



Better world through
superior products



Henkel



Henkel SPIC India Ltd. has continued focusing on enhancing customer experience. Delivering superior quality, consistently. Building better perception of brands. No wonder, success has bred further success. Concentrating on the crucial strategic foundations: Consistent quality focus, Deeper market penetration, Innovative marketing initiatives and Increasing brand acceptance.

The highlights of 2001 have been the launches of Henko Powerpearls and Fa Men. Both brands have gained substantial equity among consumers. Margo has also diversified with brand extensions. Overall the company witnessed a spurt in its consolidation, brand extensions, volume growth and enhanced equity.

Launch of Schwarzkopf hair-care products is another milestone. A value-added business that would enhance its equity, takes shape in the form of an academy to train hair-care specialists.

Each year has been a landmark with commendable returns on investments. One year bettering the other. The landmarks of 2001 are bigger stepping stones on which the future beckons us.

Into a bright, promising and a better future. Better World. Through superior products.



BOARD OF DIRECTORS

Dr. A.C. MUTHIAH	CHAIRMAN
PETER KARDORFF	DIRECTOR
PETER K. SCHERER	DIRECTOR
Dr. RAINER SALZ	DIRECTOR
Dr. A. BESANT C. RAJ	DIRECTOR
D. ARUNACHALAM	DIRECTOR
A. SATISHKUMAR	MANAGING DIRECTOR

SECRETARY
N. RAJEEVA PRAKASH

REGISTERED OFFICE
P.O. Box No. 6081
6, Mahathma Gandhi Salai
Chennai - 600 034

FACTORY
Peralam Main Road
Thirunallar Commune
Karaikal - 609 607
Union Territory of Pondicherry

PRINCIPAL OFFICE
"Temple Tower"
Third Floor, 672, Anna Salai
Nandanam
Chennai - 600 035

PROCESS LICENSOR
HENKEL KGaA
D-40191, Dusseldorf
Germany

AUDITORS
Messrs. S. Viswanathan
Chartered Accountants
8-A, Bishop Wallers Avenue (West)
Mylapore, Chennai - 600 004

BANKERS
State Bank of India
Standard Chartered Bank
Deutsche Bank
Citibank N.A

REGISTRARS & SHARE TRANSFER AGENTS
Cameo Corporate Services Ltd.
Subramanian Building, V Floor, 1, Club House Road, Chennai - 600 002.
Tel: (044) 846 0390 (5 Lines) Fax: (044) 8460129 Grams : "CAMEO"

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OUR MISSION

"We are ready to meet the economic and ecological challenges of the 21st Century.

We assure Henkel's position as a top international company.

This goal guides our actions.

Through applied chemistry and expert service, we make people's lives easier, safer and better.

We are dedicated to helping our customers improve their own performance and meet their requirements.

We manage change and we are proud of our achievements."

QUALITY POLICY

HSIL is committed to the mission of manufacturing and marketing products that fulfill in toto the needs and expectations of its consumers.

HSIL will ensure that its products do not pose any threat to the environment both during manufacture and use.

HSIL will strive for upgrading its products / processes through appropriate technology inputs / motivation of its workforce to do things "right first time". In achieving this objective, HSIL will in addition to its own endeavour draw upon the state-of-the art technology inputs available to it from its promoter Henkel KGaA.

ENVIRONMENTAL POLICY

HSIL will strive for pollution prevention and continual improvement in Environmental performance by

- Minimizing air emissions, wastages.***
- Effectively utilizing available energy resources.***
- Developing environmental friendly products.***

HSIL will comply with relevant legislation and regulatory requirements.

HSIL will train all employees to make them conscious of their environmental responsibilities.

HSIL will in addition to its own endeavour make use of the expertise available from its promoter Henkel KGaA, for achieving these objectives and review periodically.

HSIL will maintain dialogue with the public and interested parties on pertinent environmental issues.

Henkel

YEAR AT A GLANCE

	(Rs in Crs.)
• Net Sales	340.46
• Operating Profit	38.28
• Profit before Tax and prior period/extraordinary items	5.83
• Total Assets	328.95
• EPS (before extraordinary items) (Rs.)	0.50
• Book Value per equity share (Rs.)	19.63

WE ARE MOVING...

*Effective from 1st September 2002
Registered Office will function at:*

1st Floor, No. 3, Cenotaph Road
Teynampet, Chennai - 600 018.

NOTICE FOR THE THIRTEENTH ANNUAL GENERAL MEETING

Notice is hereby given that the Thirteenth Annual General Meeting of the Company will be held at Kamaraj Memorial Hall, No. 492, Anna Salai, Teynampet, Chennai- 600 006, on Friday, the 26th July 2002 at 10.15 a.m. to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the audited Balance Sheet as at 31st December 2001, Profit and Loss Account for the year ended that date and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in the place of Mr. Peter K Scherer who retires by rotation and being eligible offers himself for re-election.
3. To appoint a Director in the place of Dr. A. Besant C Raj who retires by rotation and being eligible offers himself for re-election.
4. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.

"RESOLVED THAT M/s. S. Viswanathan, Chartered Accountants the retiring auditors be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration of Rs. 5,00,000/- (Rupees Five lakhs only) plus out-of-pocket expenses for travelling and other expenses incurred, in connection with the Company's Audit".

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modifications, the following resolution as a SPECIAL RESOLUTION :

RESOLVED THAT pursuant to Section 81 and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment to or re-enactment thereof), Foreign Exchange Management Act, 1999 and other applicable Acts / Rules and subject to approvals, permissions and sanctions as may be necessary from Reserve Bank of India, Securities and Exchange Board of India (SEBI), Stock Exchange and any other appropriate authorities, and subject to such conditions as may be prescribed by any of them while granting such approvals and subject to such terms, conditions and alterations which the Board of Directors of the Company (hereinafter referred to as the "Board") may in its absolute discretion think fit in the interest of the Company, the Board be and is hereby authorised to issue / offer and allot upto 4,00,00,000/-, 4%

Cumulative Redeemable Preference Shares of Rs. 10/- each, for cash at par, for a tenure of 10 years redeemable at such premium as may be decided by the Board at the time of redemption, to Henkel KGaA and/or Group Companies, on a Private Placement basis as per the specific terms and conditions of the issue.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board be and is hereby authorised to take all such actions and give all such directions, or do all such acts, deeds, matters and things as may be necessary or desirable and settle any question or difficulty that may arise in regard to the issue and allotment of the new Preference Shares and further to execute all such deeds, documents and writings as may be necessary.

6. a) To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION :

RESOLVED THAT pursuant to Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs. 210,00,00,000/- (Rupees Two hundred and ten crores only) to Rs. 240,00,00,000/- (Rupees Two hundred and Forty crores only) by creation of additional 300,00,000/- (Three crores only) Preference Shares of Rs. 10/- each.

b) To consider and if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION :

RESOLVED THAT in Clause V of the Memorandum of Association of the Company the words "the Share Capital of the Company is Rs. 240,00,000/- (Rupees Two hundred and forty crores only) divided into 17,20,00,000 (Seventeen crores and twenty lacs) Equity shares of Rs. 10/- each and 6,80,00,000/- (Six crores and eighty lacs) Preference Shares of Rs. 10/- each be substituted for the existing words "the Share Capital of the Company is Rs. 210,00,00,000/- (Rupees two hundred and ten crores only) divided into 17,20,00,000 Equity shares of Rs. 10/- each and 3,80,00,000 Preference shares of Rs. 10/ each".

7. To consider and if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION:

RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the following existing clauses of the Articles of Association of the Company be altered/ new clauses/ paras be inserted and to read as hereunder:

Amendment of Articles

1. Existing Articles 4 of the Articles of Association of the Company be amended to read as follows :

The Share Capital of the Company is Rs.240,00,00,000/- (Rupees Two hundred and forty crores) divided into 17,20,00,000 Equity Shares of Rs.10/- each and 6,80,00,000/- Preference Shares of Rs.10/- each.

2. The following Articles shall be inserted after the relevant existing Articles

i) New Article 85 A be inserted**Postal Ballot**

The Company may, and in case of resolutions relating to such business as the Central Government may, by notification, declare to be conducted only by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in general meeting of the company in accordance with the provisions of Section 192A of the Companies Act, 1956 and the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 (including any statutory modification or re-enactment thereof, for the time in force) or any amendments made thereto from time to time.

ii) New Article 92 (2) be inserted

Every member holding any Preference Shares shall in respect of such Shares have a right to vote only on resolutions which directly affect the rights attached to the Preference Shares and subject as aforesaid, every such member shall in respect of such capital be entitled to vote in person or by proxy, if the dividend due on such Preference Shares or any part of such dividend has remained unpaid in respect of an aggregate period of not less than two years preceding the date of the meeting. Such dividend shall be deemed to be due on Preference Shares in respect of any period, whether a dividend has been declared by the Company for such period or not, on the day immediately following such period.

iii) New Article 92 (3) be inserted

Whenever the holder of a Preference Share has a right to vote on any resolution in accordance with the provisions of this Articles, his voting right on a poll shall be in the same proportion as the capital paid-up in respect of such Preference Shares bears to the total Equity paid-up capital of the Company.

iv) Article 162 be amended adding the following sentence at the end

The Board shall also have the power to have for use in territory not situated in India, a facsimile of the Common Seal of the Company with addition on its face the name of the territory or the place concerned.

By order of the Board
for Henkel SPIC India Ltd.

Regd.Office:
No.6 Mahathma Gandhi Road
Chennai 600 034
Dated: 1st June 2002

N. RAJEEVA PRAKASH
SECRETARY

NOTES :

1. Members who hold shares in the dematerialised form are requested to indicate without fail their DP ID and Client ID numbers in the attendance slip.
2. Nomination for physical shares.

Members holding shares in physical form are encouraged to nominate a person to whom his shares in the company shall vest in the event of his death.

3. Holding shares in identical order of names:

Members holding shares in identical order of names in more than one folio are requested to write to Registrars and Share Transfer Agents to consolidate their holding in one folio.

4. Compulsory dematerialisation of shares.

The Company has signed an agreement with National Securities Depository Ltd. for dematerialisation of the Company's shares. This facility is now operational since Dec '2000 and members are requested to avail of the same.

The Securities and Exchange Board of India (SEBI) mandated delivery of shares of the company by Institutional Investors in compulsory dematerialised form from 15/5/2000 and trading by all investors in compulsory dematerialised form from 24/07/2000 onwards.

5. Member entitled to attend and vote at the meeting is entitled to appoint proxy and to attend and on a poll to vote instead of himself and proxy need not be a member of the Company. A member unable to attend may appoint a person (whether a member or not) as his proxy in the enclosed form which shall be deposited with the Principal Office of the Company.