	544,152
Expenditure		
Material Consumption	330,141	240,716
Processing Charges	24,790	26,731
Power, Fuel & Water	38,515	34,690
Stores, Spares & Repairs	11,412	9,249
Salaries, wages, & Other benefits	59,422	56,205
Freight & Transport Charges	19,453	14,475
Others	63,885	49,203
TOTAL	547,618	431,269
Profit Before Interest		
Depreciation & Tax	111,758	112,883
Interest	18,611	21,507
Depreciation	73,597	72,123
Profit Before Tax	19,550	19,253
Average Capital Employed	353,984	255,159
Return on Capital Employed	20.8%	23.2%
Debt: Equity Ratio	2.41	1.24

Your Company provided a sum of Rs.73,597 Thousand and Rs. 72,123 Thousand towards depreciation for the years ended March 31, 2005 and 2004, respectively. The accumulated depreciation as a percentage of gross block is 59% and 50% for the years ended March 31, 2005 and 2004, respectively. Your Company had earlier changed the method of charging depreciation on moulds and plant and machinery to written down value from straight-line method. During the year, your Company has changed the method of charging depreciation on all other assets as well from straight-line method to written down value method.

The provision for tax is made at Rs. 6,900 Thousand against Rs. 3,185 Thousand for the previous year. The provision for deferred tax of Rs. 1,801 Thousand (Previous year Rs. 6,044 Thousand), is made pursuant to Accounting Standard 22 issued by the Institute of Chartered Accountants of India.

The total capital employed in the business increased to Rs.379,530 Thousand at the year-end from Rs. 328,437 Thousand at the end of previous fiscal year. The return on average capital employed was 20.8% as compared to previous year of 23.2%.

QUALITY

Your Company firmly believes that "Delivery of Quality Goods" is one of the most critical components for competitive success in the market. Your Company has achieved high maturity through rigorous adherence to highly evolved management system, which has been systematically benchmarked against the standards, viz ISO. Your Company has extended its accreditation to ISO 9001:2000 by Det Norske Veritas, Netherlands, to Masat and Sarigam units as well.

RISK MANAGEMENT REPORT AND CONCERNS

Your Company has developed an ongoing risk and control process, wherein operating units review and evaluate risks for achieving the defined business objectives. The Board reviews those significant risks, which might impact on the achievement of corporate objectives.

The board of directors is responsible for monitoring risk levels on various parameters and the managing director ensures implementation of mitigation measures, if required. The audit committee provides the overall direction on the risk management policies.

As a part of risk management program, your Company has conducted an audit of its risk management procedures by independent auditors. The risk management and mitigation of risk is an evolving process and it will have to adapt to the changing business environment.

OUTLOOK

FY06 will be a year of consolidation in Hitech Plast Group's endeavour to move up the value chain, as it

- makes substantial investments in new locations, new innovative products and;
- focuses on providing the best possible value proposition to its customers.

The long-term outlook beyond the current investment phase is expected to remain positive – Hitech Plast Group will keep building enduring business values.

Consolidated Financials

AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors
Hitech Plast Limited
Gut Nos. 939 & 940,
Village-Sanaswadi,
Taluka - Shirur,
Dist : Pune,
Maharashtra - 412 208.

Auditors' report to the board of directors of Hitech Plast Limited group (formerly known as Hi-Tech Plast Containers (India) Limited) on the consolidated financial statements of Hitech Plast Limited and its subsidiaries

We have audited the attached consolidated Balance Sheet of Hitech Plast Limited group as at 31st March 2005, and also the Consolidated Profit and Loss Account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Hitech Plast Limited's management and have been prepared by the management on the basis of the separate financial statements and other financial information regarding its subsidiaries. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with and identified financial reporting framework and are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS-21) - Consolidated Financial Statements, (AS-23) Accounting for Investments in Associates in Consolidated Financial Statements and (AS-27) Financial reporting of interests in Joint Ventures issued by the Institute of Chartered Accountants of India.

Based on our audit of financial statements of Hitech Plast Limited and its subsidiaries, included in the consolidated financial statements read with Notes 3 and 4, of Schedule Q, and to the best of our information and according to explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of consolidated Balance Sheet, of the state of affairs of Hitech Plast Limited group as at 31st March 2005;
- (b) in the case of consolidated Profit and Loss Account, of the profit for the year ended on that date;
- and
- (c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For SHAH & CO.
Chartered Accountants

Place : Mumbai
Date : 18th June 2005

H. N. SHAH
Partner
M. No. 8152

Consolidated Financials (Contd.)

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2005

	Schedule	As at 31.03.2005 (Rs.in '000)	As at 31.03.2004 (Rs.in '000)
FUNDS EMPLOYED			
SHAREHOLDERS' FUNDS			
Share Capital	A	118,970	160,970
Reserves & Surplus	B	31,318	31,318
		<u>150,288</u>	<u>192,288</u>
CAPITAL RESERVE (On Consolidation)		7,090	5,033
DEFERRED TAX		692	-
LOANS			
Secured Loans	C	132,169	107,975
Unsecured Loans		128,079	57,094
		<u>260,248</u>	<u>165,069</u>
MINORITY INTEREST			
Equity		-	6,830
Preference Shares		25,100	25,100
Non Equity		-	6,376
		<u>25,100</u>	<u>38,306</u>
TOTAL		<u>443,418</u>	<u>400,696</u>
APPLICATION OF FUNDS			
GOODWILL (On Consolidation)		31,704	9,223
FIXED ASSETS			
Gross Block	D	479,107	412,692
Less : Depreciation		280,183	208,920
Net Block		198,924	203,772
Capital Work in Progress		6,271	1,748
		<u>205,195</u>	<u>205,520</u>
INVESTMENTS			
CURRENTS ASSETS, LOANS AND ADVANCES	E	1,250	1,250
Interest accrued	F	322	252
Inventories		72,893	62,383
Sundry debtors		97,976	92,051
Cash and Bank Balances		15,622	28,605
Loans and Advances		68,365	51,452
		<u>255,178</u>	<u>234,743</u>
Less : CURRENT LIABILITIES AND PROVISIONS	G	81,606	78,960
NET CURRENT ASSETS		<u>173,572</u>	<u>155,783</u>
DEFERRED TAX ASSETS (NET)		-	1,109
PROFIT AND LOSS ACCOUNT		31,697	27,801
MISCELLANEOUS EXPENDITURE (To the extent not written off)	H	-	10
TOTAL		<u>443,418</u>	<u>400,696</u>
Accounting Policies	P		
Notes on Accounts	Q		

As per our Report of even date

On behalf of the Board of Directors

For **SHAH & CO.**
Chartered Accountants

Ashwin S. Dani
Chairman

Ashok K. Goyal
Managing Director

H. N. SHAH
Partner

Ramesh S. Gandhi
Director &
Chairman of Audit Committee

Rahul S. Bhandari
Asst. Company Secretary

Place : Mumbai
Date : 18th June 2005

Place : Mumbai
Date : 18th June 2005

Consolidated Financials (Contd.)

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2005

	Schedules	For the Year Ended 31.03.2005 (Rs.in '000)	For the Year Ended 31.03.2004 (Rs.in '000)
INCOME			
Sales (Gross)		767,600	617,516
Less : Excise Duty Paid		<u>116,410</u>	<u>92,541</u>
Net Sales		651,190	524,975
Other Income	I	8,947	12,110
Variation in Stocks	J	<u>(761)</u>	<u>7,067</u>
TOTAL		<u>659,376</u>	<u>544,152</u>
EXPENDITURE			
Materials Consumed	K	330,141	240,716
Manufacturing Expenses	L	94,203	86,591
Employees' remuneration and benefits	M	59,422	56,205
Administrative and Selling Expenses	N	60,206	43,454
Preliminary Expenses written off		10	601
Amortisation of Goodwill on amalgamation		-	2,677
Amortisation of Goodwill on consolidation		3,636	1,025
TOTAL		<u>547,618</u>	<u>431,269</u>
GROSS PROFIT BEFORE INTEREST, DEPRECIATION & TAX		111,758	112,883
Less: Interest and Financing Charges	O	<u>18,611</u>	<u>21,507</u>
PROFIT BEFORE DEPRECIATION AND TAX		93,147	91,376
Less: Depreciation (Refer Note No. 5 of Schedule - Q)		<u>73,597</u>	<u>72,123</u>
PROFIT BEFORE TAX		19,550	19,253
Less: Provision for Tax		6,900	3,185
Provision for Tax (Deferred Tax)		1,801	6,044
PROFIT FOR THE YEAR		<u>10,849</u>	<u>10,024</u>
Add : Prior period adjustment		569	(271)
NET PROFIT		<u>11,418</u>	<u>9,753</u>
Less : Minority Interest		-	4,735
Balance		11,418	5,018
Previous year balance brought forward		<u>(27,801)</u>	<u>(43,261)</u>
P&L Balance of ACL on Amalgamation		-	12,983
Adjustment on account of Consolidation		<u>(12,739)</u>	<u>-</u>
Amount Available for Appropriations		<u>(29,122)</u>	<u>(25,260)</u>
Appropriations			
Proposed Dividend on Preference shares of subsidiary company		2,259	2,259
Tax on Dividend		<u>316</u>	<u>282</u>
Balance carried to Balance Sheet		<u>(31,697)</u>	<u>(27,801)</u>
Earning Per Share [Refer Note No. 9 of Schedule - Q]			
Basic EPS (in Rs.)		1.06	1.25
Diluted EPS (in Rs.)		1.06	1.24

As per our Report of even date

On behalf of the Board of Directors

For **SHAH & CO.**
Chartered Accountants

Ashwin S. Dani
Chairman

Ashok K. Goyal
Managing Director

H. N. SHAH
Partner

Ramesh S. Gandhi
Director &
Chairman of Audit Committee

Rahul S. Bhandari
Asst. Company Secretary

Place : Mumbai
Date : 18th June 2005

Place : Mumbai
Date : 18th June 2005

Consolidated Financials (Contd.)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2005 [PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT]

	2004-2005 (Rs.in '000)	2003-2004 (Rs.in '000)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extra-ordinary Item	19,550	19,253
Adjustments for :		
Depreciation	73,597	72,123
Profit on Sale of Assets	34	(353)
Interest Paid	18,611	21,507
Preliminary Expenses written off	10	601
Foreign Exchange (Gain)/Loss	80	102
Interest income	(593)	(4,520)
Goodwill amortised	3,636	3,702
Prior Period adjustment	-	(271)
Operating Profit before working capital changes	<u>114,925</u>	<u>112,144</u>
Adjustments for :		
Trade Receivables	(11,421)	(4,721)
Other Receivables	(16,039)	36,549
Inventories	(10,509)	(9,274)
Trade Payables	1,299	11,381
Cash Generated from Operations	<u>78,255</u>	<u>146,079</u>
Income Tax Paid	(2,700)	(1,308)
Add : Extra ordinary items	97	-
Net Cash Flow from Operations	<u>75,652</u>	<u>144,771</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(74,211)	(33,624)
Sale of Fixed Assets	1,395	3,743
Interest Received	804	4,520
Purchase of Investments	(50,005)	(71,700)
Adjustment on Account of Amalgamation	-	2,229
Net Cash used in Investing Activities	<u>(122,017)</u>	<u>(94,832)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Redemption of Preference capital	(42,000)	-
Proceeds from Long Term Borrowings	20,000	64,502
Repayment of Long Term Borrowings	(40,895)	(40,894)
Proceeds (Repayment of Cash Credit)	45,036	(11,478)
Proceeds from Short Term Borrowings	82,180	135,009
Repayment of Short Term Borrowings	(9,695)	(161,220)
Dividend Paid	(2,541)	(283)
Interest Paid	(18,703)	(21,507)
Net Cash used in Financing Activities	<u>33,382</u>	<u>(35,871)</u>
Net (Decrease)/ Increase in Cash and Cash Equivalents	<u>(12,983)</u>	<u>14,068</u>
Cash and Cash Equivalents at the beginning of the year	28,605	14,537
Cash and Cash Equivalents at the end of the year (Refer Note)	15,622	28,605
Note: Cash and Cash Equivalents at the end of the period include Term Deposits with Banks of Rs. 5,407,096/- (Previous Year - Rs. 12,412,123/-)		

As per our Report of even date

For **SHAH & CO.**
Chartered Accountants

H. N. SHAH
Partner

Place : Mumbai
Date : 18th June 2005

On behalf of the Board of Directors

Ashwin S. Dani
Chairman

Ramesh S. Gandhi
Director &
Chairman of Audit Committee

Place : Mumbai
Date : 18th June 2005

Ashok K. Goyal
Managing Director

Rahul S. Bhandari
Asst. Company Secretary

Consolidated Financials (Contd.)

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	As At 31.03.2005 (Rs. in '000)	As At 31.03.2004 (Rs. in '000)
SCHEDULE "A": SHARE CAPITAL		
AUTHORISED:		
15,800,000 Equity Shares of Rs 10/- each	158,000	158,000
3,200,000 Preference Shares of Rs.10/- each	32,000	32,000
1,000,000 Optionally Convertible Cumulative Redeemable Preference Shares of Rs.10/- each	10,000	10,000
TOTAL	200,000	200,000
ISSUED, SUBSCRIBED AND FULLY PAID UP:		
11,896,995 Equity Shares of Rs.10/- each fully paid (Previous year - 11,896,995)	118,970	118,970
— Cumulative Redeemable Preference Shares of Rs. 10/- each fully paid (Previous Year - 3,200,000)	-	32,000
— Optionally Convertible Cumulative Redeemable Preference Shares of Rs.10/- each (Previous Year - 1,000,000)	-	10,000
TOTAL	118,970	160,970
SCHEDULE "B" : RESERVES & SURPLUS		
Share Premium	9,100	9,100
Capital Subsidy	2,500	2,500
Capital Reserve	3,698	3,698
Capital Redemption Reserve	16,020	16,020
TOTAL	31,318	31,318
SCHEDULE "C" : SECURED AND UNSECURED LOANS		
SECURED LOANS:		
Term Loans from Bank / Corporate Bodies (Payable within 1 year Rs. 16,963,668/-, Previous year Rs. 24,205,917/-)	33,152	60,314
Term Loans from Bank - FCNRB (Payable within 1 year Rs. 12,400,000/-, Previous year Rs. 13,000,000/-)	38,574	32,255
Bank Cash Credit	60,443	15,406
	132,169	107,975
UNSECURED LOANS:		
Loans and deposits from Corporate bodies (Payable within 1 year Rs. 9,000,000/-, Previous year Rs. 9,100,000/-)	84,752	16,235
Fixed Deposits		
- Maturity on or before 1 Year	18,305	6,603
- Maturity after 1 Year	20,600	25,659
	38,905	32,262
Sales Tax - Deferral Loan	4,422	8,597
	128,079	57,094
TOTAL	260,248	165,069

[Term Loans from the Banks are secured by mortgage of the Company's immovable properties and by way of hypothecation of all movable properties, subject to prior charge in favour of the Company's Bankers. (Also secured by personal guarantee of some of the Directors). Cash Credit is secured by hypothecation of inventories and book debts alongwith the second charge on the fixed assets of the Company and also secured by personal guarantee of some of the Directors.]

Consolidated Financials (Contd.)

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS : (Continued)

SCHEDULE "D" : FIXED ASSETS

(Rs. in '000)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.2004	Additions during the Year	Deductions during the Year	Total as at 31.03.2005	Upto 31.03.2004	Additions / Amortization during the Year	Deductions during the Year	Total as at 31.03.2005	As at 31.03.2005	As at 31.03.2004
Tangible Assets :										
Freehold Land	6,531	10,856	-	17,387	-	-	-	-	17,387	6,531
Building	79,348	11,483	-	90,831	16,091	23,085	-	39,176	51,655	63,257
Mould	55,011	8,204	1,647	61,568	34,124	12,904	1,219	45,809	15,759	20,887
Plant & Machinery	240,013	35,151	1,347	273,817	144,998	29,994	590	174,402	99,415	95,015
Furniture	7,914	705	-	8,619	2,151	1,953	-	4,104	4,515	5,763
Office Equipment	9,350	937	6	10,281	4,489	1,960	-	6,449	3,832	4,861
Vehicle	7,805	2,201	769	9,237	2,540	2,198	525	4,213	5,024	5,265
Intangible Assets :										
Technical Know-how	5,000	-	-	5,000	3,430	1,000	-	4,430	570	1,570
Computer Software	1,720	527	-	2,247	1,097	473	-	1,570	677	623
Patent	-	120	-	120	-	30	-	30	90	-
TOTAL	412,692	70,184	3,769	479,107	208,920	73,597	2,334	280,183	198,924	203,772
Previous Year	374,298	41,185	2,791	412,692	138,291	72,123	1,494	208,920	203,772	-

Note : Refer Note No. 5 in Schedule "Q"

As At	As At
31.03.2005	31.03.2004
(Rs. in '000)	(Rs. in '000)

SCHEDULE "E": INVESTMENTS

(Refer Note No. 5 of Schedule 'P')

Long Term - unquoted (at cost) : Trade

Shares in subsidiary company

12,500 Equity Shares of Rs. 100/- each, fully paid-up in Ho-Plast Pvt. Ltd.,

Aggregate amount of unquoted investments

<u>1,250</u>	<u>1,250</u>
<u>1,250</u>	<u>1,250</u>

SCHEDULE "F": CURRENT ASSETS, LOANS AND ADVANCES

CURRENT ASSETS :

Interest accrued but not received

322	252
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Inventories:(lower of cost and market value)

(as taken, valued and certified by Management)

a. Materials Stock:

- Packing Materials

- Raw Materials

1,932	2,262
<u>35,756</u>	<u>24,021</u>
<u>37,688</u>	<u>26,283</u>

b. Finished Goods

c. Work-in-Progress

d. Consumables, Stores & Spares

14,854	12,699
17,930	20,846
<u>2,421</u>	<u>2,555</u>
<u>72,893</u>	<u>62,383</u>

Sundry Debtors (Unsecured)

a. Outstanding for more than six months

(considered good)

(considered doubtful)

2,450	5,960
<u>2,021</u>	<u>-</u>
<u>4,471</u>	<u>5,960</u>

Less : Provision for doubtful debts

<u>2,021</u>	<u>-</u>
<u>2,450</u>	<u>5,960</u>

b. Other Debts (considered good)

<u>95,526</u>	<u>86,091</u>
<u>97,976</u>	<u>92,051</u>

Cash and Bank Balances:

a. Cash on hand

b. With Scheduled Banks

c. Term Deposits

190	175
10,025	16,018
<u>5,407</u>	<u>12,412</u>
<u>15,622</u>	<u>28,605</u>

LOANS AND ADVANCES : (Unsecured, considered good)

a. Loans to Staff

b. Balances with Customs, Central Excise etc.

c. Sundry deposits

d. Advances recoverable in cash or kind

e. Advance Payments of Taxes (Tds & Advance Tax)

598	830
8,589	4,867
11,019	6,502
21,040	16,962
<u>27,119</u>	<u>22,291</u>
<u>68,365</u>	<u>51,452</u>

TOTAL

<u>255,178</u>	<u>234,743</u>
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Consolidated Financials (Contd.)

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS : (Continued)

	As At 31.03.2005 (Rs. in '000)	As At 31.03.2004 (Rs. in '000)
SCHEDULE "G": CURRENT LIABILITIES AND PROVISIONS		
LIABILITIES		
Sundry Creditors		
SSI	4,458	5,010
Others	<u>25,999</u>	<u>31,871</u>
	30,457	36,881
Other Liabilities	16,559	11,935
PROVISIONS :		
Provision for Gratuity	4,719	4,423
Provision for Unutilised Privilege Leave	667	1,620
Other Provisions	1,575	3,407
Provision for dividend	2,576	2,541
Provision for Taxation	<u>25,053</u>	<u>18,153</u>
TOTAL	<u>81,606</u>	<u>78,960</u>
SCHEDULE "H" : MISCELLANEOUS EXPENDITURE		
(To the extent not written off)		
Preliminary Expenses -		
Opening Balance	10	611
Less : Written off	<u>10</u>	<u>601</u>
TOTAL	<u>-</u>	<u>10</u>

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT:

	Year 2004-2005 (Rs. in '000)	Year 2003-2004 (Rs. in '000)
SCHEDULE "I" : OTHER INCOME		
Interest Received (Gross)	671	4,734
(Tax deducted at source Rs. 1,09,249/-, Previous Year Rs. 7,69,716/-)		
Moulding Charges	1,134	1,058
Miscellaneous Income	642	572
Gain on commutation of Sales Tax Deferral Loan (Refer Note No. 6 of Schedule - Q)	1,381	1,017
Sales Tax set off received	1,623	1,383
Sale of Scrap	936	1,101
Designing charges	1,789	-
(Tax deducted at source Rs. 40,964/-, Previous Year - Rs. Nil)		
Profit on sale of assets (Net)	-	353
Provision no longer payable	<u>771</u>	<u>1,892</u>
TOTAL	<u>8,947</u>	<u>12,110</u>
SCHEDULE "J" : VARIATION IN STOCKS		
STOCK-IN-TRADE (at close)		
Finished Goods	14,854	12,699
Work-in-progress	<u>17,930</u>	<u>20,846</u>
	32,784	33,545
STOCK-IN-TRADE (at commencement)		
Finished Goods	12,699	11,648
Work-in-progress	<u>20,846</u>	<u>14,830</u>
	33,545	26,478
TOTAL	<u>(761)</u>	<u>7,067</u>

Consolidated Financials (Contd.)

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS : (Continued)

	Year 2004-2005 (Rs. in '000)	Year 2003-2004 (Rs. in '000)
SCHEDULE "K" : MATERIALS CONSUMED		
Materials Consumed:		
Opening Stock	26,283	23,381
Add : Purchases	341,546	243,618
	<u>367,829</u>	<u>266,999</u>
Less : Closing Stock	37,688	26,283
TOTAL	<u>330,141</u>	<u>240,716</u>
SCHEDULE "L" : MANUFACTURING EXPENSES		
Processing Charges	24,790	26,731
Water, Power and Fuel	38,515	34,690
Excise duty paid	307	604
Mould Rent	1,125	2,309
Material Handling Charges	7,583	5,371
Stores & Spares Consumed	11,412	9,249
Repairs & Maintenance -		
- to Building	1,481	294
- to Plant and Machinery	5,738	4,355
- Other Assets	3,110	2,741
	<u>10,329</u>	<u>7,390</u>
Royalty	142	247
TOTAL	<u>94,203</u>	<u>86,591</u>
SCHEDULE "M" : EMPLOYEES' REMUNERATION AND BENEFITS		
Salaries, Wages, allowances and other benefits	49,192	46,178
Staff Welfare Expenses	5,494	4,785
Contribution to Provident Fund	3,614	3,350
Gratuity	1,122	1,892
TOTAL	<u>59,422</u>	<u>56,205</u>
SCHEDULE "N" : ADMINISTRATIVE AND SELLING EXPENSES		
Freight and Transport Charges	19,453	14,475
Rent	4,121	2,974
Rates and Taxes	1,723	2,635
Insurance	2,194	1,640
Security Charges	853	593
Rebate & Discount	62	-
Printing and Stationery	1,677	1,306
Postage and Telephone	3,339	2,738
Travelling and Conveyance Expenses	6,270	5,291
Miscellaneous Expenses	15,503	10,499
Loss on Sale of Fixed Assets	34	-
Directors' Meeting Fees	172	70
Auditors' Remuneration & Service Charges	425	608
Management Fees	1,200	606
Provision for Doubtful Debts	2,021	-
Bad Debts	1,159	19
TOTAL	<u>60,206</u>	<u>43,454</u>
SCHEDULE "O" : INTEREST AND FINANCING CHARGES		
Interest on Term Loans (Net)	6,168	6,922
Interest on Cash Credit	2,313	2,130
Other Financing Charges	9,469	11,090
Bank Charges	661	1,365
TOTAL	<u>18,611</u>	<u>21,507</u>

Consolidated Financials (Contd.)

SCHEDULE "P"

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES FOLLOWED IN THE COMPILATION OF THE CONSOLIDATED ACCOUNTS:

1. Method of Accounting:

(a) The financial statements are prepared under the historical cost convention on an accrual basis and comply with all the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

(b) The rights and liabilities pertaining to prior period operations but arising in the current year, if material, are shown as 'prior period adjustments' in the Profit and Loss Account.

2. Fixed Assets:

The fixed assets are accounted at the cost of acquisition, which includes taxes, duties (net of cenvat, wherever applicable) and other identifiable direct expenses incurred to bring the assets to their present location and condition less accumulated depreciation. Interest on borrowed funds attributable up to the period assets are put to use is included in the qualifying assets.

3. Depreciation:

Depreciation is provided on all assets under written down method at the rates specified under Schedule XIV to the Companies Act, 1956. Expenditure on computer software is amortised over a period of three years.

4. Inventory:

(a) Inventories are valued at lower of cost and net realisable value. Damaged, unserviceable and inert stocks are suitably depreciated.

(b) In case of raw and packing materials, stores, spares and consumables the cost includes duties and taxes other than credits under CENVAT and is arrived at on weighted average basis.

(c) The Finished Goods and Work-in-progress cost includes the cost of raw material, packing materials and appropriate share of fixed and variable production overheads and excise duty as applicable on the finished goods.

5. Investments:

Long-term investments are stated at cost less permanent diminution, if any, in the value of investments.

6. Foreign Exchange:

Revenue transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transactions or at the exchange rates under related forward exchange contracts. Transactions not covered by forward exchange rates and outstanding at the year-end are converted at exchange rates prevailing at the year-end and the profit/loss so determined and also the realised exchange gains/losses are recognised in the Profit and Loss Account. There is no gain/loss in respect of foreign currency transactions on capital account.

7. Retirement Benefits:

Company's contribution to provident fund is charged to Profit and Loss Account as per rates specified in the Act. Gratuity and Privilege Leave have been provided in the books as per the actuarial valuation.

8. Taxes on Income:

The Company provides for taxes on income, on the taxes payable under the Income Tax Act and deferred tax asset / liability are measured in respect of carried forward business losses, unabsorbed depreciation and taxable temporary differences calculated at current statutory income-tax rate.

9. Goodwill:

The goodwill on consolidation is amortised over a period of ten years.

Consolidated Financials (Contd.)

SCHEDULE "Q": NOTES ON CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT:

	2004-2005 (Rs.in '000)	2003-2004 (Rs.in '000)
1 Estimated amount of contracts to be executed on capital account and not provided for	678	3,044
2 Contingent liabilities not provided for:		
(a) Bank Guarantees issued on behalf of the Company	2,590	6,711
(b) Claims against the Company not acknowledged as debt	—	500
(c) Bills Discounted	60,195	12,252
(d) Arrears of Dividend on Preference Shares	—	32,804
3. Name of the Subsidiary	<u>% of Voting power</u>	<u>Financial Year</u>
Multitech Plast Containers Limited	100.00%	31 st March 2005
Clear Plastics Limited	100.00%	31 st March 2005
4. Principles of Consolidation		
a. The consolidated financial statements are based on audited financial statement of subsidiaries.		
b. The financial statements of the parent company and its subsidiaries have been combined to the extent possible on a line by line basis by adding together like items of assets, liabilities, income and expenses. All significant intra group balances and transactions have been eliminated on consolidation.		
c. The goodwill/capital reserve on consolidation has been recognized in the consolidated financial statements. The goodwill is amortised over a period of ten years on straight line basis.		
d. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and over events in similar transactions and are presented to the extent possible, in the same manner as the parent company's financial statement.		
e. Minority interest in the net income and net assets of the consolidated financial statements are computed and shown separately.		
5. The Company had changed the method of charging depreciation on plant and machinery and moulds in previous year from straight-line method to written down value method as per rates specified in Schedule XIV of the Companies Act, 1956. The Company has, during the year, changed the method of charging depreciation on other assets from straight-line method to written down value method as per rates specified in Schedule XIV of the Companies Act, 1956. As a result depreciation upto previous years has increased by Rs. 23,100 Thousand (Previous year increased by Rs. 22,504 Thousand) and the current year depreciation is higher by Rs. 8,834 Thousand (Previous year lower by Rs. 4,824 Thousand). Had the Company adopted the earlier depreciation method the aggregate profits, the fixed assets of the Company as well as reserves would have been higher by Rs. 31,934 Thousand (Previous year by Rs. 17,473 Thousand).		
6. During the year, the Government of Maharashtra notified a scheme under which the Company could prepay the entire liability of sales tax deferment on a discounted basis. The Company availed of this scheme and prepaid the entire liability for the year 2004-2005. This prepayment resulted in a one-time gain of Rs. 1,381 Thousand. (Previous year Rs.1,017 Thousand).		
7. The Deferred Tax Asset/(Liability) comprises of tax effect of timing differences, carried forward business losses and unabsorbed depreciation as shown below:		
	31.03.2005 (Rs. in '000)	31.03.2004 (Rs. in '000)
<u>Deferred Tax Assets</u>		
Carried forward business losses and Unabsorbed Depreciation	3,452	14,146
<u>Deferred Tax Liability</u>		
Fixed Assets excess net block over written down value as per the provisions of the Income-tax Act, 1961	5,345	(16,669)
<u>Deferred Tax Assets</u>		
Expenses allowable for tax purposes on payment basis	1,201	3,632
Deferred Tax Asset/(Liability) (Net)	<u>(692)</u>	<u>1,109</u>

Consolidated Financials (Contd.)

8. Related Party Disclosures, as required by AS-18, 'Related Party Disclosures' are given below:

1. Relationship:

(i) Companies over which the Directors have controlling interest	(ii) Directors
Dani Capital and Investments Company Private Limited	Mr. Ashwin S. Dani
Dani Enterprises Private Limited	Mr. Ashok K. Goyal
Dani Finance and Investments Private Limited	Mr. Jalaj A. Dani
Dani Holding and Trading Company Private Limited	Mr. Hasit A. Dani
Dani Securities Limited	Mr. Shailesh Gandhi
Dani Trading and Investments Limited	Mr. Harshad Desai
Geetanjali Trading and Investments Limited	
Gujarat Organics Limited	
Rangmeet Investments Limited	
Coatings Specialities (India) Limited	
Rangkala Investments – Division of Gujarat Organics Ltd.,	
Asian Paints (India) Limited	
Asian Paints (Mauritius) Limited	
Asian Paints (Lanka) Limited	
Asian Paints (Queensland) Pty. Ltd.	
Asian Paints (Nepal) Pvt. Ltd.	
Berger Paints (Emirates) Limited	

2. Related Party Transactions for the Year- 2004-05:

(Rs. in '000)

Particulars	Companies over which Directors have controlling interest	Directors of the Company
	(i)	(ii)
Sales	215,674	
Services rendered		
- Conversion Charges	47,507	
- Other Income	1,189	
Services received		
- Professional and Consultancy charges		
- Others	5,041	
Sundry Debtors	17,021	
Inter Corporate Deposits Received	90,355	
Inter Corporate Deposits Repaid	15,355	
Other Payables	653	
Sitting Fees		64
Remuneration		4,047

Related Party Transactions for the Year- 2003-04:

(Rs. in '000)

Particulars	Companies over which Directors have controlling interest	Directors of the Company
	(i)	(ii)
Sales	120,468	
Services rendered		
- Conversion Charges	57,802	
Services received		
- Professional and Consultancy charges		
- Others	1,980	
Sundry Debtors	13,780	
Inter Corporate Deposits Received	79,000	
Inter Corporate Deposits Repaid	75,100	
Loans Repaid	8,200	
Interest Paid	1,351	
Other Payables	1,300	
Sitting Fees		27
Remuneration		630

Consolidated Financials (Contd.)

9. Earning Per Share, as required by AS-20, 'Earning Per Share' is given below :

Particulars	Unit	2004-2005	2003-2004
Basic Earning Per Share			
Amount used as the numerator			
Profit After Taxation	Rs. in '000	12,650	16,068
Less: Pref. Dividend	Rs. in '000	—	4,798
		12,650	11,270
Weighted Average number of Equity Shares			
Used as the denominator	Nos.	11,896,995	9,023,746
Nominal value of Equity Shares	Rs. in '000	11,897	9,024
Basic EPS	Rs.	1.06	1.25
Diluted Earning Per Share			
Amount used as the numerator (Calculated above)	Rs. in '000	12,650	11,270
Add: Dividend saving on Pref. Share	Rs. in '000	—	1,200
		12,650	12,470
Weighted Average number of Equity Shares			
Used as the denominator	Nos.	11,896,995	9,023,746
Increase in No. of Shares	Nos.	—	1,000,000
Total potential Nominal value of Equity Shares	Rs. in '000	11,897	10,024
Diluted EPS	Rs.	1.06	1.24

10. Since the Company's business activity falls within a single primary business segment, viz., Plastic Containers" the above results applies to the same for the purpose of Accounting Standard 17 (AS-17) on segment reporting. The capital employed in the reportable segment was Rs. 379,530 Thousand as on 31st March 2005 (Rs. 328,437 Thousand as on 31st March 2004).

11. Previous year's figures have been regrouped wherever necessary.

As per our Report of even date

For **SHAH & CO.**
Chartered Accountants

H. N. SHAH
Partner

Place : Mumbai
Date : 18th June 2005

On behalf of the Board of Directors

Ashwin S. Dani
Chairman

Ramesh S. Gandhi
Director &
Chairman of Audit Committee

Place : Mumbai
Date : 18th June 2005

Ashok K. Goyal
Managing Director

Rahul S. Bhandari
Asst. Company Secretary

Directors' Report

DIRECTORS' REPORT

To the members,

Your Directors have pleasure in presenting fourteenth annual report on the business and operations of your Company and the audited accounts for the year ended March 31, 2005.

	[Rs. In '000]	
	2004-2005	2003-2004
Gross Sales	451,920	350,705
Sales (Net of Excise)	375,951	290,856
Other Income	11,544	13,311
Variation in stocks	(397)	6,349
	<u>387,098</u>	<u>310,516</u>
Total Expenditure	302,160	230,813
Preliminary Expenses written off	-	560
Amortisation of Goodwill on Amalgamation	-	2,677
Profit before Interest & Depreciation	84,938	76,466
Interest and Financing Charges	10,743	13,225
Depreciation	39,396	34,800
Operating Profit (Before Tax)	34,799	28,441
Less: Provision for Tax	4,500	-
Provision for Tax (Deferred Tax)	5,799	11,917
Add. Prior Period Adjustments	97	-
Net Profit (After Tax)	24,597	16,524
Previous year balance brought forward	(30,044)	(46,568)
Balance carried to Balance Sheet	<u>(5,447)</u>	<u>(30,044)</u>

The detailed analysis on the performance of the Company is discussed in Management Discussion and Analysis.

Results of operations

Total sales turnover of your Company increased to Rs.375,951 Thousand from Rs. 290,856 Thousand in the previous year. The operating profit increased to Rs. 34,800 Thousand as compared to Rs.28,441 Thousand for the previous year.

New Manufacturing Unit

Your Company is in the process of setting up a new manufacturing unit at Sriperumbudur, near Chennai in the State of Tamil Nadu. The unit will cater to its customers located in the South, apart from meeting the packaging requirements of its one of the major customers, namely Asian Paints (India) Limited.

Reduction of Share Capital

The High Court of Bombay sanctioned the petition filed by your Company for reduction of share capital by cancelling the Preference Shares, aggregating to Rs. 42000 Thousand and returning the entire sum to the holders of preference shares on 14th January 2005.

Amalgamation

The Board of Directors have approved the Scheme of Amalgamation of Multitech Plast Containers Limited, your wholly owned subsidiary with the Company, pursuant to Section 391 to 394 of the Companies Act, 1956, with effect from 1st April 2005, subject to the confirmation of the Hon'ble High Court of Bombay.

Corporate Governance

Your Company continues to give the priority to its corporate governance policies. During the year, the Securities and Exchange Board of India (SEBI) has inter alia directed revision of Clause 49 of the Listing Agreement namely "Corporate Governance", vide SEBI Circular No. SEBI/CFD/DIL/CG/1/2004/12/10 dated October 29, 2004. The amendments to the clause 49 are to be complied by December 2005. However, your Company has complied with all the mandatory recommendations on Corporate Governance as amended by said Circular, in January 2005.

For the year under review, the compliance report is provided in the Corporate Governance report as Annexure-I. The auditor's certificate on compliance with the mandatory recommendations of the committee is annexed to this report.

Responsibility Statement of the Board of Directors

To the best of their knowledge and belief and according to the information and explanations obtained by them, the Directors make the responsibility statement setting out the compliance with the accounting and financial reporting requirements specified under Section 217 (2AA) of the Companies Act, in respect of the financial statements, as follows:

That in preparation of the annual accounts for the year ended 31st March 2005 the applicable accounting standards have been followed along with proper explanation relating to material departures;

That such accounting policies as mentioned in Schedule P of the Annual Accounts have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended 31st March, 2005 and of the profit of your company for that year.

That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your company and for preventing and detecting fraud and other irregularities.

That the annual accounts for the year ended 31st March 2005 have been prepared on a going concern basis.

Liquidity

During the year, your Company has applied for a term loan from State Bank of India, to finance the capex requirements including setting up of a new manufacturing unit at Sriperumbudur.

Your Company believes that the cash management is adequate to meet its capital expenditure and working capital requirements for the near future.

Fixed Deposits

Your Company continued accepting fixed deposits from shareholders, friends, relatives of directors and business associates and it stood at Rs.21,118 Thousand against Rs.22,629 Thousand at the end of previous fiscal year.

Directors' Report (Contd.)

Investment

Your Company acquired the remaining 190,000 Equity Shares of Rs.10/- each of Multitech Plast Containers Limited (MPCL), at a cost of Rs.3,040 Thousand. After the said acquisition, MPCL has become 100% subsidiary of the Company.

Your Company also acquired remaining 493,000 Equity shares of Rs.10/- each of Clear Plastics Limited, at a cost of Rs.46,917 Thousand. After the said acquisition, CPL has become 100% subsidiary of the Company.

Subsidiary Companies

Your Company's subsidiary Multitech Plast Containers Limited achieved a profit of Rs.8,885 Thousand (loss of Rs.2,148 Thousand during 2003-04). Your company's another subsidiary Clear Plastics Limited achieved cash profit of Rs.303 Thousand and after providing for depreciation of Rs.24,192 Thousand, a loss of Rs. 23,888 Thousand (loss of Rs.5,703 Thousand during 2003-04).

During the year, Clear Plastics Limited has set up a new manufacturing unit at Baddi in Himachal Pradesh.

During the year, no adjustments to the extent of above profit/loss have been made in the books of your Company. The Statement pursuant to Section 212 (1) (e) of the Companies Act, 1956, is given at the end of Notes to the Accounts.

Consolidated Financial Statements

The Annual Report of the subsidiary companies are annexed to this Report along with the statement pursuant to Section 212 of the Companies Act, 1956. However, in the context of mandatory requirement to present consolidated accounts, which provides members with a consolidated position of your company including subsidiary, at the first instance, members are being provided with the Annual Report of your Company treating these as abridged accounts as contemplated by Section 219 of the Companies Act, 1956. As stipulated by Clause 32 of the listing agreement, Consolidated Financial Statements are prepared by the Company in accordance with the requirements of Accounting Standard 21 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India. The audited Consolidated Financial Statements form part of the Annual Report. Members desirous of receiving the full Annual Report of the subsidiaries will be provided the same on receipt of a written request from them. This will help save cost in connection with printing and mailing of the Annual Report.

Directors

As per Article 104 of the Articles of Association, Mr. Hasit A. Dani, Mr. Abhay A. Vakil and Mr. Rajnikant B. Desai retire by

rotation in the forthcoming Annual General Meeting. All of them, being eligible, offer themselves for reappointment.

Mr. Harish N. Motiwala was appointed as Additional Director on the Company's Board with effect from 10th December 2004. Mr. Harish N. Motiwala will cease to be a Director at the forthcoming Annual General Meeting. A notice is received from a shareholder along with a deposit of Rs.500/- proposing him as a Director. Directors commend his appointment.

Mr. Rameshchandra S. Gandhi was appointed as Additional Director on the Company's Board with effect from 31st January 2005. Mr. Rameshchandra S. Gandhi will cease to be a Director at the forthcoming Annual General Meeting. A notice is received from a shareholder along with a deposit of Rs.500/- proposing him as a Director. The Directors commend his appointment.

Auditors

The Auditors, Shah & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if reappointed.

Conservation of energy, research and development, technology absorption, foreign exchange earnings and outgo

The particulars as prescribed under subsection (1)(e) of section 217 of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, are set out in the Annexure-II.

Particulars of Employees

None of the employees employed throughout/part of the fiscal year ended 31st March 2005 was in receipt of remuneration exceeding the limits laid down under the provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of employees) Rules, 1975, as amended.

Acknowledgements

Your directors thank the company's customers, vendors, investors and bankers for their continued support during the year. Your directors place on record their appreciation of the contribution made by employees at all levels under the leadership of the Managing Director, who, through their competence, hard work, solidarity, cooperation and support, have enabled the company to achieve consistent growth and look forward to continued support of all these partners in progress.

For and on behalf of the board of directors

Place : Mumbai
Date : 18th June 2005

ASHWIN S. DANI
Chairman

Mission Statement

To be best at satisfying customers needs with innovative and tailored packaging products. This will be achieved through integrating individual creativity and talent into the process of collective action of our employees.

Corporate Governance Report (Contd.)

ANNEXURES TO THE DIRECTORS' REPORT

ANNEXURE – I

CORPORATE GOVERNANCE:

Corporate governance is the mechanism by which values, principles, management policies and procedures of a company are manifested in the world. It refers to the entire system by which a company is managed and monitored, its corporate principles and guidelines and the system of internal and external controls and supervision to which the company's operation is subjected. It involves a cohesive set of relationships among an organisation's Board of Directors, its management and shareholders.

Hitech Plast Limited is committed to the principles of transparency, integrity, control and accountability. We believe that best board practices, empowerment, transparency, and disclosures are necessary for creating shareholders' value. We at Hitech believe that corporate performance in the long run is co-related to corporate governance and that well governed companies mitigate 'non business risks' better. Your Company endeavors to adopt the best practices in corporate governance and thereby aims to increase the value for its stakeholders.

During the course of the year, SEBI vide circular No.SEBI/CFD/DIL/CG/1/2004/12/10 dated October 29, 2004 has revised Clause 49 of the Listing Agreement. The Company was required to comply with the Revised Clause 49 by 31st March 2005. Further the period for compliance with revised guidelines has been postponed to 31st December 2005. However, your Company has complied with the revised Clause 49, in January 2005.

A. Board composition

The current policy is to have a managing director, the promoter directors and the independent directors to maintain the independence of the board, and to separate the board functions of governance and management. The board consists of ten members, one of whom is the managing director, three promoters' directors (including non-executive chairman), one non-executive director and five independent directors. Since the company has a non-executive chairman, the boards' composition meets with the stipulated requirement of at least one-third of the Board comprising independent directors.

Table 1 gives the composition of the company's board, and the number of outside directorships held by each of the directors.

TABLE 1

Sr. No.	Name of the Director	Category	Designation	Board Meetings attended	Attendance at Last AGM	Total number of other directorships as on date #	No. of other Committee Memberships as on date	
							Member	Chairman
1	Shri A. S. Dani	PD	Chairman	5	No	6	2	1
2	Shri H. K. Bilpodiwala	NED (1)	Director	4	No	7	1	2
3	Shri A. R. Nagarwadia	NED (1)	Director	1	No	3	-	-
4	Shri A. A. Vakil	NED	Director	4	Yes	4	2	-
5	Shri R. B. Desai *	NED (1)	Director	1	No	-	-	-
6	Shri Ramesh S. Gandhi	NED (1)	Director	4	No	13	-	1
7	Shri H. N. Motiwalla	NED (1)	Director	1	No	2	1	-
8	Shri Jalaj A. Dani	PD	Director	5	Yes	28	-	-
9	Shri Hasit A. Dani	PD	Director	3	Yes	3	-	-
10	Shri Ashok K. Goyal	ED	Managing Director	5	Yes	2	-	-

* Shri Ramesh S. Gandhi was alternate director to Shri. R. B. Desai upto 31st January 2005. Shri Ramesh S. Gandhi was appointed as an Additional Director on 31st January 2005

@ PD – Promoter Director, NED - Non-Executive Director, NED (1) - Non-Executive Director - Independent, ED - Executive Director

includes Alternate Directorships and Foreign Company's Directorship but excluding Private Companies

Corporate Governance Report (Contd.)

B. Board meetings

The Hitech Plast Board met five times during the year ended March 31, 2005. The Board Meetings were held on 18th May 2004, 27th July 2004, 27th November 2004, 10th December 2004 and 31st January 2005. Table 1 gives the attendance record of the directors.

Information supplied to the Board:

The Board has unfettered and a complete access to any information within the company, and to any employee of the company. The information regularly supplied to the board includes:

- (a) Annual operating plans and budgets, capital budgets, updates;
- (b) Quarterly results of the company;
- (c) Minutes of meetings of audit, investors' grievance and share transfer committees, as well as abstracts of circular resolutions passed;
- (d) General notices of interest;
- (e) Information on recruitment and remuneration of senior officers just below the board level including appointment or removal of CFO and company secretary;
- (f) Important litigations, show cause, demand, prosecution and penalty notices;
- (g) Fatal or serious accidents or dangerous occurrences, any material effluent or pollution problems;
- (h) Any materially relevant default in financial obligations to and by the company or substantial non-payment for goods sold by the company;
- (i) Any issue which involves possible public or product liability claims of a substantial nature;
- (j) Details of any joint venture or collaboration agreement;
- (k) Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- (l) Significant development on the human resources front;
- (m) Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business;
- (n) Details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement; and
- (o) Details of non-compliance of any regulatory, statutory nature or listing requirements and shareholder services such as delays in share transfer.

Materially significant related party transactions

As required by the Accounting Standard AS-18, issued by the Institute of Chartered Accountants of India, details of related party transactions, pecuniary transactions or relationships between the company and its directors for the year ended March 31, 2005 are given in the Annual Report.

C. Board committees

Currently, the board has two committees – (a) the audit committee and (b) the investors' grievance and the share transfer committee.

The audit committee was reconstituted on 31st January 2005, and consists of three independent directors.

The investors' grievance committee is composed of a promoter Chairman, two non-executive directors and the managing director.

The board is responsible for the constituting, assigning, co-opting and fixing of terms of service for committee members to various committees.

The chairman of the board, in consultation with the assistant company secretary of the company determines the frequency and duration of the committee meetings. Normally, all the committees meet four times a year. Recommendations of the committee are submitted to the full board for approval.

The quorum for the meetings is either two members or one-third of the members of the committees, whichever is higher.

Corporate Governance Report (Contd.)

1. Audit committee

Your Company has an independent audit committee. The composition, procedures, power, role and functions of the audit committee comply with the requirements of Section 292A of the Companies Act, 1956 and also Clause 49 of the Listing Agreement. Revised Clause 49 of the Listing Agreement makes it mandatory for listed companies to have an qualified and independent audit committee with an audit committee charter ("terms of reference"). The terms of reference includes consideration of scope of audit reviews, the effectiveness of the system of Internal Control, Risk Management and Statutory Compliances.

The Board Meeting held on 31st January 2005 reconstituted the audit committee and also revised the terms of reference to meet with the requirements of revised Clause 49 of the Listing Agreement. The term of reference interalia includes:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees.
- Approval of payment to Statutory Auditors for any other services rendered by them.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.

Changes, if any, in accounting policies and practices and reasons for the same.

Major accounting entries involving estimates based on the exercise of judgment by management.

Significant adjustments made in the financial statements arising out of audit findings.

Compliance with listing and other legal requirements relating to financial statements.

Disclosure of any related party transactions.

Qualifications in the draft audit report.

- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Composition of the audit committee

The audit committee comprised of two independent directors and one promoter director, till 31st January 2005. They were:

Sr. No.	Name of the Director		Category
1.	Shri Abhay A. Vakil	Independent Director	Chairman
2.	Shri Homi K. Bilpodiwala	Independent Director	Member
3.	Shri Hasit A. Dani	Promoter Director	Member

Corporate Governance Report (Contd.)

The Board of Directors of the Company reconstituted the Audit Committee at its meeting held on 31st January 2005. The reconstituted audit committee consists of three independent directors. They are:

Sr. No.	Name of the Director		Category
1.	Shri Rameshchandra S. Gandhi	Independent Director	Chairman
2.	Shri Homi K. Bilpodiwala	Independent Director	Member
3.	Shri Harish N. Motiwalla	Independent Director	Member

Mr. Rameshchandra S. Gandhi was the Finance Director and Company Secretary of Bombay Burmah Trading Corporation Limited for 19 years. Mr. Homi K. Bilpodiwala and Mr. Harish N. Motiwalla being Chartered Accountants by profession have vast experience in the fields of accounts, taxation and corporate governance.

The CFO, the Statutory Auditors and the Internal Auditors are the permanent invitees to the Audit Committee meetings. Mr. B. P. Dusara, CFO is the secretary of the Committee.

During the period under review, four audit committee meetings were held on 13th May 2004 (annual accounts reviewed), 23rd July 2004, 24th November 2004 and 28th January 2005. Table 2 gives the attendance record of the audit committee members:

TABLE 2

Sr. No.	Name of the Director	Category	No. of Meetings attended
1	Shri Abhay A. Vakil	Chairman	4
2	Shri Homi K. Bilpodiwala	Member	4
3	Shri Hasit A. Dani	Member	4

2. Investors' grievance and share transfer committee

The investors' grievance and share transfer committee consists of the following directors:

TABLE 3

Sr. No.	Name of the Director	Category	Total Meetings 2004-2005	No. of Meetings Attended
1	Shri Ashwin S. Dani	Chairman	7	7
2	Shri Abhay A. Vakil	Member	7	7
3	Shri Ashok K. Goyal	Member	7	7
4	Shri Hasit A. Dani	Member	7	7

Investors' grievance committee report for the year ended March 31, 2005

The committee has the mandate to review and redress shareholder grievances and to attend to share transfers. Seven investors' grievance committee meetings were held during the year. The attendance record of members is given in Table 3 above.

The committee expresses satisfaction with the company's performance in dealing with investors' grievance and its share transfer system. It has also noted the shareholding in de-materialized mode as on March 31, 2005 as being 16.55%. Mr. Rahul S. Bhandari, Assistant Company Secretary is the Compliance Officer. There were no complaints pending at the beginning of the year. The Company received and resolved 12 complaints during the year. There were no complaints pending at the end of the year.

The company has approved a Code of Conduct under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, with effect from 26th October 2002. Mr. Rahul S. Bhandari was appointed as the Compliance Officer and Mr. Ashok K. Goyal was appointed as Public Spokesperson under the said Regulations.

On 24th May 2003, the Board of Directors appointed a Sub – Committee for Share Transfer consisting of Mr. Ashok K. Goyal, Chairman, Mr. Bhupendra P. Dusara and Mr. Rahul S. Bhandari as Members, to speed up the procedure of share transfer and providing better services to the Investors. The sub-committee generally meets three times a month.

D. Subsidiary Companies

The revised Clause 49 of the Listing Agreement requires at least one independent director on the Board of Directors of the holding Company to be a director on Board of Directors of a material non listed Indian subsidiary. Accordingly, Mr. Rameshchandra S. Gandhi, an independent director of the Company is on the Board of Directors of Multitech Plast Containers Limited and Clear Plastics Limited.

E. Code of Conduct

The Company has adopted a Code of Conduct under revised Clause 49 of the Listing Agreement. All the Board members and senior management personnel are required to comply with the requirements of the said Code of Conduct. The Code of Conduct has been posted on the website of the Company namely: www.hitechplast.net

Corporate Governance Report (Contd.)

Annual General Meeting

Location and time where last three Annual General Meetings were held:

Place	Date	Time
Regd. Office : Sanaswadi, Pune	26 th June 2004	11.30 a.m.
Regd. Office : Sanaswadi, Pune	19 th July 2003	11.30 a.m.
Regd. Office : Sanaswadi, Pune	20 th July 2002	11.30 a.m.

All the resolutions, sets out in the respective notices were passed by the shareholders. There were no resolutions put through postal ballot last year. There is no business at the ensuing AGM requiring implementation of the postal ballot under the applicable rules.

Means of communication

- (a) Quarterly results are taken on record by the Board of Directors and submitted to the Stock Exchanges in terms of requirements of Clause 41 of the Listing Agreement.
- (b) Quarterly results are normally published in the Indian Express and Loksatta.
- (c) Quarterly results are displayed on Company's website www.hitechplast.net
- (d) Half-yearly results are not sent to each household of shareholders.
- (e) No presentations have been made to institutional investors or to the analysts.
- (f) The Management Discussion and Analysis report forms a part of Directors Report.

General Shareholder information:

Annual General Meeting

Date : 23rd September 2005
 Venue : Gut Nos. 939 & 940, Village Sanaswadi, Taluka Shirur, Pune – 412 208.
 Time : 11.30 a.m.

Board Meeting to approve quarterly

financial results for the quarter ending : Proposed Board Meeting
 30th June 2005 : End of July 2005
 30th September 2005 : End of October 2005
 31st December 2005 : End of January 2006
 31st March 2006 : End of June 2006
 Book Closure Date : 16th September 2005 to 23rd September 2005 (both days inclusive)
 Dividend payment date : Not Applicable
 Listing on Stock Exchanges : Mumbai
 Stock Code Nos.
 The Stock Exchange , Mumbai : 526217
 ISIN : 120D01012

Market Price data - H/L at the BSE of each month in last financial year:

Month	Apr 04	May 04	Jun 04	Jul 04	Aug 04	Sept 04	Oct 04	Nov 04	Dec 04	Jan 05	Feb 05	Mar 05
High	18.48	18.80	16.90	21.00	17.70	21.70	26.00	26.75	45.00	41.25	37.45	38.75
Low	13.61	12.50	11.00	13.35	12.50	15.00	16.80	18.15	20.30	29.15	29.80	27.60

Registrar & Transfer Agents : Intime Spectrum Registry Ltd.
 C-13, Pannalal Silk Mills Compound,
 LBS Rd., Bhandup (W) Mumbai – 400 078
 Tel No. 022 – 55555454

Distribution of Shareholding: (data as of 31.03.2005)

Share holding of nominal value of Rs.	Share holders		Share Amount	
	Number	% to total	in Rs.	% to total
Upto - 5,000	7,091	93.908	9,193,330	7.7270
5,001 - 10,000	195	2.582	1,690,050	1.4210
10,001 - 20,000	80	1.060	1,277,580	1.0740
20,001 - 30,000	24	0.318	585,210	0.4920
30,001 - 40,000	21	0.278	747,160	0.6280
40,001 - 50,000	51	0.675	2,522,940	2.1210
50,001 - 1,00,000	36	0.477	2,891,830	2.4310
1,00,001 and above	53	0.702	100,061,850	84.1060
Total	7,551	100.000	118,969,950	100.0000

Corporate Governance Report (Contd.)

Shareholding Pattern as on 31.03.2005:

Sr. No.	Particulars	No. of Shares	% to the total Paid up Share Capital
1	Promoters	8,642,390	72.65
2	Financial Institutions & Banks	—	—
3	Mutual Funds & UTI	1,600	0.01
4	Private Corporate bodies	136,462	1.15
5	NRI's & OCB's	599,740	5.04
6	Other Director & their Relatives	40,000	0.33
7	Clearing Members	275	0.00
8	Indian Public	2,476,528	20.82
	Total	11,896,995	100.00

De-materialization of Shares : With effect from 1st November 2001 the Company's shares are under transfer-cum-demat option.

Status of De-materialization as on 31st March 2005

Particulars	No. of Shares	% to the total Paid up Share Capital
Total shares held in physical form	9,927,915	83.45
Total shares in de-materialized form	1,969,080	16.55
Total :-	11,896,995	100.00

Plant Locations : Gut Nos. 939 & 940, Village Sanaswadi, Taluka – Shirur, District - Pune, Maharashtra – 412 208.

:Silvassa Technopark, Bldg. No.1 Behind Santogen Mills, Masat, Silvassa, Union Territory–Dadra & Nagar Haveli

:RS No.146/3/4/5, Ariyur Village, Vallianur Commune, Pondicherry 605 102

:Plot No.4615 &4616 Plastic zone Rd. No.46, Manda Village GIDC, Sarigam – 396155 Dist : Valsad

Address for correspondence : Gut Nos. 939 & 940, Village Sanaswadi, Taluka – Shirur, District - Pune, Maharashtra – 412 208.

Investor's correspondence should be addressed to Intime Spectrum Registry Limited.

Non-Mandatory Requirements:

The Company has also adopted part of the non-mandatory requirements given in annexure - 3 of the Corporate Governance Code.

AUDITORS' REPORT ON CORPORATE GOVERNANCE

TO THE MEMBERS OF
HITECH PLAST LIMITED

(Formerly known as Hi-Tech Plast Containers (India) Limited)

We have examined the compliance of conditions of Corporate Governance by Hitech Plast Limited for the year ended March 31, 2005 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange, Mumbai (BSE).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, there were no investor's grievances remaining unattended / pending for more than 30 days as at March 31, 2005.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Shah & Co.,
Chartered Accountants

Place : Mumbai
Date : 18th June 2005

H.N. Shah
Partner
M. No. 8152

Information under Section 217(1)(e)

ANNEXURES TO THE DIRECTORS' REPORT

ANNEXURE - II

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March 2005.

A. Conservation of Energy:

- (a) Energy conservation measures taken:
Auto cut-off system operates for the chilling plant to avoid continuous running of the plant when not required i.e. when the temperature goes below the minimum desired level. The dry-off set printing machine area was modified so as to reduce the energy consumption.
- (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:
Your company installed latest technology-driven injection moulding machines with variable delivery pump, which resulted in lower power consumption. Further, more capacitors were added to improve the power factor from 0.98 to 0.99.
- (c) Impact of energy conservation measures: -
The impact of above will result in savings in terms of energy cost.
- (d) Total energy consumption and energy consumption per unit of production: -
The information prescribed under Form 'A' is not applicable to the Company since it does not fall within the List of Industries notified for the purpose.

B. Technology Absorption :

Research and Development (R & D) :

- 1 Specific areas in which R & D carried out by the Company : Your company invests in software for the design cell to develop new moulds for newer applications.
- 2 Benefits derived as a result of the above R & D : The product line meets the ever-evolving customers' needs with wide range of products for various applications.
- 3 Future plan of action : It shall always embark upon developing new products.
- 4 Expenditure on R & D
- (a) Capital : --
- (b) Recurring : Rs. 2259 Thousand
- (c) Total : Rs. 2259 Thousand
- (d) Total R & D expenditure as a % of turnover : 0.60%

Technology absorption, adaptation and innovation :

- 1 Efforts, in brief, made towards technology absorption, adaptation and innovation : Improved moulds for different sizes were developed successfully.
- 2 Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc. : This helped in cutting down one stage of production process.
- 3 In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished
- (a) Technology imported : Technical Know-how relating to the tooling and methods of the manufacture of the "DG-Lock" plastic containers and closure design for 20Ltr, 15Ltr. [Assigned to a subsidiary company.]
- (b) Year of Import : 1999-2000
- (c) Has technology been fully absorbed : Yes
- (d) If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action : N.A.

C. Foreign exchange earnings and outgo :

Particulars with regard to foreign exchange earnings and outgo appear in Schedule "Q", Notes to the Accounts.

For and on behalf of the board of directors

Place : Mumbai
Date : 18th June 2005

Ashwin S. Dani
Chairman

Hitech Plast Limited

(formerly known as Hi-Tech Plast Containers (India) Limited)

AUDITORS' REPORT

TO THE MEMBERS OF
HITECH PLAST LIMITED
(formerly known as Hi-Tech Plast Containers (India) Limited)

We have audited the attached Balance Sheet of Hitech Plast Limited as at 31st March 2005, the Profit and Loss Account of the Company and the cash flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
- c) The Balance Sheet, the Profit and Loss Account and the cash flow statement referred to in this report are in agreement with the books of account.
- d) In our opinion the Balance Sheet, the Profit and Loss Account and the cash flow statement referred to in this report comply with the Accounting Standards referred to in Section 211(3C) of Companies Act, 1956.
- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2005 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet, the Profit and Loss Account and the cash flow statement, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as on 31st March 2005;
 - (ii) In the case of the Profit and Loss Account, of the "Profit" of the Company for the year ended on that date;

and

 - (iii) In the case of cash flows statement, of the cash flows for the year ended on that date.

For SHAH & CO.
Chartered Accountants

Place : Mumbai
Date : 18th June 2005

H. N. SHAH
Partner
M. No. 8152

Hitech Plast Limited

(formerly known as Hi-Tech Plast Containers (India) Limited)

ANNEXURE REFERRED IN PARAGRAPH 3 OF THE AUDITORS' REPORT TO THE MEMBERS OF HITECH PLAST LIMITED (FORMERLY KNOWN AS HI-TECH PLAST CONTAINERS (INDIA) LIMITED) FOR THE YEAR ENDED 31ST MARCH 2005

- 1 (a) The Company has maintained proper records showing full particulars including quantitative details and location of the Fixed Assets.
- (b) There is a regular program of physical verification, which in our opinion is reasonable, having regard to the size of the Company and the nature of fixed assets. No material discrepancies have been noticed in respect of the assets physically verified during the year.
- (c) The Company has not disposed of substantial part of fixed assets during the year.
- 2 (a) Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of stocks followed by the management are adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of account.
- 3 (a) The Company has not accepted any loans during the year from the parties covered in the register maintained under section 301 of the Companies Act, 1956.
In view of clause 4 (iii)(a) of the Companies (Auditor's Report) Order, 2003, clause 4 (iii)(b, c & d) are not applicable to the Company.
- (b) The Company has not granted any loans during the year to the parties covered in the register maintained under section 301 of the Companies Act, 1956.
In view of clause 4 (iii)(e) of the Companies (Auditor's Report) Order, 2003, clause 4 (iii)(f & g) are not applicable to the Company.
- 4 In our opinion, and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw materials including components, packing materials, plant and machinery, equipment and other assets and with regard to sale of goods and services. There is no major weakness in the internal control procedures.
- 5 (a) The particulars of all contracts and arrangements referred to in section 301 of the Companies Act, 1956 have been properly entered in the register maintained under section 301 of the Act.
- (b) In our opinion, and according to the information and explanations given to us, the contracts and arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to the prevailing market price.
- 6 In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
- 7 In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8 We are informed that the maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956, in respect of the Company's products.
- 9 (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service tax, Custom Duty, Excise Duty, cess and other statutory dues with the appropriate authorities.
- (b) There are no disputed dues to be deposited at various forums.
- 10 The Company has not incurred cash loss in the current year and in the immediately preceding financial year and the accumulated losses in the balance sheet as on 31/3/2005 is less than 50% of the net worth of the Company.
- 11 The Company has not defaulted during the year in repayment of dues to any financial institutions, banks or debenture holders.
- 12 The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13 As the Company is not a chit fund, nidhi, mutual benefit fund or society the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- 14 As the Company is not dealing or trading in shares, securities, debentures and other investments, the provision of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- 15 The Company has not given any guarantees during the year.
- 16 The term loans obtained during the year are applied for the purpose for which it was obtained.
- 17 According to the information and explanations received the Company has not applied short term borrowings for long term use.
- 18 The Company has not made any preferential allotment of shares during the year.
- 19 The Company has not issued any debentures during the year.
- 20 The Company has not raised any money by way of public issue during the year.
21. As per the information and explanation given to us no material fraud on or by the Company has been noticed during the year.

For **SHAH & CO.**
Chartered Accountants

H. N. SHAH
Partner
M. No. 8152

Place : Mumbai
Date : 18th June 2005

Hitech Plast Limited

(formerly known as Hi-Tech Plast Containers (India) Limited)

BALANCE SHEET AS AT 31ST MARCH 2005

	Schedule	As at 31.03.2005 (Rs. in '000)	As at 31.03.2004 (Rs. in '000)
FUNDS EMPLOYED			
SHAREHOLDERS' FUNDS			
Share Capital	A	118,970	160,970
Reserves & Surplus	B	11,600	11,600
		<u>130,570</u>	<u>172,570</u>
LOANS			
Secured Loans	C	76,982	73,930
Unsecured Loans		88,792	34,246
		<u>165,774</u>	<u>108,176</u>
TOTAL		<u>296,344</u>	<u>280,746</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	D	249,768	226,287
Less : Depreciation		163,849	126,527
Net Block		85,919	99,760
Capital Work in Progress		4,616	1,748
		<u>90,535</u>	<u>101,508</u>
INVESTMENTS	E	95,040	45,035
CURRENTS ASSETS, LOANS AND ADVANCES			
Interest accrued	F	85	77
Inventories		40,366	36,128
Sundry debtors		61,436	61,175
Cash and Bank Balances		12,303	18,158
Loans and Advances		47,449	30,115
		<u>161,639</u>	<u>145,653</u>
Less : CURRENT LIABILITIES AND PROVISIONS	G	58,919	49,894
NET CURRENT ASSETS		<u>102,720</u>	<u>95,759</u>
DEFERRED TAX ASSETS (NET)		2,602	8,400
PROFIT AND LOSS ACCOUNT		<u>5,447</u>	<u>30,044</u>
TOTAL		<u><u>296,344</u></u>	<u><u>280,746</u></u>
Accounting Policies	P		
Notes on Accounts	Q		

As per our Report of even date

For **SHAH & CO.**
Chartered Accountants

H. N. SHAH
Partner

Place : Mumbai
Date : 18th June 2005

On behalf of the Board of Directors

Ashwin S. Dani
Chairman

Ramesh S. Gandhi
Director &
Chairman of Audit Committee

Place : Mumbai
Date : 18th June 2005

Ashok K. Goyal
Managing Director

Rahul S. Bhandari
Asst. Company Secretary

Hitech Plast Limited

(formerly known as Hi-Tech Plast Containers (India) Limited)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2005

Schedules	For the Year Ended 31.03.2005 (Rs. in '000)	For the Year Ended 31.03.2004 (Rs. in '000)
INCOME		
Sales (Gross)	451,920	350,705
Less : Excise Duty Paid	75,969	59,849
Net Sales	375,951	290,856
Other Income I	11,544	13,311
Variation in Stocks J	(397)	6,349
TOTAL	387,098	310,516
EXPENDITURE		
Materials Consumed K	168,238	110,503
Manufacturing Expenses L	64,022	60,277
Employees' remuneration and benefits M	31,675	33,299
Administrative and Selling Expenses N	38,225	26,734
Preliminary Expenses written off	-	560
Amortisation of Goodwill on Amalgamation	-	2,677
TOTAL	302,160	234,050
GROSS PROFIT BEFORE INTEREST, DEPRECIATION & TAX	84,938	76,466
Less: Interest and Financing Charges O	10,743	13,225
PROFIT BEFORE DEPRECIATION AND TAX	74,195	63,241
Less : Depreciation [Refer Note No. 11 of Schedule - Q]	39,396	34,800
PROFIT BEFORE TAX	34,799	28,441
Less : Provision for Tax	4,500	-
Provision for Tax (Deferred Tax)	5,799	11,917
PROFIT FOR THE YEAR	24,500	16,524
Prior period adjustment	97	-
NET PROFIT	24,597	16,524
Previous year balance brought forward	(30,044)	(46,568)
Balance carried to Balance Sheet	(5,447)	(30,044)
Earning Per Share [Refer Note No. 17 of Schedule - Q]		
Basic EPS (in Rs.)	2.55	2.62
Diluted EPS (in Rs.)	2.55	2.48

As per our Report of even date

For **SHAH & CO.**
Chartered Accountants

H. N. SHAH
Partner

Place : Mumbai
Date : 18th June 2005

On behalf of the Board of Directors

Ashwin S. Dani
Chairman

Ramesh S. Gandhi
Director &
Chairman of Audit Committee

Place : Mumbai
Date : 18th June 2005

Ashok K. Goyal
Managing Director

Rahul S. Bhandari
Asst. Company Secretary

Hitech Plast Limited

(formerly known as Hi-Tech Plast Containers (India) Limited)

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2005 [PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT]

	2004-2005 (Rs. in '000)	2003-2004 (Rs. in '000)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extra-ordinary Item	34,799	28,441
Adjustments for :		
Depreciation	39,396	34,800
Loss/(Profit) on Sale of Assets	34	(320)
Interest Paid	10,743	13,225
Preliminary Expenses written off	-	560
Foreign Exchange (Gain)/Loss	-	101
Interest income	(486)	(4,521)
Goodwill amortised	-	2,677
Operating Profit before working capital changes	<u>84,486</u>	<u>74,963</u>
Adjustments for :		
Trade Receivables	(261)	703
Other Receivables	(14,679)	41,292
Inventories	(4,238)	(4,422)
Trade Payables	<u>4,398</u>	<u>4,739</u>
Cash Generated from Operations	<u>69,706</u>	<u>117,275</u>
Income Tax Paid	(2,655)	(1,118)
Add : Extra ordinary items	<u>97</u>	<u>-</u>
Net Cash Flow from Operations	<u>67,148</u>	<u>116,157</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(29,558)	(22,848)
Sale of Fixed Assets	1,100	737
Interest Received	479	4,521
Purchase of Investments	(50,005)	(71,699)
Adjustment on Account of Amalgamation	-	283
Net Cash used in Investing Activities	<u>(77,984)</u>	<u>(89,006)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Redemption of Preference capital	(42,000)	-
Proceeds from Long Term Borrowings	-	37,002
Repayment of Long Term Borrowings	(28,699)	(23,638)
Proceeds (Repayment of Cash Credit)	31,750	(18,172)
Proceeds from Short Term Borrowings	57,506	85,259
Repayment of Short Term Borrowings	(2,960)	(87,646)
Interest Paid	<u>(10,616)</u>	<u>(13,225)</u>
Net Cash used in Financing Activities	<u>4,981</u>	<u>(20,420)</u>
Net (Decrease)/ Increase in Cash and Cash Equivalents	<u>(5,855)</u>	<u>6,731</u>
Cash and Cash Equivalents at the beginning of the year	18,158	11,427
Cash and Cash Equivalents at the end of the year (Refer Note)	<u>12,303</u>	<u>18,158</u>

Note: Cash and Cash Equivalents at the end of the period include Term Deposits with Banks of Rs. 3,287,506/- (Previous Year - Rs. 4,497,709/-).

As per our Report of even date

For **SHAH & CO.**
Chartered Accountants

H. N. SHAH
Partner

Place : Mumbai
Date : 18th June 2005

On behalf of the Board of Directors

Ashwin S. Dani
Chairman

Ramesh S. Gandhi
Director &
Chairman of Audit Committee

Place : Mumbai
Date : 18th June 2005

Ashok K. Goyal
Managing Director

Rahul S. Bhandari
Asst. Company Secretary

Hitech Plast Limited

(formerly known as Hi-Tech Plast Containers (India) Limited)

SCHEDULES FORMING PART OF THE ACCOUNTS

	As At 31.03.2005 (Rs. in '000)	As At 31.03.2004 (Rs. in '000)
SCHEDULE "A": SHARE CAPITAL		
AUTHORISED:		
15,800,000 Equity Shares of Rs 10/- each	158,000	158,000
3,200,000 Preference Shares of Rs.10/- each	32,000	32,000
1,000,000 Optionally Convertible Cumulative Redeemable Preference Shares of Rs.10/- each	10,000	10,000
TOTAL	200,000	200,000
ISSUED, SUBSCRIBED AND FULLY PAID UP:		
11,896,995 Equity Shares of Rs.10/- each fully paid (Previous Year 11,896,995)	118,970	118,970
- Cumulative Redeemable Preference Shares of Rs. 10/- each fully paid (Previous Year 3,200,000) (Refer Note No. 14 of Schedule - Q)	-	32,000
- Optionally Convertible Cumulative Redeemable Preference Shares of Rs.10/- each (Previous Year 1,000,000) (Refer Note No.14 of Schedule - Q)	-	10,000
TOTAL	118,970	160,970
SCHEDULE "B" : RESERVES & SURPLUS		
Share Premium	9,100	9,100
Capital Subsidy	2,500	2,500
TOTAL	11,600	11,600
SCHEDULE "C" : SECURED AND UNSECURED LOANS		
SECURED LOANS:		
Term Loans from Bank and corporate bodies (Payable within 1 year Rs. 1,145,841/-, Previous year Rs. 15,508,343)	1,146	36,164
Term Loans from Bank (FCNRB) (Payable within 1 year Rs. 12,400,000/-, Previous year Rs. 13,000,000/-)	38,574	32,255
Bank Cash Credit	37,262	5,511
	76,982	73,930
UNSECURED LOANS:		
Loans and deposits from Corporate bodies (Payable within 1 year Rs. 1,000,000/-, Previous year Rs. 3,100,000/-)	63,252	4,235
Fixed Deposits		
- Maturity on or before 1 Year	12,005	5,143
- Maturity after 1 Year	9,113	17,486
	21,118	22,629
Sales Tax - Deferral Loan	4,422	7,382
	88,792	34,246
TOTAL	165,774	108,176

[Term Loans from the Banks are secured by mortgage of the Company's immovable properties and by way of hypothecation of all movable properties, subject to prior charge in favour of the Company's Bankers. (Also secured by personal guarantee of some of the Directors). Cash Credit is secured by hypothecation of inventories and book debts alongwith the second charge on the fixed assets of the Company and also secured by personal guarantee of some of the Directors.]

Hitech Plast Limited

(formerly known as Hi-Tech Plast Containers (India) Limited)

SCHEDULES FORMING PART OF THE BALANCE SHEET : (Continued)

(Rs. in '000)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.2004	Additions during the Year	Deductions during the Year	Total as at 31.03.2005	Upto 31.03.2004	Additions / Amortization during the Year	Deductions during the Year	Total as at 31.03.2005	As at 31.03.2005	As at 31.03.2004
Tangible Assets :										
Freehold Land	3,814	5,317	-	9,131	-	-	-	-	9,131	3,814
Building	35,163	-	-	35,163	10,268	10,823	-	21,091	14,072	24,895
Mould	36,781	2,611	1,647	37,745	21,619	9,553	1,219	29,953	7,792	15,162
Plant & Machinery	135,302	15,128	793	149,637	88,408	14,777	330	102,855	46,782	46,894
Furniture	3,643	432	-	4,075	1,299	994	-	2,293	1,782	2,344
Office Equipment	4,979	518	-	5,497	2,850	931	-	3,781	1,716	2,129
Vehicle	4,885	2,157	769	6,273	986	1,845	525	2,306	3,967	3,899
Intangible Assets:										
Computer Software	1,720	527	-	2,247	1,097	473	-	1,570	677	623
TOTAL	226,287	26,690	3,209	249,768	126,527	39,396	2,074	163,849	85,919	99,760
Previous Year	195,177	31,867	757	226,287	92,067	34,800	340	126,527	99,760	-

Note : Refer Note No. 11 in Schedule "Q"

(Rs. in '000) As At 31.03.2005 (Rs. in '000) As At 31.03.2004

SCHEDULE "E": INVESTMENTS

(Refer Note No. 5 of Schedule 'P')

Long Term - unquoted (at cost) : Trade

Shares in subsidiary company

1,000,000 (Previous Year 810,000) Equity Shares of Rs. 10/- each fully paid-up in Multitech Plast Containers Ltd.

12,893 9,853

996,000 (Previous Year 503,000) Equity Shares of Rs.10/- each fully paid-up in Clear Plastics Ltd.

82,147 35,182

Aggregate amount of unquoted investments

95,040 45,035

SCHEDULE "F": CURRENT ASSETS, LOANS AND ADVANCES

CURRENT ASSETS :

i. Interest accrued but not received	85	77
ii. Inventories:(lower of cost and market value) (as taken, valued and certified by Management)		
a. Materials Stock:		
- Packing Materials	743	682
- Raw Materials	17,563	12,927
	18,306	13,609
b. Finished Goods	10,040	9,018
c. Work-in-Progress	9,599	11,018
d. Consumables Stores & Spares	2,421	2,483
	40,366	36,128
iii. Sundry Debtors (Unsecured)		
a. Outstanding for more than six months (considered good)	1,583	4,294
(considered doubtful)	2,021	-
	3,604	4,294
Less : Provision for doubtful debts	2,021	-
	1,583	4,294
b. Other debts (considered good)	59,853	56,881
	61,436	61,175
iv. Cash and Bank Balances:		
a. Cash on hand	94	103
b. With Scheduled Banks	8,922	13,557
c. Term Deposits	3,287	4,498
	12,303	18,158

LOANS AND ADVANCES : (Unsecured, considered good)

a. Loans to Staff	180	301
b. Balances with Customs, Central Excise etc.	6,173	3,880
c. Sundry deposits	5,733	3,005
d. Advances recoverable in cash or kind	16,736	8,457
e. Loans to Subsidiary	1,500	-
f. Advance Payments of Taxes (Tds & Advance Tax)	17,127	14,472
	47,449	30,115

TOTAL

161,639 145,653

Hitech Plast Limited

(formerly known as Hi-Tech Plast Containers (India) Limited)

SCHEDULES FORMING PART OF THE BALANCE SHEET : (Continued)

	As At 31.03.2005 (Rs. in '000)	As At 31.03.2004 (Rs. in '000)
SCHEDULE "G": CURRENT LIABILITIES AND PROVISIONS		
LIABILITIES		
Sundry Creditors [Refer Note No. 15 of Schedule Q]		
SSI	597	798
Others	29,313	25,292
	29,910	26,090
Other Liabilities	8,551	6,323
PROVISIONS :		
Provision for Gratuity	2,844	2,872
Provision for Unutilised Privilege Leave	536	1,380
Other Provisions	1,060	1,711
Provision for Taxation	16,018	11,518
TOTAL	58,919	49,894

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

	Year 2004-2005 (Rs. in '000)	Year 2003-2004 (Rs. in '000)
SCHEDULE "I" : OTHER INCOME		
Interest Received (Gross)	486	4,521
(Tax deducted at source Rs.90,007/-, Previous Year Rs.703,414/-)		
Miscellaneous Income	615	32
Gain on commutation of Sales Tax Deferral Loan (Refer Note No. 12 of Schedule -Q)	1,381	1,017
Sales Tax set off received	1,623	1,379
Sale of Scrap	700	725
Royalty	4,203	3,425
Designing charges	1,789	-
(Tax deducted at source Rs.40,964/-, Previous Year - Rs. Nil)		
Profit on sale of assets (Net)	-	320
Provision no longer payable	747	1,892
TOTAL	11,544	13,311
SCHEDULE "J" : VARIATION IN STOCKS		
STOCK-IN-TRADE (at close)		
Finished Goods	10,040	9,018
Work-in-progress	9,599	11,018
	19,639	20,036
STOCK-IN-TRADE (at commencement)		
Finished Goods	9,018	4,906
Work-in-progress	11,018	8,781
	20,036	13,687
	(397)	6,349
SCHEDULE "K" : MATERIALS CONSUMED		
Materials Consumed:		
Opening Stock	13,609	14,817
Add : Purchases	172,935	109,295
	186,544	124,112
Less : Closing Stock	18,306	13,609
TOTAL	168,238	110,503

Hitech Plast Limited

(formerly known as Hi-Tech Plast Containers (India) Limited)

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT : (Continued)

	Year 2004-2005 (Rs. in '000)	Year 2003-2004 (Rs. in '000)
SCHEDULE "L" : MANUFACTURING EXPENSES		
Processing Charges	21,546	25,201
Water, Power and Fuel	21,912	18,462
Excise duty paid	130	489
Mould Rent	1,125	2,309
Material Handling Charges	5,231	3,659
Stores & Spares Consumed	8,642	7,316
Repairs & Maintenance -		
- to Building	1,204	215
- to Plant and Machinery	2,638	1,750
- Other Assets	1,594	876
	<u>5,436</u>	<u>2,841</u>
TOTAL	<u>64,022</u>	<u>60,277</u>
SCHEDULE "M" : EMPLOYEES' REMUNERATION AND BENEFITS		
Salaries, Wages, allowances and other benefits	25,865	27,172
Staff Welfare Expenses	3,544	2,906
Contribution to Provident Fund	1,818	1,742
Gratuity	448	1,479
TOTAL	<u>31,675</u>	<u>33,299</u>
SCHEDULE "N" : ADMINISTRATIVE AND SELLING EXPENSES		
Freight and Transport Charges	11,610	8,815
Rent	1,431	231
Rates and Taxes	1,489	2,019
Insurance	1,089	942
Security Charges	391	141
Rebate & Discount	8	-
Printing and Stationery	954	732
Postage and Telephone	1,964	1,732
Travelling and Conveyance Expenses	4,023	3,523
Miscellaneous Expenses	11,938	8,095
Loss on Sale of Fixed Assets	34	-
Directors' Meeting Fees	147	58
Auditors' Remuneration & Service Charges	261	446
Provision for Doubtful Debts	2,021	-
Bad Debts	865	-
TOTAL	<u>38,225</u>	<u>26,734</u>
SCHEDULE "O" : INTEREST AND FINANCING CHARGES		
Interest on Term Loans (Net)	3,848	5,508
Interest on Cash Credit	1,560	1,598
Other Financing Charges	4,830	5,452
Bank Charges	505	667
TOTAL	<u>10,743</u>	<u>13,225</u>

SCHEDULE "P" STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES FOLLOWED IN THE COMPILATION OF THE ACCOUNTS:**1. Method of Accounting:**

- (a) The financial statements are prepared under the historical cost convention on an accrual basis and comply with all the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.
- (b) The rights and liabilities pertaining to prior period operations but arising in the current year, if material, are shown as 'prior period adjustments' in the Profit and Loss Account.

2. Fixed Assets:

The fixed assets are accounted at the cost of acquisition, which includes taxes, duties (net of cenvat, wherever applicable) and other identifiable direct expenses incurred to bring the assets to their present location and condition less accumulated depreciation. Interest on borrowed funds attributable up to the period assets are put to use is included in the qualifying assets.

3. Depreciation:

Depreciation is provided on all assets under written down method at the rates specified under Schedule XIV to the Companies Act, 1956. Expenditure on computer software is amortised over a period of three years.

4. Inventory:

- (a) Inventories are valued at lower of cost and net realisable value. Damaged, unserviceable and inert stocks are suitably depreciated.
- (b) In case of raw and packing materials, stores, spares and consumables the cost includes duties and taxes other than credits under CENVAT and is arrived at on weighted average basis.
- (c) The Finished Goods and Work-in-progress cost includes the cost of raw material, packing materials and appropriate share of fixed and variable production overheads and excise duty as applicable on the finished goods.

5. Investments:

Long-term investments are stated at cost less permanent diminution, if any, in the value of investments.

6. Foreign Exchange:

Revenue transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transactions or at the exchange rates under related forward exchange contracts. Transactions not covered by forward exchange rates and outstanding at the year-end are converted at exchange rates prevailing at the year-end and the profit/loss so determined and also the realised exchange gains/losses are recognised in the Profit and Loss Account. There is no gain/loss in respect of foreign currency transactions on capital account.

7. Retirement Benefits:

Company's contribution to provident fund is charged to Profit and Loss Account as per rates specified in the Act. Gratuity and Privilege Leave have been provided in the books as per the actuarial valuation.

8. Taxes on Income:

The Company provides for taxes on income, on the taxes payable under the Income Tax Act and deferred tax asset / liability are measured in respect of carried forward business losses, unabsorbed depreciation and taxable temporary differences calculated at current statutory income-tax rate.

Hitech Plast Limited

(formerly known as Hi-Tech Plast Containers (India) Limited)

SCHEDULE "Q": NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT:

		2004-2005 (Rs. in '000)	2003-2004 (Rs.in '000)
1	Estimated amount of contracts to be executed on capital account and not provided for	678	3,044
2	Contingent liabilities not provided for:		
	(a) Bank Guarantees issued on behalf of the Company	1,740	2,661
	(b) Claims against the Company not acknowledged as debt	-	500
	(c) Arrears of Dividend on Preference Shares	Nil	32,804
	(d) Bills discounted	41,033	12,252
3	Auditors' Remuneration:		
	(a) Audit Fees *	165	162
	(b) Tax Audit Fees*	33	32
	(c) Out of Pocket Expenses	6	17
	(d) Fees for Other Services*	57	155
	[* including Service Tax]		
4	Production		
	Item : Containers		
	Installed Capacity (in MT)	4850.000	4850.000
	Production (in MT)		
	a) In-house #	3086.816	2110.333
	b) Contract Process	943.468	1008.455
	Capacities are expressed in terms of triple shift working [# Including 1494.525 MT on "Conversion basis" (Previous Year 930.357 MT)]		
5.	Stock of Finished Goods & Turnover :		
	Opening Stock **		
	(includes 2.926 MT of PPMF)	Quantity MT	109.421
	(includes Rs.4096 Thousands of PPMF)	Value Rs. Thousand	9,018
	Closing Stock	Quantity MT	94.411
		Value Rs. Thousand	10,040
	Turnover	Quantity MT	4024.289
		Value Rs. Thousand	451,920
6.	Materials Consumed:		
	a. Plastic Resins & Master Batch	Quantity MT	2350.034
		Value Rs. Thousand	134,734
	b. Others (Lot)	Value Rs. Thousand	33,504
	TOTAL	Value Rs. Thousand	168,238
7.	CIF value of Direct Imports:		
	a. Raw Materials	2,820	1,564
	b. Others	166	130
8.	Value of Imported and Indigenous raw materials and spares consumed and Percentage of each to total consumption :		
		2004-2005	2003-2004
		(Rs. in '000)	(Rs. in '000)
		% to Total	% to Total
a.	Raw materials :		
	Direct Imports	1,744	4,245
	Others	166,494	106,258
	TOTAL	168,238	110,503
		1.03	3.84
		98.97	96.16
		100.00	100.00
b.	Stores and Spares :		
	Direct Imports	322	341
	Others	8,320	6,988
	TOTAL	8,642	7,329
		3.73	4.65
		96.27	95.35
		100.00	100.00

Hitech Plast Limited

(formerly known as Hi-Tech Plast Containers (India) Limited)

	2004-2005 (Rs. in '000)	2003-2004 (Rs. in '000)
9. Earning/Expenditure in Foreign Currency		
Earnings :		
F.O.B. Value of Exports	821	4,710
Expenditure :		
Foreign Travel	520	50
10 Expenses include gain/ (loss) on account of Exchange difference	17	(101)

11. The Company had changed the method of charging depreciation on plant and machinery and moulds in previous years from straight-line method to written down value method as per rates specified in Schedule XIV of the Companies Act, 1956. The Company has, during the year, changed the method of charging depreciation on other assets from straight-line method to written down value method as per rates specified in Schedule XIV of the Companies Act, 1956. As a result depreciation upto previous years has increased by Rs. 13,408 Thousand (Previous year increased by Rs. 9,111 Thousand) and the current year depreciation is higher by Rs. 4,322 Thousand (Previous year lower by Rs. 4,638 Thousand). Had the Company adopted the earlier depreciation method the aggregate profits, the fixed assets of the Company as well as reserves would have been higher by Rs. 17,730 Thousand (Previous year by Rs. 4,473 Thousand).

12. During the year, the Government of Maharashtra notified a scheme under which the Company could prepay the entire liability of sales tax deferment on a discounted basis. The Company availed of this scheme and prepaid the entire liability for the year 2003-2004. This prepayment resulted in a one-time gain of Rs.1381 Thousand (Previous year Rs. 1,017 Thousand).

13. The Deferred Tax Asset/(Liability) comprises of tax effect of timing differences, carried forward business losses and unabsorbed depreciation as shown below:

	31.03.2005 (Rs. In '000)	31.03.2004 (Rs. in '000)
<u>Deferred Tax Assets</u>		
Carried forward business losses and Unabsorbed Depreciation	—	14,146
<u>Deferred Tax Liability</u>		
Fixed Assets excess net block over written down value		
As per the provisions of the Income-tax Act, 1961	1,987	(8,302)
Expenses allowable for tax purposes on payment basis	614	2,556
Deferred Tax Asset (Net)	2,601	8,400

14. The Company allotted Preference Shares of Rs. 10/- each fully paid up on private placement to bodies corporate belonging to the promoters' associate companies :-

Sr.	Class of Preference Shares	Date of Allotment	Date of Redemption/Conversion		Amount (Rs. in '000)
A	1. 9% Cumulative Redeemable Preference Shares (CRPS)	28-09-1995	30-10-2005	30.10.2007	10,000
	2. 13% C R P S	20-02-1997	20-02-2005	20-02-2007	9,000
	3. 13% C R P S	30-10-1998	30-10-2006	30-10-2008	1,000
				Sub-Total	20,000
B	10% C R P S	30-10-1999	30-10-2007	30-10-2009	12,000
				Sub Total	12,000
C	12% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS)	25-11-1997	30-09-2007		10,000
				Sub Total	10,000
				Aggregate	42,000

Hitech Plast Limited

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The High Court of Bombay, on 14th January 2005, has approved and confirmed the Reduction of issued and paid-up share capital of the Company from Rs.160,970 Thousand to Rs.118,970 Thousand in terms of provisions of Section 80 read together with Section 100 of the Companies Act, 1956, by cancelling the Preference Shares issued by the Company and returning to the holders of the Preference Shares, the entire sum paid thereon aggregating to Rs.42,000 Thousand. Further, the promoters associate companies brought in amount of Rs.42,000 Thousand as an Inter corporate Deposits, to enable the Company to redeem the Preference Shares. The copy of the Order has been registered with the Registrar of Companies on 7th February 2005.

15. The amount due to small-scale industrial undertakings is furnished under the relevant head, on the basis of information available with the Company regarding small-scale industry status of the suppliers. There is no amount outstanding to such suppliers, which is due for more than 30 days. The auditors have relied upon this.

16. Related Party Disclosures, as required by AS-18, 'Related Party Disclosures' are given below:

1. Relationship:

(i) Companies over which the Directors have controlling interest	(ii) Subsidiaries of the Company
Dani Capital and Investments Company Private Limited	Multitech Plast Containers Limited
Dani Enterprises Private Limited	Clear Plastics Limited
Dani Finance and Investments Private Limited	(iii) Directors
Dani Holding and Trading Company Private Limited	Mr. Ashwin S. Dani
Dani Securities Limited	Mr. Ashok K. Goyal
Dani Trading and Investments Limited	Mr. Jalaj A. Dani
Geetanjali Trading and Investments Limited	Mr. Hasit A. Dani
Gujarat Organics Limited	
Rangmeet Investments Limited	
Coatings Specialities (India) Limited	
Rangkala Investments – Div of Gujarat Organics Ltd.	
Asian Paints (India) Limited	
Asian Paints (Mauritius) Limited	
Asian Paints (Lanka) Limited	
Asian Paints (Queensland) Pty. Ltd.	
Asian Paints (Nepal) Pvt. Ltd.	
Berger Paints (Emirates) Limited	
SC Dani Research Foundation Pvt. Ltd.	

2. Related Party Transactions for the year 2004-05 and 2003-04 :

(Rs. in '000)

Particulars	2004-2005			2003-2004		
	Companies over which Directors have controlling interest	Subsidiary of the Company	Directors of the Company	Companies over which Directors have controlling interest	Subsidiary of the Company	Directors of the Company
	(i)	(ii)	(iii)	(i)	(ii)	(iii)
Sales	82,269	—	—	29,023	3,233	—
Services rendered						
- Royalty	—	4,203	—	—	3,425	—
- Conversion Charges	47,507	5,437	—	40,695	553	—
- Other Income	1,189	1,109	—	—	—	—
Purchases of goods	—	19,936	—	—	—	—
Services received	3,841	3,728	—	1,980	—	—
Sundry Debtors	10,005	65	—	10,054	2,541	—
Other Receivables	—	1,500	—	—	—	—
Sundry Creditors	—	5,192	—	—	—	—
Inter Corporate Deposits Received	75,355	—	—	75,500	—	—
Inter Corporate Deposits Repaid	13,355	—	—	73,600	—	—
Loans Repaid	—	—	—	1,200	—	—
Interest Paid	—	—	—	1,331	—	—
Interest received	—	—	—	—	331	—
Other Payables	653	—	—	1,300	—	—
Sitting Fees	—	—	59	—	—	27

Hitech Plast Limited

(formerly known as Hi-Tech Plast Containers (India) Limited)

17. Earning Per Share, as required by AS-20, 'Earning Per Share' is given below : (Rs. in '000)

Particulars	Unit	2004-2005	2003-2004
Basic Earning Per Share			
Amount used as the numerator			
Profit After Taxation	Rs. In '000	30,300	28,440
Less: Pref. Dividend	Rs. In '000	—	4,798
		30,300	23,642
Weighted Average number of Equity Shares			
Used as the denominator	Nos.	11,896,995	9,023,746
Nominal value of Equity Shares	Rs. In '000	11,897	9,024
Basic EPS	Rs.	2.55	2.62
Diluted Earning Per Share			
Amount used as the numerator (Calculated above)	Rs. In '000	30,300	23,642
Add: Dividend saving on Pref. Share	Rs. In '000	—	1,200
		30,300	24,842
Weighted Average number of Equity Shares			
Used as the denominator	Nos.	11,896,995	9,023,746
Increase in No. of Shares	Nos.	—	1,000,000
Total potential Nominal value of Equity Shares	Rs. In '000	11,897	10,000
Diluted EPS	Rs.	2.55	2.48

8. Since the Company's business activity falls within a single primary business segment, viz., "Plastic Containers" the above results applies to the same for the purpose of Accounting Standard 17 (AS-17) on segment reporting. The capital employed in the reportable segment was Rs.288,295 Thousand as on 31st March 2005 (Rs. 242,301 Thousand as on 31st March 2004).

19. Previous year's figures have been regrouped wherever necessary.

As per our Report of even date

For **SHAH & CO.**
Chartered Accountants

H. N. SHAH
Partner

Place : Mumbai
Date : 18th June 2005

On behalf of the Board of Directors

Ashwin S. Dani
Chairman

Ramesh S. Gandhi
Director &
Chairman of Audit Committee

Place : Mumbai
Date : 18th June 2005

Ashok K. Goyal
Managing Director

Rahul S. Bhandari
Asst. Company Secretary

Statement pursuant to Section 212 (1)(e) of the Companies Act, 1956

- The Company holds 100% of the paid-up capital of Rs. 10,000 Thousand in Multitech Plast Containers Limited, a subsidiary of this Company. The Company has acquired 100% of the paid up capital of Rs. 9,960 Thousand in Clear Plastics Limited.
- No part of the net profit of Rs. 8,962 Thousand for the current financial year and aggregate net profit of Rs.16,355 Thousand for all the previous financial years of Multitech Plast Containers Limited since, it became the subsidiary of this Company, have been dealt with in the Company's account.
- No part of the net profit of Rs. (19,022) Thousand for the current financial year and aggregate net profit of Rs. (9,450) Thousand for all the previous financial years of Clear Plastics Limited since, it became the subsidiary of this Company, have been dealt with in the Company's account.

On behalf of the Board of Directors

Ashwin S. Dani
Chairman

Ramesh S. Gandhi
Director &
Chairman of Audit Committee

Place : Mumbai
Date : 18th June 2005

Ashok K. Goyal
Managing Director

Rahul S. Bhandari
Asst. Company Secretary

HITECH PLAST LIMITED

(formerly known as Hi-Tech Plast Containers (India) Limited)

REGISTERED OFFICE:

GUT NOS. 939 & 940, VILLAGE SANASWADI, TAL. SHIRUR, DIST. PUNE, MAHARASHTRA - 412 208

FOURTEENTH ANNUAL GENERAL MEETING

ATTENDANCE SLIP

Folio No.....

DP IP / Client ID No.....

No. of Shares.....

(To be filled by the shareholder)

I hereby record my presence at the FOURTEENTH ANNUAL GENERAL MEETING of the Company being held on Friday, the 23rd day of September 2005, at 11.30 a.m. at the Registered Office of the Company at Gut Nos. 939 & 940, Village Sanaswadi, Tal. Shirur, Dist. Pune, Maharashtra - 412 208.

Member's Name (in Block Letters)

Member's/Proxy's Signature

NOTE:

- 1. A Member/Proxy attending the Meeting must complete this Attendance slip and hand it over at the entrance.
- 2. Member intending to appoint a Proxy should complete the Proxy Form below and deposit it at the Company's Registered Office not later than 48 hours before the commencement of the Meeting.

HITECH PLAST LIMITED

(formerly known as Hi-Tech Plast Containers (India) Limited)

REGISTERED OFFICE:

GUT NOS. 939 & 940, VILLAGE SANASWADI, TAL. SHIRUR, DIST. PUNE, MAHARASHTRA - 412 208

FOURTEENTH ANNUAL GENERAL MEETING

PROXY FORM

I/We.....
of..... in the district
 ofbeing a member(s) of the above named Company hereby appoint
of.....
 in the district of.....or failing him.....
of.....in the district ofas
 my/our Proxy to vote for me/our behalf at the Fourteenth Annual General Meeting of the Company to be held on Friday,
 the 23rd day of September 2005, and at any adjournment thereof.

Signed this day of 2005.

Signature.....

Affix a 15 Paise Revenue Stamp

Regd. Folio No.....

DP IP / Client ID No.....

NOTE:

- 1. The Proxy need not be a Member of the Company.
- 2. The Proxy form must be deposited at the Registered Office of the Company, not less than 48 hours before the time of holding of the Meeting.

BOOK - POST



If undelivered please return to :

HITECH PLAST LIMITED

(Formerly known as Hi-Tech Plast Containers (India) Limited)
GUT NOS. 939 & 940, VILLAGE SANASWADI,
TAL. SHIRUR, DIST. PUNE,
MAHARASHTRA - 412 208.