

Notice of the Annual General Meeting

NOTICE is hereby given that the 29th Annual General Meeting of the Company will be held on Wednesday, the 18th September, 2013 at 10.00 a.m. at Narada Gana Sabha, "Mini Hall", No.314 (Old No.254), T. T. K. Road, Chennai – 600 018 to transact the following Business:

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Directors' Report, the Audited Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss for the year ended 31st March, 2013 and the Auditors' Report thereon.
- 2) To appoint a Director in the place of Mr.V.Thirupathi, who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint Auditors and fix their remuneration.

[The retiring Auditors, M/s. P. Srinivasan & Co., Chartered Accountants, Chennai, are eligible for re-appointment and have indicated their willingness].

SPECIAL BUSINESS

- 4) To consider, and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:
RESOLVED THAT Mr.Nie Delin, whose term of office as an Additional Director, pursuant to Section 260 of the Companies Act, 1956, expires at this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation.
- 5) To consider, and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:
RESOLVED THAT Mr.Bo Jingen, whose term of office as an Additional Director, pursuant to Section 260 of the Companies Act, 1956, expires at this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed a Director of the Company.
- 6) To consider, and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:
RESOLVED THAT Mr.Wu Xiaohui, whose term of office as an Additional Director, pursuant to Section 260 of the Companies Act, 1956, expires at this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed a Director of the Company.
- 7) To consider, and if thought fit, to pass with or without modification(s), the following resolutions as a **SPECIAL RESOLUTION**:
"RESOLVED THAT, pursuant to the provisions of Sections 198, 269, 274, 309, 310, 311, Schedule XIII and subject to the approval of the Central Government and all other applicable provisions, if any, of the Companies Act 1956, or any re-enactment thereof, the consent of the Company be and is hereby accorded for the appointment of Mr. Bo Jingen as the Managing Director of the Company with effect from 3rd July 2013 for a period of three years with such remuneration as set out in the Explanatory Statement provided that the total remuneration (including all perquisites) shall not exceed the ceiling limit as provided in Schedule XIII, Part II, Section II (B) of the Companies Act, 1956 or such amounts as may be specified by any amendment to the Act."

"RESOLVED FURTHER THAT Mr.Bo Jingen shall not be liable to retire by rotation during his tenure of appointment as the Managing Director of the Company."

"RESOLVED FURTHER THAT in the event of the Company making adequate profits the Board of Directors / Remuneration Committee constituted by the Board, be and hereby authorized to revise, amend, alter and vary the terms of the remuneration and/or perquisites payable to Mr. Bo Jingen, at its absolute discretion, subject to the guidelines or ceilings wherever applicable, within the applicable provisions of the Companies Act, 1956 and the amount of remuneration shall be within the overall ceiling of 5% or 10% of the net profits of the Company, calculated in the manner specified in the Act".

"RESOLVED FURTHER THAT in case the Company has no profits or its profits are inadequate in any financial year during the tenure of appointment of Mr. Bo Jingen, it may pay a remuneration to Mr. Bo Jingen, which shall not exceed the ceiling as provided in Schedule XIII, Part II, Section II of the Companies Act 1956 or such amounts as may be specified by any amendment to the Act."

"RESOLVED FURTHER THAT the Board of Directors and the Company Secretary be and are hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and do all statutory filings, as mandated, as per the provisions of Companies Act 1956."

8) To consider, and if thought fit, to pass with or without modification(s), the following resolutions as a **SPECIAL RESOLUTION**:

"RESOLVED THAT, pursuant to the provisions of Sections 198, 269, 274, 309, 310, 311, Schedule XIII and subject to the approval of the Central Government and all other applicable provisions, if any, of the Companies Act 1956, or any re-enactment thereof, the consent of the Company be and is hereby accorded for the appointment of Mr. Wu Xiaohui as the Whole-time Director of the Company with effect from 3rd July 2013 for a period of three years with such remuneration as set out in the Explanatory Statement provided that the total remuneration (including all perquisites) shall not exceed the ceiling limit as provided in Schedule XIII, Part II, Section II (B) of the Companies Act, 1956 or such amounts as may be specified by any amendment to the Act."

"RESOLVED FURTHER THAT Mr. Wu Xiaohui shall not be liable to retire by rotation during his tenure of appointment as the Whole-time Director of the Company."

"RESOLVED FURTHER THAT in the event of the Company making adequate profits the Board of Directors / Remuneration Committee constituted by the Board, be and hereby authorized to revise, amend, alter and vary the terms of the remuneration and /or perquisites payable to Mr. Wu Xiaohui, at its absolute discretion, subject to the guidelines or ceilings wherever applicable, within the applicable provisions of the Companies Act, 1956 and the amount of remuneration shall be within the overall ceiling of 5% or 10% of the net profits of the Company, calculated in the manner specified in the Act."

"RESOLVED FURTHER THAT in case the Company has no profits or its profits are inadequate in any financial year during the tenure of appointment of Mr. Wu Xiaohui, it may pay a remuneration to Mr. Wu Xiaohui, which shall not exceed the ceiling as provided in Schedule XIII, Part II, Section II of the Companies Act 1956 or such amounts as may be specified by any amendment to the Act."

"RESOLVED FURTHER THAT the Board of Directors and the Company Secretary be and are hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and do all statutory filings, as mandated, as per the provisions of Companies Act 1956."

**By Order of the Board,
for Hydro S & S Industries Limited**

Place : Chennai
Date : 31st July, 2013

**S.K. SUBRAMANYAN
Company Secretary**

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. Instrument of Proxies, in order to be effective, must be received at the Company's Registered office not later than 48 (forty eight) hours before the time fixed for holding the Annual General Meeting. A form of Proxy is enclosed.
3. The Register of Members and Transfer Books of the Company will remain closed from 12th September, 2013 to 18th September, 2013 (both days inclusive).
4. Members are requested to notify immediately the changes in their respective addresses, if any, quoting their folio number enabling the attached attendance slip duly completed and signed, for admission to the meeting hall.
5. Shareholders / Proxy holders are requested to bring their copy of the annual report with them at the meeting and to produce at the entrance, the attached attendance slip duly completed and signed for the admission to the meeting hall.
6. Members desirous of getting any information about the accounts and operation of the company are requested to address their query to the company at the registered office of the company well in advance so that the same may reach at least seven days before the date of meeting to enable the management to keep the required information readily available at the meeting.
7. Profile of Directors being appointed / reappointed as required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

Particulars	Item No.2	Item No.4	Item Nos.5 & 7	Item Nos.6 & 8
Name of the Director	Mr. V. Thirupathi	Mr. Nie Delin	Mr. Bo Jingen	Mr. Wu Xiaohui
Date of appointment	24.03.2003	03.07.2013	03.07.2013	03.07.2013
Qualifications	Chartered Accountant	Master's degree in Engineering	Master's degree in Polymer Science	Master's degree in Polymer Science
Experience in specific functional area	Industrialist with rich experience in Finance	Research and Development	Marketing and Sales	Technical Support
Directorships held in other Public Companies	Mosq Industrial Rubber Products Pvt. Ltd. Emrald Resilient Tyre Mfrs Pvt. Ltd. Emrald Herbs & Plants Pvt. Ltd. Emrald Bio Fertilizers Pvt. Ltd. V9 Impex Pvt. Ltd. Thiru Arooran Sugars Limited Shree Ambika Sugars Limited Terra Energy Limited Trichy Distilleries and Chemicals Ltd.	Kingfa Sci. & Tech. Co., Ltd., Guangzhou, China.	--	--

Particulars	Item No.2	Item No.4	Item Nos.5 & 7	Item Nos.6 & 8
Committee Chairmanship/ Membership held in other Companies	Thiru Arooran Sugars Limited Audit Committee (C) Finance Committee (M) Remuneration Committee (C) Investors' Grievances Committee (M) Shree Ambika Sugars Limited Audit Committee (M) Finance Committee (M) Remuneration Committee (M) Terra Energy Limited Audit Committee (M) Trichy Distilleries and Chemicals Ltd. Management Committee (M)	--	--	--
Number of shares held in the Company as on 31-03-2013	NIL	NIL	NIL	NIL

8. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is given here below.

EXPLANATORY STATEMENT

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

Item Nos. 4, 5 & 6

Appointment of Mr.Nie Delin, Mr.Bo Jingen and Mr.Wu Xiaohui as Additional Directors

Upon the signing of a Share Purchase Agreement, between the erstwhile Promoter Group of the Company and M/s. Kingfa Sci. & Tech. Co., Ltd., Guangzhou, China, (Kingfa) for the transfer of their Shareholding, Kingfa have nominated Directors on the Board of the Company.

Mr.Nie Delin, Mr.Bo Jingen and Mr.Wu Xiaohui were appointed as Additional Directors with effect from 3rd July, 2013 by the Board of Directors in terms of Section 260 of the Companies Act, holds such office until the ensuing Annual General Meeting. The Company has received notice in writing and deposit pursuant to Section 257 of the Companies Act, 1956 from members of the Company proposing the candidature of Mr.Nie Delin, Mr.Bo Jingen and Mr.Wu Xiaohui for the office of Directors of the Company.

Your Directors accordingly recommend the resolutions proposing their appointment for the approval of the members of the Company.

Except Mr.Nie Delin, Mr.Bo Jingen and Mr.Wu Xiaohui, no other Director are concerned or interested in the resolution.

Item No.7

Appointment of Mr.Bo Jingen as Managing Director

Mr.Bo Jingen was appointed as Managing Director of the Company by the Board for a period of three years with effect from 3rd July, 2013 subject to the consent of the Members of the Company and the Central Government.

In view of the current business situation globally and more particularly the industry segment in which the Company operates, it is felt that there is a likelihood of a situation of inadequacy of profits for payment of Managerial remuneration as specified in Schedule XIII of the Companies Act, 1956. However, the remuneration payable to Mr. Bo Jingen, Managing Director shall not exceed the limit as provided under Schedule XIII, Part II, Section II (B) of the Companies Act, 1956 and his appointment is being moved as Special Resolution as per the terms of above proviso of Schedule XIII of the Companies Act 1956.

The necessary details required to be disclosed under clause (iv) of proviso to paragraph 1 (B) of section II of part II of Schedule XIII of the Companies Act, 1956 are furnished hereunder:

I. General Information:

1. Nature of Industry.

The Company is engaged in the business of manufacture of Reinforced Thermoplastic Compounds.

2. Date or expected date of commencement of Commercial production.

Not applicable as the Company is an existing Company.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Not applicable as the Company is an existing Company.

4. Financial Performance based on given indicators.

(₹ in lacs)

Particulars	Year ended 31.03.2011	Year ended 31.03.2012	Year ended 31.03.2013
Sales	15,468.06	16,539.48	17,634.38
PBDIT	864.98	910.04	268.64
PBIT	595.89	642.10	(13.21)
Profit / (Loss) after Tax	104.80	2.49	(504.83)

5. Export Performance.

The Company is taking continuous steps to develop export markets as appropriate to the nature of its products.

6. Foreign investments or collaborations, if any.

Technology transfer and Investments are envisaged from M/s. Kingfa Sci. & Tech. Co., Ltd., China.

II. Information about the appointee:

S.No.	Description	Particulars
1.	Background details	Aged about 31 years. Holds Master's degree in Polymer Science from Tianjin University and has been working for M/s. Kingfa Sci. & Tech. Co., Ltd., in their Marketing and Sales since 2007.
2.	Past Remuneration for the Financial year 20012-13.	Nil
3.	Recognition or awards / job profile and suitability.	He was awarded as the Excellent Member for the Sales and Marketing for the years 2011 & 2012. Since then, he is acting as the General Manager for the Indian program group.
4.	Remuneration Proposed	It shall not exceed ₹ 25 lacs per annum.
5.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.	The remuneration proposed to be paid is consistent with the responsibility of the position and is comparable with the remuneration in similar industries in the same segment of business.
6.	Pecuniary relationship directly or indirectly with the Company, or relationship with managerial personnel, if any.	He has been nominated by M/s. Kingfa Sci. & Tech. Co., Ltd., China, the Promoters of the Company and is not related to any other Directors of the Company.

III. Other Information:

(1) Reasons of loss or inadequate profits.

The substantial increase in the input Raw Material, steep depreciation of the value of the Indian Rupee thereby increasing input cost and inability to pass on the full impact to the Customer.

(2) Steps taken or proposed to be taken for improvement.

i) Broad based product offering.

ii) More focus on non auto business.

iii) Enhancing geographical customer base.

iv) Introducing various cost control measures including implementation of Energy Conservation, Optimization of formulation, reduction in interest costs through efficient funds management and seeking appropriate price revision from Customers.

(3) Expected increase in productivity and profits in measurable terms.

The Company is seeking revision in the terms of reference with major OEMs to rework pricing on a quarterly basis from the current half yearly / annual basis which will benefit the Company by way of faster passing on the cost increases.

The Company which is expanding its business horizon is now poised to take advantage of several new opportunities. It also faces several challenges which are to be addressed from time to time with regard to costs etc. The Company is confident of successfully addressing these issues in the long term interest of all stakeholders.

IV. Disclosures:

None of the Directors is concerned or interested in this resolution except Mr.Bo Jingen.

The information contained in the foregoing paragraphs may also be treated as a notice to be issued to the members of the Company under Section 302 of the Companies Act, 1956.

V. Central Government Approval

As Mr. Bo Jingen is a foreign national, the company has proposed to apply for Central Government's approval for his appointment as Managing Director of the Company as required under Part I, Schedule XIII of the Companies Act 1956.

Your Directors accordingly recommend the resolution proposing his appointment for the approval of the members of the Company.

Item No.8

Appointment of Mr. Wu Xiaohui as Whole Time Director

Mr. Wu Xiaohui was appointed as Whole-time Director of the Company by the Board for a period of three years with effect from 3rd July, 2013 subject to the consent of the members of the Company and the Central Government.

In view of the current business situation globally and more particularly the industry segment in which the Company operates, it is felt that there is a likelihood of a situation of inadequacy of profits for payment of Managerial remuneration as specified in Schedule XIII of the Companies Act, 1956. However, the remuneration payable to Mr. Wu Xiaohui, Whole-time Director shall not exceed the limit as provided under Schedule XIII, Part II, Section II (B) of the Companies Act, 1956 and his appointment is being moved as Special Resolution, as per the terms of the above proviso of Schedule XIII of the Companies Act, 1956.

The necessary details required to be disclosed under clause (iv) of proviso to paragraph 1 (B) of section II of part II of Schedule XIII of the Companies Act, 1956 are furnished hereunder:

I. General Information:**1. Nature of Industry.**

The Company is engaged in the business of manufacture of Reinforced Thermoplastic Compounds.

2. Date or expected date of commencement of Commercial production.

Not applicable as the Company is an existing Company.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Not applicable as the Company is an existing Company.

4. Financial Performance based on given indicators.

(₹ in lacs)

Particulars	Year ended 31.03.2011	Year ended 31.03.2012	Year ended 31.03.2013
Sales	15,468.06	16,539.48	17,634.38
PBDIT	864.98	910.04	268.64
PBIT	595.89	642.10	(13.21)
Profit / (Loss) after Tax	104.80	2.49	(504.83)

5. Export Performance.

The Company is taking continuous steps to develop export markets as appropriate to the nature of its products.

6. Foreign investments or collaborations, if any.

Technology transfer and Investments are envisaged from M/s. Kingfa Sci. & Tech. Co., Ltd., China.

II. Information about the appointee:

S.No.	Description	Particulars
1.	Background details	Aged about 34 years. Holds a Master's degree in Polymer Science from the Chinese Academy of Science and has been working with M/s. Kingfa Sci. & Tech. Co., Ltd., since 2004. He started as a Technical Engineer and became the Technical Manager of their Shanghai Plant. Since 2011, he is working as the technical support of all styrene group charged for the Automotive market.
2.	Past Remuneration for the Financial year 2012- 13.	Nil
3.	Recognition or awards / job profile and suitability.	Being a Polymer Science graduate and having worked as Technical Manager is aptly suited for the role of technical support.
4.	Remuneration Proposed	It shall not exceed ₹ 20 lacs per annum.
5.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.	The remuneration proposed to be paid is consistent with the responsibility of the position and is comparable with the remuneration in similar industries in the same segment of business.
6.	Pecuniary relationship directly or indirectly with the Company, or relationship with managerial personnel, if any.	He has been nominated by M/s. Kingfa Sci. & Tech. Co., Ltd., China, the Promoters of the Company and is not related to any other Directors of the Company.

III. Other Information:

(1) Reasons of loss or inadequate profits.

The substantial increase in the input Raw Material, steep depreciation of the value of the Indian Rupee thereby increasing input cost and inability to pass on the full impact to the Customer.

(2) Steps taken or proposed to be taken for improvement.

i) Broad based product offering.

ii) More focus on non auto business.

iii) Enhancing geographical customer base.

iv) Introducing various cost control measures including implementation of Energy Conservation, Optimization of formulation, reduction in interest costs through efficient funds management and seeking appropriate price revision from Customers.

(3) Expected increase in productivity and profits in measurable terms.

The Company is seeking revision in the terms of reference with major OEMs to rework pricing on a quarterly basis from the current half yearly / annual basis which will benefit the Company by way of faster passing on the cost increases.

The Company which is expanding its business horizon is now poised to take advantage of several new opportunities. It also faces several challenges which are to be addressed from time to time with regard to costs etc. The Company is confident of successfully addressing these issues in the long term interest of all stakeholders.

IV. Disclosures:

None of the Directors is concerned or interested in this resolution except Mr. Wu Xiaohui.

The information contained in the foregoing paragraphs may also be treated as a notice to be issued to the members of the Company under Section 302 of the Companies Act, 1956.

V. Central Government Approval

As Mr. Wu Xiaohui is a foreign national, the company has proposed to apply for Central Government's approval for his appointment as Whole-time Director of the Company as required under Part I, Schedule XIII of the Companies Act 1956.

Your Directors accordingly recommend the resolution proposing his appointment for the approval of the members of the Company.

**By Order of the Board,
for Hydro S & S Industries Limited**

Place : Chennai

Date : 31st July, 2013

**S.K. SUBRAMANYAN
Company Secretary**