



SAM INDUSTRIES LIMITED

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**9TH
ANNUAL REPORT
2002-2003**



SAM INDUSTRIES LIMITED

Board of Directors

Shri Om Agrawal, Chairman

Shri Ashutosh Maheshwari, Vice Chairman

Shri Anil Maloo, Executive Director

Shri V.K. Khandelwal, Executive Director

Shri M.D. Khatri, Director

Smt. Trupti Patel, Director

Auditors

M/s. J. M. Trivedi & Associates

Chartered Accountants

NO.2, Shiv Sadan, Dr. Rajendra Prasad Road,

Mulund (West),

MUMBAI – 400 080

Bankers

State Bank of India

IDBI Bank Limited

R & T Agent (Demat)

M/s. Ankit Consultancy Pvt. Ltd.,

2nd Floor, Alankar Point,

Geeta Bahwan Square,

A.B. Road,

Indore – 452 001

Physical Segment

In - house

Registered Office & Factory

Village : Dakachya- 453771,

Tehsil : Sanwer

District : Indore

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SAM INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the 9th Annual General Meeting of the Members of Sam Industries Limited, will be held at the Registered Office of the Company at Village : Dakachya - 453771, A.B. Road, Tehsil Sanwer, District Indore on Tuesday, the 30th September, 2003 at 2:00 P.M. to transact the following business: -

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2003 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. Khatra, who retires by rotation and is eligible for re appointment.
3. To appoint a Director in place of Shri Ashutosh A Maheshwari, who retires by rotation and is eligible, for re-appointment.
4. To appoint M/s. J. M. Trivedi & Associates, Chartered Accountants, Mumbai as Auditors of the Company and to fix their remuneration.

By Order of the Board

Indore,
The 23rd day of August, 2003

Anil Maloo
Executive Director

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 Register of Members and Share Transfer Register of the Company will remain closed from Tuesday, 23rd September 2003 to Tuesday, 30th September 2003 (both days inclusive).
3. Shareholders desiring any information as regards the accounts are requested to write to the Company at least 10 days before the annual General Meeting to enable the Management to keep the information ready.
4. Members are requested to kindly bring their copies of the Annual Report to the Meeting.
5. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.



SAM INDUSTRIES LIMITED

REPORT OF THE BOARD OF DIRECTORS

To the Members,

Your Directors have pleasure in presenting the 9th Annual Report of the Company along with the Audited Accounts for the year ended 31st March, 2003:

FINANCIAL RESULTS

Particulars	(Rs. in Lacs)	
	<u>2002-2003</u>	<u>2001-2002</u>
Sales & Other Income	1113.14	1492.62
Total Expenditure	1053.01	1173.07
Profit (loss) before depreciation, and tax	60.13	319.55
Less: Depreciation	121.96	123.82
Provision for Taxation	—	—
Deferred Tax Liability	30.06	43.56
Profit (Loss) after depreciation & tax	(91.89)	152.17
Add: Balance brought forward	(403.60)	(554.40)
Prior year adjustment	(0.92)	(1.37)
Balance carried forward to Balance Sheet	(496.41)	(403.60)

DIVIDEND

The Board of Directors does not recommend any dividend.

MANAGEMENT DISCUSSIONS AND ANALYSIS

Financial Review

It was yet another disappointing year specially for the soya industry, both in local & international market. The Company recorded the Sales and Other income including Processing Charges of Rs. 1113.14 Lacs as against Rs. 1492.62 Lacs in the previous year. Due to unfavorable climatic conditions, the Company incurred loss Rs. 91.89 Lacs as compared to a profit of Rs. 152.17 Lacs during the previous year. The Company continues doing processing job for ITC Limited (IBD Division) again in this year. ITC Limited – International Business Division was fully satisfied with quality and quantity processed at your plant. They have also appreciated the co-operation extended by the Management and staff of your Company in their “Soya Choupal System”. One letter and one certificate received from them have also been attached with this Report.

Resources and Liquidity

During the year under review, your Company issued 10,50,000, 9% Non Cumulative Redeemable Preference Shares of Rs.100/- each.

Registered Office

The Company has shifted its Registered Office to Factory - Village Dakachya – 453 771, A.B. Road, Tehsil Sanwer, Dist - Indore.

Industry Outlook

The outlook of the industry is positive looking to the change in economic scenario. The perception about the performance of Soya Industry & Electrode Industry has improved and better performance is expected in years to come with good monsoon.

Internal Control System

The Company ensures existences of adequate internal control through documented Policy & Procedures to be followed by the executives at various levels in the organization. The Audit committee of the Board of Directors reviews the adequacy of internal controls time to time.

FIXED DEPOSIT

The company has not accepted any Deposit under Section 58A of the Companies Act, 1956 during the year.



SAM INDUSTRIES LIMITED

DIRECTORS

In accordance with Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Shri M.D. Khatri and Shri Ashutosh A Maheshwari will retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

AUDITORS

M/s. J.M. Trivedi & Associates, Chartered Accountants, Mumbai, retire at the conclusion of ensuing Annual General Meeting and are eligible for reappointment.

AUDITORS REPORT

The Notes to the Accounts as referred to in the Auditor's Report are self-explanatory and therefore, do not call for any further comments or explanations.

CORPORATE GOVERNANCE

The Company has complied with requirement of corporate governance as per clause 49 of the Listing Agreements with Stock Exchanges. A detailed report on Corporate Governance is annexed to this Annual Report. A certificate from the Statutory Auditors of the Company regarding compliance of conditions of corporate governance has been obtained and is enclosed to this Report.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that –

- (i) in the preparation of Annual Accounts, the applicable accounting standards have been followed;
- (ii) the Directors have selected such accounting policies as mentioned in Schedule 24 of the Annual Accounts 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 of the Company for that period;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the aforesaid Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on the going concern basis.

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

Relations between the Management and its employees have been cordial. Your Directors place on record their appreciation of the efficient and loyal services rendered by the employees of the Company at all levels.

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
23rd August, 2003

OM AGRAWAL
Chairman

SAM INDUSTRIES LIMITED

ANNEXURE "A"

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

A. POWER AND FUEL CONSUMPTION

<u>Electricity</u>	2002-03	2001-02
(a) Purchased Unit	3,492,750	3,836,280
Total Amount (Rs.)	15,713,349	15,376,073
Rate /Unit	4.50	4.01
(b) Own Generation		
I) Through Diesel Generator		
Units	16,128	407,017
Units Per Ltr.	3.20	3.20
Cost /Unit	5.25	4.97
ii) Through Steam Turbine		
Units	Nil	Nil
Units Per Ltr.of fuel oil	Nil	Nil
Cost /Unit	Nil	Nil
<u>Coal</u> - Qty (M.T.)	7,394	9,716
Total Amount	14,522,340	19,580,164
Average Rate (Rs./M.T.)	1,964	2,015
<u>Furnace Oil</u> Qty.(Ltr.)	—	50,965
Total Amount	—	570,995
Average Rate (Rs./Ltr.)	—	11.20

B. CONSUMPTION PER UNIT OF PRODUCTION

Products (Seed & Electrodes)	2002-03	2001-02
Electricity (Unit / M.T.)	40.80	31.73
Furnace Oil (Ltr./ M.T.)	—	0.42
Coal (Kg./M.T.)	86	80

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

	2002-03	2001-02
Foreign exchange used (Rs)	35,224	2,476,480
Foreign exchange earned (Rs)	71,23,004	3,922,797

ANNEXURE TO THE DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE

I. Company's Philosophy

The Company's Philosophy on code of Corporate Governance is based on attainment of high level of transparency, accountability, and adequate disclosures and economic value addition. All employees are guided by the Company's policies on important issues, including our relationship with consumers, stakeholders and Government.

II. Board of Directors

As per Listing Agreement, the Board should have an optimum combination of executive and non executive Directors with not less than 50% of the Board consisting of non executive Directors. In case of a non executive Chairman, at least one-third of the Board should consist of Independent Directors and in the case of an executive Chairman, at least half of the Board should be Independent Directors.



SAM INDUSTRIES LIMITED

The Board of Directors has a mix of Executive and Non Executive Directors. The Chairman of the Board of the Company is a non executive director. The Board of Directors of the Company consists of 6 Directors, of which 3 are non-executive as on 31st March, 2003. During the year, 8 Meetings of the Board of Directors of the Company were held on 29.04.2002, 05.07.2002, 04.09.2002, 31.10.2002, 02.12.2002, 30.01.2003, 27.02.2003 and 31.03.2003. The maximum interval between any two meetings was 66 days.

The particulars of the Directors and the attendance at the Board Meetings during the year and the last Annual General Meeting as also number of other directorship and committee membership as on are as follows.

Name of Director	Category	No. of Board Meetings attended	Attendance in last AGM	No. of other Directorship	Committee Membership	
					Chairman	Member
MR. OM AGRAWAL Chairman	Independent Non – Executive	8	Yes	2	-	2
MR. ASHUTOSH MAHESHWARI Vice Chairman	Promoter Executive	8	Yes	3	-	-
MR. ANIL MALOO Executive Director	Executive	8	Yes	3	-	-
MR. M.D. KHATRI Director (Commerce & law)	Independent Non – Executive	8	Yes	14	2	-
MRS. TRUPTI PATEL Director (Business Development)	Independent Non – Executive	5	No	4	-	2
Mr. V. K.KHANDELWAL Executive Director	Executive	8	-	-	-	-

III Audit Committee

The Company has instituted Audit Committee according to the provisions of Section 292 A of the Companies, Act, 1956 & Clause 49 of the Listing agreement. Board of Directors appointed Mr. Om Agrawal, Mr. M.D. Khatri and Mrs. Trupti Patel as members of the Audit Committee under the Chairmanship of Mr. M.D. Khatri. The terms of references to the Audit Committee are as follows:

1. review with the Auditors periodically about internal control system, the scope of audit including observations of the auditors,
2. review of the half-yearly and annual financial statements before submission to the Board,
3. investigation into any matters in relation to the items specified in Section 292A or Clause 49 of the Listing Agreement or referred to it by the Board,

During the year, 3 Meetings of the Audit Committee were held on 05.07.2002, 31.10.2002, and 30.01.2003.

Name of Director	Meetings held	No. of Meetings attended
MR. M.D. KHATRI Chairman	3	3
MR. OM AGRAWAL Member	3	3
MRS. TRUPTI PATEL Member	3	3

IV Managerial Remuneration

The Board has not constituted the Remuneration Committee due to no revision of remuneration of the whole time Directors, Mr. Anil Maloo, and Mr. Ashutosh A. Maheshwari during the year. The details of Remuneration paid to the whole time Directors of the Company are as follows :



SAM INDUSTRIES LIMITED

Name of Director	Salary (Rs.)	Perquisites	Notice Period
MR. ASHUTOSH MAHESHWARI	360000	Nil	Nil
MR. ANIL MALOO	162420	Nil	3 months

Note: Salary includes Basic Salary, Allowance, contribution to Provident and Other Funds and perquisites (including monetary value of taxable Perquisites), etc.

V Shareholders and Investor's Grievance Committee

The shareholders and Investors Grievance Committee has been constituted by the Board during the year to look into the redressal of investors complaints. There were no complaints pending for reply as on 31st March, 2003 and no share transfers pending for registration as on the said date. The Committee had no occasion to meet during the year 2002-2003.

VI General Body Meetings

(a) The details of Annual General Meetings held in last 3 years are as under :

Year	Venue	Date	Time
1999-2000	703, Alankar Chambers,	30.09.2000	2.00 P.M.
2000-2001	A-2, Ratlam Kothi,	29.09.2001	2.00 P.M.
2001-2002	A.B. Road, Indore -- 452 001	30.09.2002	2.00 P.M.

(b) The details of Extra Ordinary General Meetings held in last 3 years are as under :

Year	Venue	Date	Time
2001-2002	Village : Dakachya - 453771, A.B. Road, Tehsil Sanwer, District Indore	31.03.2003	2.00 P.M.

During the year 2002-2003, the Company had taken shareholders approval by way of Special Resolution through postal ballot for the shifting of the Registered Office of the Company outside the local limit of Indore. The Chairman declared the results of the postal ballot on 7th January 2003. At the forthcoming AGM, there is no item on agenda that needs approval by postal ballot. The Company shall comply with the requirements relating to postal ballot as and when necessary.

VII Disclosure

- During the year under review, besides the transactions reported elsewhere in the Annual Report, there were no other related parties' transaction viz., Promoters, Directors or the Management, their subsidiaries or relatives that had a potential conflict with the interest of the Company at large.
- No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the period under review.

VIII Means of Communication

The quarterly, half - yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board. These are widely published in national and regional newspapers.

IX General Shareholders Information

Annual General Meeting

Date 30.09.2003

Time 2.00 P.M.

Venue : Village : Dakachya - 453771, A.B. Road, Tehsil Sanwer, District Indore



SAM INDUSTRIES LIMITED

Financial Calendar 2003-2004

1	First Quarter Results	July 2003
2	Second Quarter & Half Yearly Results	October 2003
3	Third Quarter Results	January 2004
4	Annual Report	August 2004

Date of Book Closure

The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 23rd September, 2003 to Tuesday 30th September, 2003 (both days inclusive)

Listing of Securities

Name of the Stock Exchanges

Madhya Pradesh Stock Exchange,
201, Palika Plaza
M.T.H. Compound
Indore - 452 001.

The Stock Exchange Mumbai,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001
Stock Code 532005

Market Price Data

High/ low of market price of the Company's equity shares traded on BSE during the last financial year was as follows.

Month	Quotation at Mumbai Stock Exchange	
	High (Rs.)	Low (Rs.)
April, 2002	—	—
May, 2002	—	—
June, 2002	—	—
July, 2002	—	—
August, 2002	—	—
September, 2002	4.90	4.90
October, 2002	—	—
November, 2002	—	—
December, 2002	—	—
January, 2003	4.85	4.85
February, 2003	—	—
March, 2003	5.00	5.00

Registrar & Transfer Agent.

Company was availing the services of M/s. Mondkar Computers Pvt. Ltd., 21, Shakil Niwas, Mahakali Caves Road, Andheri (E), Mumbai - 400 093 up to 30.09.2002 thereafter change the Registrar from M/s. Mondkar Computers Pvt. Ltd., Mumbai to M/s. Ankit Consultancy Pvt. Ltd., 2nd Floor, Alankar Point, Geeta Bahwan Square, A.B. Road, Indore - 452 001 for the purpose of electronic connectivity with the depositories for dematerialized shares.

Share Transfer Systems

Shares received for transfer in physical form are registered and dispatched within thirty days of receipt of the documents. If shares are under objection than same are returned within fifteen days. Request for dematerialization of shares are processed within fifteen days.