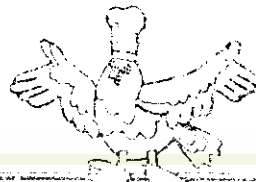




Starchik Specialities Limited

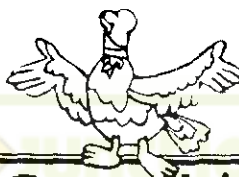


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**Seventh Annual Report
1998-99**

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Starchik

CHICKEN WORLD

• **AMEERPET** Near Indian Bank • **P.G. ROAD** Bapubagh Colony, Lane beside Food World
 • **BANJARA HILLS** Rd #4 • **BARKATPURA** Barkatpura Circle • **GANDHINAGAR** Padmashali Colony
 • **GUNROCK** Opp. Diamond Point Hotel • **HUBSIGUDA** Cross Road • **HIMAYATNAGAR** Street #12
 Corner • **KINGKOTI** Near Sher Gate • **KUKATPALLI** Opp. Bank of Madhura • **MALKAJGIRI** Opp. Sai Ram
 Theatre • **NALLAKUNTA** Near Vegetable Market, Shankarmutt • **PANJAGUTTA** Opp. Classic Endave, Near
 Kantisikhara Apts. • **VIJAYANAGAR COLONY** Near Andhra Bank • **WEST MAREDPALLY** Opp. Gokul Dairy,
 Beside Agra Sweets. **Also at :** • **OBAN** Mehdiplotnam • **Q MART** Banjara Hills • **FOOD WORLD**

For party orders call : 235954

Visit us at www.starchik.com



Starchik Specialities Limited

BOARD OF DIRECTORS

CHAIRMAN

Shri Narendra Luther

MANAGING DIRECTOR

Shri Harbans Singh

DIRECTORS

Shri R. P. Vaidya

Shri N. R. Ganti

Shri Amarjyot Singh

Shri Sarabjyot Singh

Shri R. Srinivasan

AUDITORS

M/s. Venugopal & Chenoy
Chartered Accountants,
Tilak Road, Hyderabad.

BANKERS

State Bank of India
Main Branch
Hyderabad

REGISTERED OFFICE

"Poultry Bhavan", 6-1-85/5,
Saifabad, Hyderabad - 500 004.

FACTORY

38/2, Kilometer Stone,
Kesoram Village,
Chevella Mandal,
R.R. Dist. A.P.



NOTICE

Dear Shareholders,

Notice is hereby given that the 7th Annual General Meeting of the Company will be held on Monday 26th July, 1999 at Bhaskara Auditorium, B.M.Birla Museum, Aadarsh Nagar, Hyderabad at 2.30 p.m. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 31-03-1999 and the Profit & Loss Account for the year ended on 31-03-1999 together with the reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Shri Narendra Luther, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri N. R. Ganti, who retires by rotation.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and fix their remuneration. The retiring Auditors, M/s.Venugopal & Chenoy are eligible for re-appointment.

SPECIAL BUSINESS :

5. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 read with Schedule XIII & other applicable provisions, if any, of the Companies Act, 1956, Shri Sarabjot Singh be and is hereby re-appointed as Whole Time Director for a period of 5 years w.e.f. 31-05-1999 on the following terms and conditions.

- a) **Salary** : Rs. 20,000/- (Rupees Twenty thousand only)
- b) **Perquisites** :
 - i) Provident Fund and benefits under the Company's Superannuation and retiring Gratuity schemes in accordance with the Company's Rules and regulations in force from time to time.
 - ii) Reimbursement of Medical Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
 - iii) Leave on full pay and allowance as per Company's rules but not exceeding four weeks for every completed year subject to the condition that leave accumulated but not availed will not be encashed.
 - iv) Reimbursement of actual leave travel fare for self and family (wife and minor children) once a year to and from any place in India subject to Company's rules and regulations.
 - v) Use of Company's car with driver for official use.
 - vi) Free telephone facility at residence.



- vii) Personal accident insurance, premium of which does not exceed RS 1000/- per annum
- viii) Reimbursement of admission fee and subscription for membership of two clubs "

- 6. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT Shri R. Srinivasan be and is hereby appointed as a Director of the Company, whose office shall be liable to retire by rotation "

By order of the Board
for STARCHIK SPECIALITIES LIMITED

Place : Hyderabad
Date : 31st May, 1999

HARBANS SINGH
Managing Director.

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 of the Company. A proxy form is enclosed. The instrument appointing a proxy should be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting.
2. Members are requested to notify immediately the change of address, if any, to the Company's Registered Office.
3. The Register of members and the share transfer books of the Company will be closed from 20th July, 1999 to 26th July, 1999 (both days inclusive)
4. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, setting out all material facts in respect of items 5 & 6 of the notice, is attached.
5. Members are requested to consolidate their ledger folios, where they are holding shares in different folios in the same sequence of names.



EXPLANATORY STATEMENT

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

Item # 5 : Shri Sarabjyot Singh was appointed as a whole time director for a period of 5 years w.e.f. 1-10-1994. His term expires on 30-09-1999. In the Board Meeting held on 31-05-1999 he was reappointed as whole time director for a period of 5 years on the terms and conditions as set out in the notice. The re-appointment of Shri Sarabjyot Singh is subject to the approval of the members.

None of the Directors other than Shri Sarabjyot Singh and Shri Amarjyot Singh are concerned or interested in the resolution.

Your Directors recommend the resolution set out in the notice for your approval and acceptance.

Item # 6 : Shri R. Srinivasan was appointed as an Additional Director in the Board Meeting held on 31st May, 1999. Shri R. Srinivasan has done his B.Tech in Electronics from IIT, Bombay with Post Graduation in Marketing and Operations Management from IIM, Bangalore. He is a management and marketing consultant and has wide experience in this field. The Board is of the opinion that the Company will greatly benefit from his professional expertise in marketing and management.

The Company has received notice under Section 257 of the Companies Act, 1956 alongwith deposit from a member proposing the candidature of Sri R. Srinivasan for the Office of the Director of the Company.

None of the Directors are interested in the resolution except Shri R. Srinivasan.

The Board recommends the resolution for your approval.

By order of the Board
for STARCHIK SPECIALITIES LIMITED

Place : Hyderabad
Date : 31st May, 1999

HARBANS SINGH
Managing Director.



DIRECTORS' REPORT

Your Directors have pleasure in presenting the Seventh Annual Report along with the audited accounts of your Company for the year ended 31st March 1999.

GENERAL

The economic recession continued during 1998-99 resulting in difficult market conditions in terms of trade and commerce.

FINANCIAL RESULTS

Your Company's performance during 1998-99 is summarised below: (Rs. in lakhs)

Particulars	1998-99	1997-98
Sales	793.96	694.28
Other Income	30.84	14.08
Total Income	824.80	708.36
Profit before Taxation	6.74	31.88
Tax	-	0.82
Net Profit After Tax	6.74	31.06
The product-wise turnover is as under :		
Dressed Chicken	671.74	528.58
Hatching Eggs, Day Old Chicks & Others (exports)	55.44	181.18
Marinated & other products	9.58	3.18
Live Birds	57.20	1.35

Your company achieved a sales turnover of Rs.793.96 lakhs during 1998-99 as against Rs.694.28 lakhs during 1997-98, an increase of 14.36%. However, the net profit declined to Rs.6.74 lakhs for the year 1998-99 from Rs.31.06 lakhs during 1997-98.

PERFORMANCE

Despite difficult market conditions, the sale of dressed chicken and other products of your Company increased by 38.52%. However, the frequent fluctuations in the input cost which ranged between Rs. 44.25 and Rs. 24.60 per kilogram and decline in the export turnover has adversely affected the profitability of the Company. Hence, the Company could earn only marginal profits.

CHICKEN WORLD

Your Company has opened its own 15 retail outlets in the twin cities in the name "Chicken World" exclusively for Starchik branded – fresh, frozen, marinated products and pickles. It proposes to have more such outlets in and around the twin cities and start its own restaurant, during the current year. As the institutional sales are more or less constant, efforts are now being made to improve its retail business through these outlets, supported by a good advertisement campaign. It is also your Company's endeavour to increase the sale of its value-added products, from its retail outlets. We are hopeful that the investments made in the chain of Chicken World retail outlets will ensure increase in capacity utilization, reduction in fixed overheads and higher profits and help in achieving the targets of the current financial year.