

Hydro S & S

June 4, 2012

The Madras Stock Exchange Limited
Post Box No.183,
New No.30 (Old No.11),
Second Line Beach,
Chennai - 600 001.

Fax No.25244897

Kind Attn. : Mr.Sampath, Manager - Listing

Dear Sirs,

Further to our letter dated 14th May, 2012, the Board of Directors at their Meeting held today, have approved the Annual Accounts of the Company for the year ended 31st March, 2012. We give below the extract of the Operations.

(₹ in Lacs)

FINANCIAL RESULTS

Particulars	For the year ended	
	March 31, 2012	March 31, 2011
Revenue from Operations	16,539.48	15,468.06
Gross	15,010.04	14,011.63
Net of Excise Duty	14.36	12.14
Other Income	910.04	864.98
Profit before Finance Costs & Depreciation and amortisation expenses	655.61	465.09
Finance Costs	254.43	399.89
Profit before Depreciation and amortisation expenses	267.94	269.09
Depreciation and amortisation expenses	(13.51)	130.80
Profit / (Loss) before Tax	-	32.00
Taxation - Current Tax	(16.00)	(6.00)
- Deferred Tax (Asset)	2.49	26.00
Profit after Tax	102.32	104.80
Balance brought forward	104.81	144.84
Profit available for Appropriation		249.64

**Hydro S & S industries Ltd.****Regd. Office:**

Dhun Building, 827, Anna Salai,
Chennai - 600 002. Tamil Nadu, India.
Phone : 044 - 28521736 / 28520292
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Appropriations:				
Transfers to				
General Reserve	-		100.00	
Special General Reserve	-		2.50	
Capital Redemption Reserve	-		-	
Proposed Dividend				
On Equity Shares	-		38.44	
Tax on distributable profits	-		6.38	
		-		147.32
Surplus carried forward		104.81		102.32
		104.81		249.64

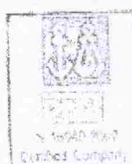
BUSINESS OPERATIONS

Revenue from operations recorded an increase of 7% over the previous year though volumes remained flat. The year witnessed a turbulent business environment that moderated growth. The year started with optimism but as it progressed there were challenges with inflation, decelerating growth and worsening investment climate which adversely impacted consumer sentiments. The global economic environment was confronted with geo-political instability, Eurozone crisis, fluctuating global commodity prices etc.

Your Company had to deal with the challenges of a sharp depreciation of the Indian Rupee during the year coupled with a sharp increase in the prices of polypropylene during the last quarter. This has to be viewed in the context of extreme resistance from Customers to price revisions.

The financial statements have been prepared in compliance with the revised Schedule VI guidelines, notified by the Ministry of Corporate Affairs. Therefore, the previous year's figure have been regrouped / recast wherever necessary.

The Pultrusion Division continues to face the challenges of declining prices during the year due to surplus capacity pressures which resulted in a lower performance as compared to the previous year.

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