



SAM INDUSTRIES LIMITED

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**FIFTH
ANNUAL REPORT
1998-99**


SAM INDUSTRIES LIMITED

Board of Directors

Shri Om Agrawal, Chairman
 Shri Ashutosh Maheshwari, Vice Chairman
 Shri Anil Maloo, Whole-Time Director
 Shri Mahesh G. Jarani, Director
 Shri M. D. Khatri, Director

Auditors

M/s. J. M. Trivedi & Associates
 Chartered Accountants
 MUMBAI - 400 080

Bankers

State Bank of Hyderabad
 State Bank of Travancore
 State Bank of Mysore
 State Bank of Indore

Registered Office

703, Alankar Chambers
 A-2, Ratlam Kothi,
 A. B. Road,
 INDORE - 452 001

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Works

Village - Dakachya, A. B. Road,
 Tehsil - Sanwer
 District - Indore (M. P.)



SAM INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the 5th Annual General Meeting of the Members of Sam Industries Limited, will be held at the Registered Office of the Company at 703, Alankar Chambers, A-2, Ratlam Kothi, A. B. Road, INDORE - 452 001 on Thursday, the 30th September, 1999 at 2.00 P.M. to transact the following business :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 1999 and Profit & Loss Account of the Company for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri M. D. Khatri, who retires by rotation and, being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Anil Maloo, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUISNESS

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

"RESOLVED THAT in accordance with the provision of Section 257 and all other applicable provision, if any, of the Companies Act, 1956, Shri Om Agrawal, an Additional Director as well as Chairman of the Company who holds office upto the date of this Annual General Meeting, as per provisions of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT Shri Anil Maloo, Whole-Time Director (Designated as "Executive Director") of the Company (subject to retirement by rotation) w.e.f. 15th October, 1998 be and is hereby appointed with a remuneration for a period of 5 years w.e.f. 1st September, 1999 specified herein below under Section 198, 255, 269, 309, 310 & 311 and other applicable provisions, if any, of the Companies Act, 1956 and Schedule XIII thereto as inserted by the Companies (Amendment) Act, 1998 and that he be paid remuneration in accordance with the terms and conditions specified in the revised Schedule XIII to the said Act, as under :

(i) Basic Salary	:	Rs. 7,300.00 per month
(ii) House Rent Allowance	:	Rs. 2,920.00 Per month
(iii) Conveyance Allowance	:	Rs. 2,950.00 Per month
(iv) Educational Allowance	:	Rs. 365.00 Per month
(v) Medical Reimbursement	:	Rs. 730.00 Per month
		against submission of bills
(vi) Gratuity	:	As per payment of Gratuity Act.
(vii) Contribution to Provident Fund	:	Not exceeding 10% of basic salary.

For the purpose of computing Salary : Use of Company's Car for Official purpose and telephone at residence (including payments for local calls and long distance official calls) shall not be included :

By Order of the Board

Indore,
The 23rd day of August, 1999

Anil Maloo
Whole-Time Director


SAM INDUSTRIES LIMITED

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THIS MEETING.
2. The Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956 in respect of item Nos. 5 & 6 as set out above annexed hereto. All the documents pertaining to these items are available for inspection by the Members at the Registered Office of the Company between 10.00 A.M. and 12.00 Noon on all working days upto the date of the 5th Annual General Meeting.
3. The Register of Members and Share Transfer Register of the Company will remain closed from Wednesday, 22nd September 1999 to Thursday 30th September, 1999 (both days inclusive).
4. A recent amendment to the Companies Act, 1956 has introduced provisions for nomination by the holders of share. The prescribed nomination form can be obtained from the Company's Registrars and Transfer Agents.

ANNEXURE TO NOTICE
EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIS ACT, 1956.
ITEM No. 5

Shri Om Agrawal was appointed as an Additional Director of the Company on 15th day of October, 1998 and as a Chairman w.e.f. 13th November, 1998 by the Board of Directors of the Company. According to the provisions of Section 260 of the Companies Act, 1956, he holds office as Director only upto the date of the ensuing Annual General Meeting. As required by Section 257 of the Act, a notice has been received from a member signifying his intention to propose his appointment as a Director. The Board considers it desirable that the Company should continue to avail itself of his services.

The Directors recommend the resolution as set out No. 5 (as an Ordinary Resolution) of the Notice for approval f the Shareholders.

None of the Directors except Shri Om Agrawal is concerned or interested in the aforesaid Resolution.

ITEM No. 6

At the Annual General Meeting of the Company held on 4th July, 1996 Shri Anil Maloo was appointed as an Executive Director of the Company for a period of 5 years effective from 4th July, 1996. The Board of Directors of the Company at their meeting held on 15th October, 98 have appointed Shri Anil Maloo, as a Whole-Time Director (designated as "Executive Director") subject to approvals of Shareholders. The Board of Directors vide their Resolution passed at the meeting dated 23rd August, 99 resolved to modify and record the terms and conditions of the appointment and also fixed his remuneration for a period of five years w.e.f. 1st September, 99. Shri Anil Maloo was given the additional responsibility of supervision of manufacturing operations and control of Management at various levels of the Company. The Directors recommend the resolution as set out no. 6 (as an Ordinary Resolution) of the Notice for approval of the Shareholders.

None of the Director except Shri Anil Maloo is concerned or interested in the aforesaid Resolution.

By Order of the Board

Indore,
The 23rd day of August 1999

Anil Maloo
Whole-Time Director


SAM INDUSTRIES LIMITED
REPORT OF THE BOARD OF DIRECTORS

To the Members,

Your Directors have pleasure in presenting the Fifth Annual Report of the Company alongwith the Audited Accounts for the year ended 31st March, 1999.

FINANCIAL RESULTS

	(Rs. in Lacs)	
	<u>1998-99</u>	<u>1997-98</u>
Gross Sales	3823.87	9312.21
Profit (loss) before Depreciation and Tax	(218.09)	(111.00)
Depreciation	95.66	94.73
Provision for Taxation	---	---
Profit (Loss) after depreciation & tax	(313.75)	(205.73)
Balance brought forward	(202.51)	3.54
Prior year adjustments	(17.55)	0.32
Total Loss Carried Forward	(533.81)	(202.51)

DIVIDEND

On account of loss incurred by the Company during the year under report your Directors regret their inability to recommend payment of any Dividend.

OPERATION

The Company achieved a Turnover of Rs. 3823.87 Lacs during the year in comparison to Rs. 9312.21 Lacs during the previous year. The Company incurred a loss of Rs. 313.75 Lacs in comparison to a loss of Rs. 205.73 Lacs during the previous year. The loss is mainly due to Sharp decrease in the DOC prices.

NEW BUSINESS (TRADING DIVISION)

As approved by the Shareholders in their Extra Ordinary General Meeting on 14.05.1996, during the year the Company established its Trading Division in the name and style of "Sam Industries Limited (Trading Division)". The division started the business of importing, purchasing and selling of different types of Chemicals, Ferrous and Non-Ferrous Metals, Metal Alloys and Achieved a turnover of Rs. 239.03 Lacs during the year.

NEW PROJECT (WELDING DIVISION)

As approved by the Shareholders in their Extra Ordinary General Meeting on 14.05.1996, during the year the Company started establishing a Welding Electrodes Manufacturing Plant at its Factory premises having capacity of 2400 MT. Per Annum. The building is almost complete and necessary Plant & Machinery has started reaching at site. The Company expects to start the Commercial Production in the last quarter of this Calendar Year.

FUTURE PROSPECTUS (SOYA INDUSTRY)

The Soya Industry is expecting a better crop and more demand in Indian Soya Products in global market on account of its high protein content. Incidentally, the domestic consumption of Soya DOC is also expected to increase considerably during the year as compared to the previous year.



SAM INDUSTRIES LIMITED

FIXED DEPOSIT

The Company has not accepted any fixed deposit from the public during the year.

DIRECTORS

During the year Shri V. K. Sud, Chairman & Shri Shanti Prasad Jain, Director of the Company resigned from the directorship of the Company. The Board placed on record appreciation for the service rendered by Shri V.K.Sud and Shri Shanti Prasad Jain during their tenure with the Company

In accordance with the provision of the Companies Act, 1956 and the Companies Articles of Association Shri M. D. Khatri & Shri Anil Maloo retire by rotation and being eligible offer themselves for re-appointment.

Your Board has appointed Shri Om Agrawal, as Additional Director w.e.f. 15th October, 1998 and as Chairman w.e.f. 13th November, 98. Notice has been received from a member proposing the appointment of Shri Om Agrawal as a Director of the Company.

Your Board has also appointed Shri Anil Maloo, Executive Director as Whole-time Director w.e.f. 15th October, 1998 and he shall be paid remuneration w.e.f. 1st September, 1999 subject to approval by shareholders.

AUDITORS

M/s. J. M. Trivedi & Associates, Chartered Accountants, Mumbai, retire at the ensuring Annual General Meeting and are eligible for re-appointment.

Y2K PREPAREDNESS

The Company has taken all adequate steps to have Y2K preparedness including the necessary contingency plan. No production disruption is anticipated.

CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE AND OUTGO

Information in accordance with the provision of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are given in annexure "A" forming part of this report.

PARTICULARS OF EMPLOYEES

The particulars prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are not applicable in the case of any of the employees of the Company.

INDUSTRIAL RELATIONS

During the under review the Industrial relations remained cordial at all its offices and establishments.

ACKNOWLEDGEMENT

The Directors wish to convey their appreciation for the co-operation received from the Company's bankers and various Govt. Agencies. The Directors also wish to thank the Shareholders, Employees, Customers and Suppliers for their support and co-operation.

For and on behalf of the Board of Directors

Indore

The 23rd day of August, 1999

OM AGRAWAL

(CHAIRMAN)


SAM INDUSTRIES LIMITED
ANNEXURE "A"
I. FORM - A
FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY.
A. POWER AND FUEL CONSUMPTION

	<u>1998-99</u>	<u>1997-98</u>
Electricity		
(a) Purchased Unit	836,298.00	2,080,264.00
Total Amount	4,098,495.00	8,804,171.00
Rate/Unit	4.90	4.23
(b) Own Generation		
(i) Through Diesel Generator		
Units	224,104.00	NIL
Units per Ltr.	3.20	NIL
Cost/Unit	3.71	NIL
(ii) Through Steam Turbine		
Units	NIL	NIL
Units per Ltr. of fuel Oil	NIL	NIL
Cost/Unit	NIL	NIL
Coal	NIL	NIL
Furnace Oil		
(Qty. Ltr)	1,358,497.00	2,553,144.00
Total Amount	9,154,609.00	17,024,363.00
Average Rate (Rs./Ltr.)	6.74	6.67

B. CONSUMPTION PER UNIT OF PRODUCTION

Products	DOC & Oil	DOC & Oil
Electricity (Unit/M.T.)	30.77	25.71
Furnace Oil (Ltr./M.T.)	39.42	31.56

II. RESEARCH AND DEVELOPMENT

The Company manufactures standard product for which technology has already been established, and therefore, no further research is being carried out.

III. TECHNOLOGY & ABSORPTION

The Company has adopted indigenous technology for crushing of soyabean seed and other oil seeds. No foreign technology has been imported by the Company.

IV. FOREIGN EXCHANGE EARNING AND OUT GO

	<u>Current Year</u>	<u>Previous Year</u>
Foreign Exchange used (Travelling Exp. and actual foreign exchange used in import)	1,791,522.00	---
Foreign exchange earned	NIL	12,857,353.00