



Starchik Specialities Limited



**Ninth Annual Report
2000-2001**

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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 • GUNROCK Opp. Diamond Point Hotel • HUBSIGUDA Cross Road • HIMAYATNAGAR street # 12 Corner • KINGKOTI Near Sher Gate, • PANJAGUTTA Opp. Classic Enclave, Near Kantisikhara Apts. • VIJAYANAGAR COLONY Near Andhra Bank • JUBILEE HILLS Road # 36, Next to Hira Moti Super Market • AS RAO NAGAR Near Sai Sudheer College • YOUSUFGUDA Ganapathi Complex Road • MOTI NAGAR Beside Don Bosco High School • TIRMULGHERRY Timulgherry Cross Roads, Opp. SBI • NANAL NAGAR Near Blue Bird Function Hall • Also at : • OBAN Mehdipatnam • Q MART Banjara Hills • FOOD WORLD

Visit us at www.starchik.com



Starchik Specialities Limited

BOARD OF DIRECTORS

CHAIRMAN

Shri Narendra Luther

MANAGING DIRECTOR

Shri Harbans Singh

WHOLETIME DIRECTOR

Shri Sarabjot Singh

DIRECTORS

Shri R.P. Vaidya

Shri R. Srinivasan

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.

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.



NOTICE

Dear Shareholders,

Notice is hereby given that the Ninth Annual General Meeting of the members of the Company will be held on Monday 6th August, 2001 at Bhaskara Auditorium, B.M. Birla Museum, Adarsh 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 31.3.2001, the Profit & Loss Account for the year ended on 31.3.2001 together with the reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Shri Narendra Luther, Director, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri R. Srinivasan, Director, who retires by rotation and being eligible, offers himself for re-appointment.
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. Venu Gopal & Chenoy are eligible for re-appointment.

Report



junction

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

Place : Hyderabad
Date : 30th June, 2001

HARBANS SINGH
Managing Director

**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 3rd August, 2001 to 6th August, 2001 (both days inclusive).
 4. Pursuant to the provision of Section 205A of the Companies Act, 1956, as amended, dividend for the financial year ended 31st March, 1998 which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government and once the unclaimed dividend is transferred to the Central Government as above, no claim shall lie in respect thereof.
- Hence, Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended 31st March, 1998 are requested to make their claim.



DIRECTORS' REPORT

Your Director's have pleasure in presenting the Ninth Annual Report along with the audited accounts of your Company for the year ended 31st March 2001.

FINANCIAL RESULTS

Your company's performance during 2000-01 is summarized below:

(Rs. in lakhs)

Particulars	2000-2001	1999-2000
Sales	467.73	631.82
Other Income	20.26	3.16
Total Income	487.99	634.98
Profit/loss before Taxation	(70.27)	(119.56)
Tax	—	—
Net Profit After Tax	(70.27)	(119.56)

Your Company achieved a turnover of Rs. 467.73 lakhs during 2000-01 as against a turnover of Rs. 631.82 lakhs during 1999-00, a decrease of 25.97%. However there was a reduction in the net loss for 2000-01. As against a loss of Rs. 119.56 lakhs for the year 1999-2000, the loss for 2000-01 was Rs. 70.27 lakhs.

PERFORMANCE

The year 2000-01 saw a slow down of the market growth reflecting poor performance of the Company. Your Company adopted innovative methods of marketing its products, but in spite of all efforts, we were not able to compete with the unorganised sector and also change the preference of the consumer from conventional product to frozen product.

Your Company, has in order to control the input cost, taken on lease farms for rearing its own birds. This step of backward integration will help the Company to improve its margins which at present are very low.

Now, that the Company is rearing most of the birds needed, the input cost will be stable and the Company will not be affected by the volatility of the poultry market. The Company has now set up a marketing team to focus on institutional sales. With the new marketing policies of the Company, it is anticipated that the sales volume will improve in the current financial year.



CHICKEN WORLD

The Company's retail business continues to be uncertain. The Company has diversified into sale of other meat and fish products at its retail outlets in order to make the same viable and reduce the operational losses.

DIVIDEND

As the operations have resulted in losses, the Directors have decided not to recommend any dividend for the year 2000-01.

DIRECTORS

As per the provisions of the Companies Act, 1956 and the Articles of Association, Shri Narendra Luther and Shri R. Srinivasan, Directors of the Company, retire by rotation at the Ninth Annual General Meeting and being eligible offer themselves for re-appointment.

AUDIT COMMITTEE

As per Sec. 292A of the Companies Act 1956 (Act), the Board has constituted an audit committee comprising of Mr. R. P. Vaidya, Mr. R. Srinivasan and Mr. Sarabjot Singh, with Mr. R.P. Vaidya as its Chairman. The role, terms of reference and the authority and powers of the Audit Committee are in conformity with the Act.

RESPONSIBILITY STATEMENT

The Directors confirm :

- a) 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.
- b) that they 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 profit and loss account for that period
- c) that they 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;
- d) that they 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.

DEPOSITORY SYSTEM

As the members are aware, your Company's shares are tradable compulsorily in electronic form and your Company has established connectivity with both the depositories, i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).



In view of the numerous advantages offered by the Depository System, members are requested to avail of the facility of dematerialisation of the Company's shares on either of the Depositories as aforesaid. The Company has also made arrangements for simultaneous dematerialisation of share certificates lodged for transfer.

INDUSTRIAL AND PERSONNEL RELATIONS

The industrial relations have been cordial.

PARTICULARS OF EMPLOYEES

The Company had no employee on its payroll covered under Section 217(2A) of the Companies Act, 1956 and therefore the said Section is not applicable.

AUDITORS

M/s. Venugopal & Chenoy, Chartered Accountants, the Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

QUALIFICATION

In reply to Item 7(xvii) of the Auditor's Report, the Company, due to the acute financial crunch could not meet the liabilities. However all necessary steps are being taken to deposit the amounts at the earliest.

PARTICULARS REGARDING ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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.

ACKNOWLEDGMENTS

Your directors express their gratitude to the shareholders of the Company for the confidence reposed in the Company.

Your directors gratefully acknowledge the valuable support, guidance and help provided by the State Bank of India and other Government department/agencies.

Your directors wish to place on record their appreciation of the hard work, dedication and commitment of the staff at all levels.

On behalf of the Board of Directors

NARENDRA LUTHER

Chairman

Place : Hyderabad

Date : 30.6.2001