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STRICTLY PRIVATE & CONFIDENTIAL

November 12, 2014

The Board of Directors
Hitech Plast Limited
C/130, Solaris 1,
Opp. L&T gate no 6,
Saki Vihar Road,
Powai, Mumbai 400 072

The Board of Directors
Clear Mipak Packaging Solutions Limited
Unit no 203, Welspun House,
Kamla City, Senpati Bapat Road,
Lower Parel (W),
Mumbai 400 013

Re: **Recommendation of Fair exchange ratio for proposed amalgamation of Clear Mipak Packaging Solutions Limited into Hitech Plast Limited.**

Dear Sirs,

As requested by the Management of Hitech Plast Limited and Clear Mipak Packaging Solutions Limited (hereinafter collectively referred to as the "Management"), we have undertaken the valuation exercise of equity shares of Clear Mipak Packaging Solutions Limited (hereinafter referred to as "CMPSL" or the "Company") to recommend a fair share exchange ratio for the proposed amalgamation of CMPSL into Hitech Plast Limited (hereinafter referred to as "HPL").

1. PURPOSE OF VALUATION

1.1 We have been informed that the Management is considering a proposal for the amalgamation of CMPSL into HPL (hereinafter referred to as "amalgamation") through a Scheme of Amalgamation and Arrangement (the "Scheme") pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013. Subject to necessary approvals, CMPSL would be amalgamated with HPL with effect from Appointed Date of April 01, 2014.

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1.2 We have been informed by the Management that HPL intends to discharge the consideration for amalgamation through issue of 9% Non-Convertible Redeemable Cumulative Preference Shares (hereinafter referred to as "NCRCPS") of INR 10 each to Equity Shareholders of CMPSL. In view of this, there is no need to carry out valuation of equity shares of HPL. Considering this, we have carried out a valuation of the equity shares of the CMPSL with a view to recommend a fair exchange ratio of NCRCPS of HPL to the equity shareholders of CMPSL in the event of amalgamation of CMPSL with HPL for the consideration of the Board of Directors of the CMPSL and HPL.

1.3 In this connection, SSPA & Co., Chartered Accountants (SSPA) has been appointed by the Management to carry out the valuation of equity shares of CMPSL to recommend fair share exchange ratio.

2. BACKGROUND

2.1 HITECH PLAST LIMITED

2.1.1 HPL was incorporated on October 16, 1991 under the Companies Act 1956. HPL is a rigid plastic packaging manufacturer engaged in the manufacture and sale of polymer products to industries like paint, personal care, agro chemicals, health care, confectionary, lube and retail household products.

2.1.2 HPL holds 60.00% of the equity capital of CMPSL. The shares of HPL are listed on BSE Limited and National Stock Exchange of India Limited.

2.2 CLEAR MIPAK PACKAGING SOLUTIONS LIMITED

2.2.1 CMPLS was incorporated on January 01, 1986 under the Companies Act 1956. The registered office is located at Unit 201, 2nd floor, Welspun House, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel.

2.2.2 CMPSL is engaged in the manufacturing of rigid plastic containers and caters to customers in FMCG, Agro chemical, lube, pharma products as well as export markets.

2.2.3 The shares of the Company are not listed on any stock exchanges.

3. EXCLUSIONS AND LIMITATIONS

3.1 Our report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents

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referred to herein and in the context of the purpose for which it is made.

3.2 In the course of the valuation, we were provided with both written and verbal information. We assume no responsibility for any errors in the above information furnished by the Company and consequential impact on the present exercise.

3.3 Our work does not constitute an audit or certification of the historical financial statements including the working results of the Company referred to in this report.

Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the purpose of valuation and the valuation date mentioned in the report is as per agreed terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

3.4 A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that the management of the Company have drawn our attention to all the matters, which they are aware of concerning the financial position of the Company and any other matter, which may have an impact on our opinion, on the fair value of the shares of the Company including any significant changes that have taken place or are likely to take place in the financial position of the Company, subsequent to the Appointed Date for the proposed amalgamation. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

3.5 No investigation on the Company's claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

3.6 During the course of work, we have relied upon assumptions and projections made by the management of the Companies. These assumptions require the exercise of judgment and are subject to uncertainties. There can be no assurance that the assumptions are accurate. The fact that we have considered the projections in this

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exercise of valuation should not be construed or taken as our being associated with or a party to such projections. Since the estimates/projections relate to the future, actual results may be different from estimated/projected results because events and circumstances do not occur as expected, and differences may be material.

3.7 The information contained herein and our report is confidential. Any person/party intending to provide finance/invest in the shares/businesses of any of the Companies, shall do so, after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the proposed demerger as aforesaid, can be done only with our prior permission in writing.

3.8 Our report is not, nor should it be construed as our opining or certifying the compliance of the proposed amalgamation with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such proposed amalgamation.

3.9 This Report is prepared only in connection with the proposed amalgamation exclusively for the use of the Company and for submission to any regulatory/statutory authority as may be required under any law. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.

3.10 SSPA & Co., nor its partners, managers, employees makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the valuation.

4. SOURCES OF INFORMATION

For the purpose of the valuation exercise, we have relied upon the following sources of information provided by the Management:

(a) Audited Financial Statements of CMPSL for the financial year ended March 31, 2014.

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(b) Projected financial statements of CMPSL comprising of Balance Sheet and Profit & Loss Account for FY 2014-15 to FY 2019-20.

(c) Draft Scheme of Amalgamation and Arrangement.

(d) Other relevant details regarding the Company such as their history, their promoters, past and present activities, existing shareholding pattern and other relevant information and data including information in the public domain.

(e) Such other information and explanations as we required and which have been provided by the Management.

5. VALUATION APPROACH

5.1 Generally for the purpose of amalgamation, following valuation approaches can be considered, viz,

(a) the 'underlying asset' approach,

(b) the 'income' approach; and

(c) the 'market' approach

5.2 Since shares of CMPSL are not listed on any stock exchanges, the 'market' approach is not applicable for the valuation of CMPSL.

5.3 Considering the above, we have thought fit to determine the values using the 'underlying asset' approach and 'income' approach for the valuation of CMPSL.

6. VALUATION OF SHARES UNDER UNDERLYING ASSET APPROACH

6.1 In case of "underlying asset" approach, the value is determined by dividing the net assets of the company by the number of shares. The "underlying asset" approach represents the value with reference to the historical cost of the assets owned by the Company and attached liabilities as at the valuation date.

6.2 In arriving at the Net Asset Value, appropriate adjustments have been made for contingent liabilities after making adjustment for tax wherever applicable.

6.3 The underlying net assets value as arrived above is divided by the outstanding number of equity shares to arrive at the value per equity share.

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7. INCOME APPROACH

7.1 Under the "Income" approach, shares have been valued using Comparable Companies Multiple ('CCM') Method and Discounted Cash Flow ('DCF') Method.

7.2 VALUATION UNDER COMPARABLE COMPANIES MULTIPLE METHOD

7.2.1 Under CCM Method, value of the shares of the company is determined by using multiples derived from valuations of comparable companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. Under this method, the Earnings before Interest, Tax and Depreciation are capitalized using the EV/EBIDTA multiple of comparable listed companies.

7.2.2 Value for equity shareholders is arrived at after making adjustments for contingent liabilities, loan funds, cash and cash equivalents after making adjustment for tax wherever applicable.

7.2.3 The equity value so arrived at is divided by the outstanding number of equity shares to arrive at the value per equity share.

7.3 VALUATION UNDER DISCOUNTED CASH FLOW METHOD

7.3.1 Under the DCF method the projected free cash flows from business operations after considering fund requirements for projected capital expenditure and incremental working capital are discounted at the Weighted Average Cost of Capital (WACC). The sum of the discounted value of such free cash flows and discounted value of perpetuity is the value of the business.

7.3.2 The free cash flows represent the cash available for distribution to both the owners and the creditors of the business. The free cash flows are determined by adding back to profit before tax, (i) depreciation and amortizations (non-cash charge), (ii) interest on loans and (iii) any non-operating item. The cash flow is adjusted for outflows on account of capital expenditure, tax and change in working capital requirements.

7.3.3 WACC is considered as the most appropriate discount rate in the DCF Method, since it reflects both the business and the financial risk of the Company. In other words, WACC is the weighted average of the firm's cost of equity and debt. Considering an

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appropriate mix between debt and equity for the Company, we have arrived at the WACC to be used for discounting the Free Cash Flows of the Companies.

7.3.4 Value for equity shareholders is arrived at after making adjustment for contingent liability, loan funds and cash & cash equivalents after making adjustment for tax wherever applicable.

7.3.5 The equity value so arrived at is divided by the outstanding number of equity shares to arrive at the value per equity share.

8. RECOMMENDATION OF FAIR EXCHANGE RATIO

8.1 Considering the fact that, after the amalgamation, the business of the CMPSL is intended to be continued on a "going concern" basis, we have considered it appropriate to give a weight of "1" to the value determined under the "underlying asset" approach and weight of "2" each to the value determined under the "Comparable Companies Multiple" Method and "Discounted Cash Flow" Method.

8.2 The share exchange ratio has been arrived on the basis of various qualitative factors relevant to the Company and the business dynamics, having regard to information base, management representations and perceptions, key underlying assumptions and limitations.

8.3 In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:

"If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares

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for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible."

8.4 In the light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove earlier in this report, in our opinion, a fair share exchange ratio the event of amalgamation of CMPSL into HPL would be as under:

173 (One Hundred Seventy Three) 9% Non-Convertible Redeemable Cumulative Preference Shares of Hitech Plast Limited of INR 10 each fully paid up for every 10 (Ten) equity share of Clear Mipak Packaging Solutions Limited of INR 10 each fully paid up.

Thank you,
Yours faithfully,

SSPA & Co.

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SSPA & CO.
Chartered Accountants
Firm registration number: 128851W

Place: Mumbai

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