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Starchik Specialities Limited

Starchik

Eighth Annual Report
1999-2000

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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, • **KUKATPALLY** Opp Bank of Madhura • **MALKAJGIRI** Opp. Sai Ram Theatre • **NALLAKUNTA** Near Veg. Market, Shankarmutt • **PANJAGUTTA** Opp. Classic Enclave, Near Kantisikhara Apts. • **VIJAYANAGAR COLONY** Near Andhra Bank • **WEST MAREDPALLY** Opp. Gokul Dairy, Beside Agra Sweets. • **JUBILEE HILLS** Road # 36, Next to Hira Moti Super Market • **A S RAO NAGAR** Near Sai Sudheer College • **YOUSUFGUDA** Ganapathi Complex Road • **MOTI NAGAR** Beside Don Bosco High School • **TRIMULGHERRY** Trimulgherry Cross Roads, Opp. SBI • **NANAL NAGAR** Near Blue Bird Function Hall • **Also at :** • **OBAN** Mehdipatnam • **Q MART** Banjara Hills • **FOOD WORLD**

For party orders call : 235954

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Starchik Specialities Limited

BOARD OF DIRECTORS	**CHAIRMAN** Shri Narendra Luther
	MANAGING DIRECTOR Shri Harbans Singh
	DIRECTORS Shri R. P. Vaidya Shri Amarjyot Singh Shri Sarabjyot Singh Shri R. Srinivasan
AUDITORS	M/s. Venugopal & Chenoy Chartered Accountants, Tilak Road, Hyderabad.
BANKERS	State Bank of India Commercial Branch Hyderabad
REGISTERED OFICE	"Poultry Bhavan", 6-1-85/5, Saifabad, Hyderabad - 500 004.
FACTORY	38/2, Kilometer Stone, Kesoram Village, Chevella Mandal, R.R. Dist. A.P.

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NOTICE

Dear Shareholders,

Notice is hereby given that the Eighth Annual General Meeting of the members of the Company will be held on Tuesday 12th September, 2000 at Bhaskara Auditorium, B.M. Birla Museum, Adarsh Nagar, Hyderabad at 3.00 p.m to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31.3.2000, the Profit & Loss Account for the year ended as on 31.3.2000 together with the reports of the Directors' and the Auditors' thereon.

2. To appoint a director in place of Shri Amarjyot Singh, Director, who retires by rotation and being eligible offers himself for re-appointment.

3. To appoint a director in place of Shri R.P. Vaidya, Director, who retires by rotation and being eligible offers himself for re-appointment.

4. *To appoint auditors and fix their remuneration. The retiring auditors M/s. Venu* Gopal & Chenoy are eligible for re-appointment.

SPECIAL BUSINESS

5. To consider and if though 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 Harbans Singh be and is hereby re-appointed as Managing Director for a period of 5 years w.e.f 28-06-2000.

   FURTHER RESOLVED THAT Shri Harbans Singh will not draw any remuneration from the Company".

By order of the Board
for **STARCHIK SPECIALITIES LIMITED**

Place : Hyderabad
Date : 28th June, 2000

HARBANS SINGH
Managing Director

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NOTES :

1. A member entitled to attend and vote at the meeting 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 4th September, 2000 to 12th September, 2000 (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 Item no.5 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.
6. The shares of the Company are listed on the Hyderabad and Mumbai Stock Exchanges.

Explanatory Statement

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

Shri Harbans Singh was appointed as Managing Director of the Company for a period of 5 years w.e.f 01-07-95. In the Board Meeting held on 28-06-2000 he was re-appointed as Managing Director for a period of 5 years w.e.f. 1-7-2000. Shri Harbans Singh has not been drawing any remuneration from the Company and shall continue to do so after his re-appointment. The re-appointment of Shri Harbans Singh is subject to the approval of the members.

None of the Directors except Shri Amarjyot Singh is concerned or interested in the said resolution. Your Directors recommend the resolution set out in the notice for your approval and acceptance.

By order of the Board
for **STARCHIK SPECIALITIES LIMITED**

Place : Hyderabad
Date : 28th June, 2000

HARBANS SINGH
Managing Director.

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DIRECTORS' REPORT

Your Director's have pleasure in presenting the Eighth Annual Report along with the audited accounts of your Company for the year ended 31st March, 2000.

GENERAL

The potential for growth of the poultry is enormous because of the fact that in India the per capita consumption of chicken meat is about 1 kg per annum as against 30 kg per annum in developed countries. Despite the growth potential, the processing industry has been in a severe crisis for the last two years on account of the increased cost of raw material and lack of support from the Government for export of poultry products. In contrast to this, in developed countries such exports are highly subsidized.

In the Vision 2020 document of A.P. a growth rate of 9% p.a is envisaged. This will be achieved by giving, special thrust to nineteen primary growth engines. Poultry is one of them. In spite of that there has been no evidence so far of any specifications in that regard. It is indeed ironical that in spite of the proclaimed commitment of the government to this sector, it remains in revenue crisis today.

FINANCIAL RESULTS

Your company's performance during 1999-2000 is summarized below: (Rs.in lakhs)

Particulars	1999-2000	1998-99
Sales	**631.82**	793.96
Other Income	**3.16**	30.84
Total Income	**634.98**	824.80
Profit/(Loss) before tax	**(119.56)**	6.74
Tax	**-**	-
Net Profit/(Loss) after Tax	**(119.56)**	6.74
The product-wise turnover is as under:		
Dressed Chicken	**538.10**	671.74
Hatching Eggs, Day old Chicks & others(exports)	**12.31**	56.07
Marinated & other products	**22.98**	8.94
Live Birds	**58.34**	57.20

Your company achieved a sales turnover of Rs.631.82 lakhs during 1999-00 as against Rs.793.96 lakhs during 1998-99, a decrease of 20.42%. The net loss for 1999-2000 was Rs. 119.56 lakhs against a profit of Rs.6.74 lakhs for the year 1998-99.

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PERFORMANCE

The performance of the Company has been poor and far below the budgeted turnovers & profitability. The reason for the poor performance is the customer resistance to processed chicken as against fresh chicken. Though the processed poultry has distinct hygiene & nutritional advantage, the consumer prejudice against it has yet to be overcome. The Company has put in lot of efforts in creating awareness about the quality of its products but it has not been able to change the customers' perception of the freshness of product.

Further the operational cost has increased due to the increase in raw material prices and personnel costs adding to the losses.

CHICKEN WORLD

Your company has its own 17 retail outlets in addition to 6 franchise outlets in the twin cities under the name "Chicken World" exclusively for "Starchik" branded - fresh, frozen, marinated products and pickles. The Company has started it's own restaurant during the current financial year but the response has been lower than the expectation. In spite of the efforts made the sales from the company owned shops and franchises have been less than 50% of the budgeted sales. The revenues generated were not enough even to meet the operating costs due to which the Company has incurred huge losses.

DIVIDEND

Considering the loss suffered by the Company, your Board of Directors have decided not to declare any dividend for the year 1999-2000.

DIRECTORS

In accordance with provisions of the Companies Act. 1956 and the Articles of Association, Shri Amarjyot Singh and Shri R.P. Vaidya, Directors of the Company, retire by rotation at the ensuing Annual General Meeting.

FIXED DEPOSITS

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

INDUSTRIAL AND PERSONNEL RELATIONS

The industrial relations have been cordial.

PARTICULARS OF EMPLOYEES

Information pursuant to Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 is Nil.

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