May 21, 2013

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 10th May, 2013 and 20th May, 2013, the Board of Directors at their Meeting held today, have approved the Annual Accounts of the Company for the year ended 31st March, 2013. We give below the extract of the Operations.

FINANCIAL RESULTS

(₹s. in Lacs)

Particulars	Year Ended March 31, 2013		Year Ended March 31, 2012	
Revenue from Operations				
Gross		17,634.38		16,539.48
Net of Excise Duty		15,657.95		15,010.03
Other Income		83.63		14.36
Profit before Finance Costs & Depreciation and amortisation expense		268.64		910.04
Finance Costs		697.12		655.61
(Loss) / Profit before Depreciation and amortisation expense		(428.48)		254.43
Depreciation and amortisation expense		281.85		267.94
(Loss) / Profit before Tax		(710.33)		(13.51)
Tax expenses - Current Tax	-		-	
- Deferred Tax	(205.50)		(16.00)	(16.00)
(Loss) / Profit after Tax		(504.83)		2.49

Hydro S & S industries Ltd.
Regd. Office:
Dhun Building, 827, Anna Salai,
Chennai – 600 002. Tamil Nadu, India.
Phone : 044 – 28521736
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Balance brought forward		104.80		102.32
(Loss) / Profit available for Appropriation		(400.03)		104.80
Appropriations:				
Transfers to				
General Reserve	-		-	
Special General Reserve	-		-	
Proposed Dividend				
On Equity Shares	-		-	
Tax on distributable profits	-		-	
		-		-
(Deficit) / Surplus carried forward		(400.03)		104.80
		(400.03)		104.80

BUSINESS OPERATIONS

Revenue from Operations grew moderately by 4% over the previous year, though volumes remain flat. The year witnessed continued turbulence on the business front with inflation continuing to rule high, leading to high interest rates and dampened consumer enthusiasm to buy automobiles.

Your Company had to continue facing the challenges of a sustained high inflation on input prices. The high input costs, in the context of resistance from customers to adequate compensation, led to erosion in margins.

As indicated in the last year's report, your company has completed the compounding facility at Manesar to cater to the requirements of the Northern market, with an initial capacity of 6000 MTPA. This facility was commissioned in March 2013 and is expected to contribute to growth of the company during the current year.

The Pultrusion division has been only achieving marginal performance during the recent years and hence it was decided to close down operations of this division.

As part of realignment of capacity, it was decided to curtail production at Pudukottai. Consequently it was decided to sell the two Wind Mills which the Company had established. The proceeds from the sale were utilised for funding the Manesar facility and into operations.

Detailed analysis of the Company's performance during the year is provided in Annexure - E to this Report.

DIVIDEND

Due to the adverse business environment, the operations of the Company have resulted in a net loss as explained in detail in the Management's Discussion and Analysis Report. In order to conserve resources, your Directors regret that they are unable to recommend any dividend on the Equity Share Capital of the Company for the year under review.

Thanking you,

Yours faithfully,
for HYDRO S & S INDUSTRIES LIMITED,

(S.K. SUBRAMANYAN)
Director (Fin. & Admn.) & Co. Secy.

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