



Starchik Specialities Limited



TWELFTH ANNUAL REPORT 2003-2004

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STARCHIK SPECIALITIES LIMITED

BOARD OF DIRECTORS

MANAGING DIRECTOR

Shri Harbans Singh

WHOLETIME DIRECTOR

Shri Sarabjyot Singh

DIRECTORS

Shri R. P. Vaidya

Shri Amarjyot Singh

AUDITORS

M/s. Venugopal & Chenoy

Chartered Accountants

Tilak Road, Hyderabad

BANKERS

State Bank of India

Commercial Branch

Hyderabad

REGISTERED OFFICE

"Poultry Bhavan", 6-1-85/5

Saifabad, Hyderabad - 500 004

Phone: 23298898

FACTORY

38/2, Kilometer Stone

Kesoram Village

Chevella Mandal

R.R. Dist. A.P.

DEPOSITORY REGISTRAR & SHARE TRANSFER AGENTS

M/s. Ikon Visions Private Limited

Flat No. 33, Sanali Heavens

8-3-948, Ameerpet

Hyderabad - 500 073

Phone: 55615699



NOTICE

Notice is hereby given that the Twelfth Annual General Meeting of the members of the Company will be held on Thursday, 30th September, 2004 at 2.30 p.m. at the Registered Office of the Company at "Poultry Bhavan", 6-1-85/5, Saifabad, Hyderabad – 500 004 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31.3.2004 and the Profit & Loss Account for the year ended on 31.3.2004 together with the reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Shri R.P. Vaidya, Director 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. Venu Gopal & Chenoy are eligible for re-appointment.

SPECIAL BUSINESS:

4. To consider and if thought fit to pass with or without modification (s), the following resolution as a Special Resolution:

"RESOLVED THAT subject to the provisions of the applicable laws, guidelines, rules and regulations including the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956, Listing Agreement with the Stock Exchange, SEBI (Delisting of Securities) Guidelines 2003 and the rules framed thereunder in this regard and subject to such other approvals, permissions and sanctions as may be required from the stock exchanges with which the equity shares of the Company are listed, the consent of the Members be and is hereby accorded to de-list the equity shares of the Company from the Hyderabad, Chennai and Delhi Stock Exchanges.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to make such applications, and do all such things and acts for delisting the Company's shares from the Hyderabad, Chennai and Delhi Stock Exchanges."

5. To consider and if thought fit to pass with or without modification (s), the following resolution as a Ordinary Resolution:

"RESOLVED THAT subject to the provisions of sections 198, 269, 309 and 310 read with Schedule XIII of the Companies Act, 1956, consent of the members be and is hereby accorded to re-appoint Shri Sarabjot Singh as the Whole Time Director w.e.f. 31st May, 2004, until otherwise decided, on a consolidated remuneration of Rs.20,000/- per month"

for and on behalf of the Board of Directors
of Starchik Specialities Limited

Sd/-
Harbans Singh
Managing Director

Place: Hyderabad
Date: 02-07-2004

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL ONLY AND A PROXY NEED NOT BE A MEMBER.
2. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and Transfer Books of the Company will remain closed from Monday 27th September, 2004 to Thursday 30th September, 2004 (both days inclusive).
4. As the Company's securities continue to be listed on the Stock Exchange, Mumbai, the Company has no intention to give an exit option to the shareholders of the region of the Stock Exchange, from which the securities are to be delisted.
5. Additional information of director retiring by rotation and eligible for re-appointment:-

Name of the Director	:	Shri Rajaram Purushottam Vaidya
Date of Birth	:	21-12-1927
Date of Appointment	:	02-12-1992
Experience	:	He has a very rich experience in finance and Banking. He during his career has held very prominent positions in the Banking Sector and is presently a financial consultant and advisor to many Corporate.
Qualifications	:	M.Com.

6. Additional information of director reappointed as the Whole Time Director:-

Name of the Director	:	Shri Sarabjyot Singh
Date of Birth	:	23-08-1965
Date of Re-appointment	:	31 st May 2004
Experience	:	He has over 12 years of experience in administration and marketing of poultry products
Qualifications	:	B.Com (Honours)

7. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of item # 4 is annexed hereto and forms part of the notice.



EXPLANATORY STATEMENT

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

Item # 4

Your Company's shares are at present listed at the Mumbai, Hyderabad, Chennai and Delhi Stock Exchanges. After introduction of screen based trading by the Mumbai Stock Exchange, the volumes at regional stock exchanges have come down drastically.

As per the Guidelines issued by the Securities and Exchange Board of India for voluntary delisting of shares from all Stock Exchanges other than the Mumbai Stock Exchange and National Stock Exchange, the prior approval of members by way of a special resolution has to be obtained.

Though the Company has taken members approval for delisting company's securities from the Hyderabad, Chennai and Delhi Stock Exchanges, at the last Annual General Meeting, it could not act upon it. Hence the Board of Directors recommends the resolution for the members' approval as there has been no trading on the said exchanges of the Company's shares. Further it is informed that the delisting of shares from these Stock Exchanges will help in reduction of costs in terms of listing fees and reduced compliances. However your company shares will continue to be listed on the Stock Exchange, Mumbai.

None of the Directors of the Company is in any way concerned or interested in the said resolution.

Your directors recommend the said resolution for your approval.

Item # 5

As the tenure of Mr. Sarabjyot Singh, as a Whole Time Director, was upto 30th May, 2004, the Board of Directors in their meeting held on 2nd July, 2004 has reappointed him as the Whole Time Director, w.e.f. 31st May, 2004 and as per Schedule XIII of the Companies Act, 1956, members' approval is required for such re-appointment. Hence your directors recommend the said resolution for your approval.

**for and on behalf of the Board of Directors
of Starchik Specialities Limited**

Place : Hyderabad
Date : 02-07-2004

Sd/-
Harbans Singh
Managing Director



DIRECTORS' REPORT

Your Directors' hereby present the Twelfth Annual Report of the Company together with the Audited Accounts of your Company for the year ended 31st March 2004.

FINANCIAL RESULTS:

Your Company's performance during 2003-2004 is summarized below:

(Rs. in lakhs)

Sl. #	Particulars	2003-04	2002-03
1.	Sales	1396.06	841.83
2.	Other Income	17.50	0.06
3.	Total Income (1+2)	1413.56	841.89
4.	Operating Expenditure	1390.79	839.59
5.	Profit / Loss before depreciation and Misc. Exp written off (3-4)	22.89	2.30
6.	Depreciation	22.37	22.48
7.	Misc. Exp. written off	7.82	7.82
8.	Net Profit (+) / Loss (-) [5-(6+7)]	-7.42	-28.00

During the year under review, your company achieved a turnover of Rs.1396.06 Lakhs for the year ended 31st March 2004 as against Rs. 841.89 Lakhs during 2002-03 resulting in an increase of 66% over the last year. Even the loss for the year has decreased to Rs.7.29 Lakhs, as against Rs.28 Lakhs last year. Though the Company has to stop its manufacturing activity, it is meeting its overheads through trading activity operating on very negligible margins.

DIVIDEND:

Due to the losses incurred by the Company, Board of Directors is unable to recommend any dividend for the year 2003-04.

DIRECTORS:

In accordance with provisions of Section 256 of the Companies Act, 1956 and the Articles of Association, Shri R.P. Vaidya, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.



Shri Sarabjyot Singh has been re-appointed as the Whole Time Director w.e.f. 31st May, 2004 and members' approval for the same is sought for in the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors confirm:

- (i) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss for that period;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts on a going concern basis.

FIXED DEPOSITS:

Your Company has not accepted any deposits from the public during the year.

INDUSTRIAL AND PERSONNEL RELATIONS:

The relationship between the management and the staff is cordial.

PARTICULARS OF EMPLOYEES:

In pursuance of the provisions of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, the Directors are to report that no employee was in receipt of emoluments as provided in the said Section.

AUDITORS:

M/s. Venugopal & Chenoy, Chartered Accountants, the present statutory auditors of the Company hold office until the conclusion of the forthcoming Annual General Meeting and are eligible for their re-appointment. The Company has received confirmation from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956.

**ADDITIONAL INFORMATION AS REQUIRED U/S 217 (1) (e) OF THE COMPANIES ACT, 1956:**

The statement giving particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is annexed hereto and forms part of the report. **(Annexure - 1)**

CORPORATE GOVERNANCE:

The report on Corporate Governance and Management Discussion Analysis Report are annexed hereto as **Annexure – 2 & 3 respectively** and they form part of Directors' Report.

ACKNOWLEDGMENTS:

Your Directors express their appreciation for the support received from the Bank, Government Authorities, Customers and Vendors. Your Directors wish to thank the Shareholders for the confidence reposed in the Company.

Your Directors also wish to place on record their appreciation for the hard work and commitment of the staff of the Company.

**for and on behalf of the Board of Directors
of Starchik Specialities Limited**

Place: Hyderabad
Date: 02-07-2004

Sd/-
(Harbans Singh)
Managing Director

Sd/-
(Sarabjyot Singh)
Director

**ANNEXURE - 1****INFORMATION PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988**

- a) Energy Conservation Measures taken: **Not Applicable as presently engaged only in trading activity.**
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy : **Nil**
- c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods : **Not Applicable**

FORM - A**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

Particulars	2003-04	2002-03
A. POWER AND FUEL CONSUMPTION:		
Electricity		
a) Purchased : Units (KWH)	Nil	Nil
Total Amount (Rs.)		
Rate/Unit (Rs.)		
b) Own Generation		
Through diesel generator: Units (KWH)	Nil	Nil
Units per litre of diesel oil		
Cost per Unit (Rs.)		
B. CONSUMPTION PER UNIT OF PRODUCTION:		
Electricity consumption Per kg of dressed/frozen chicken	Nil	Nil

FORM - B**DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION**

- A. RESEARCH AND DEVELOPMENT (R&D) : Not Applicable
- B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION : Not Applicable