



# SAM INDUSTRIES LIMITED

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**10TH  
ANNUAL REPORT  
2003-2004**

**CERTIFIED TRUE COPY**  
For Sam Ind. Ltd.  
*[Signature]*  
Company Secretary

### **Board of Directors**

Shri Om Agrawal, Chairman  
Shri Ashutosh Maheshwari, Vice Chairman  
Shri Anil Maloo, Executive Director  
Shri V.K. Khandelwal, Director  
Shri M.D. Khatri, Director  
Smt. Trupti Patel, Director

Naveen Patwa, Company Secretary

### **Auditors**

M/s. J. M. Trivedi & Associates  
Chartered Accountants  
317, Marathon Max, 3<sup>rd</sup> floor,  
Junction of LBS Marg &  
Mulund-Goregaon Link Road,  
Mulund (West),  
MUMBAI – 400 080

### **Bankers**

State Bank of India  
IDBI Bank Limited

### **Registrar & Transfer Agent**

M/s. Ankit Consultancy Pvt. Ltd.,  
2<sup>nd</sup> Floor, Alankar Point,  
Geeta Bhawan Square,  
A.B. Road,  
Indore – 452 001

### **Registered Office & Factory**

Village : Dakachya- 453771,  
Tehsil : Sanwer  
District : Indore

## **SAM INDUSTRIES LIMITED**

**Village Dakachya – 453771, Tehsil Sanwer, District Indore**

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### **NOTICE**

Notice is hereby given that the 10<sup>th</sup> 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 Thursday, the 30<sup>th</sup> September, 2004 at 2:00 P.M. to transact the following business: -

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2004 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 V. K. Khandelwal, who retires by rotation and is eligible for re appointment.
3. To appoint a Director in place of Shri Om Agrawal, 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.

### **SPECIAL BUSINESS**

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

“RESOLVED THAT pursuant to the provisions of Section 163 of the Companies Act, 1956, that the Company’s Register of Members and Index of Members be kept at the Office of the Company’s Registrar and Share Transfer Agent namely M/s. Ankit Consultancy Pvt. Ltd., 2<sup>nd</sup> Floor, Alankar Point, Geeta Bhawan Square, A.B. Road, Indore – 452 001 instead of at the Registered Office of the Company.”

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

“RESOLVED that pursuant the applicable provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003, (hereinafter referred to as the “Delisting Guidelines”) including any statutory modification(s) or re-enactments thereof for the time being in force, the Companies Act, 1956, Securities Contract (Regulation) Act, 1956 and the rules framed there under, Listing Agreements(s), and all other applicable laws, rules, regulations, and guidelines and subject to approval(s), consent(s), permissions(s) or sanctions(s), of the Securities and Exchange Board of India, Stock Exchange(s) where the shares of the Company are listed and other appropriate authorities or regulators as may be necessary and subject to such conditions and modifications, as may be prescribed or imposed by any authority while granting such approval(s) permissions (s) and sanction(s), which may be agreed to by the Board of Directors of the Company, the consent of the Company be and is hereby accorded to the Board of Directors to seek voluntary de-listing the Equity Shares of the Company from the Madhya Pradesh Stock Exchange.

RESOLVED further that the Board of Directors of the Company be and are hereby authorized to sign and submit all applications, forms, papers and other documents and to comply with all other formalities / procedures and to do all such acts, deeds and things as may be required by the above stock exchange, SEBI and / or by any other statutory / regulatory authorities, in connection with Delisting of equity shares of the Company from the Madhya Pradesh Stock Exchange."

7. 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 Section 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, approval of the company be and is hereby granted for the payment of Remuneration to Mr. Ashutosh A Maheshwari, Vice Chairman, for a period of two years with effect from 1<sup>st</sup> April, 2004, on the terms and conditions as set out below:

1. Salary : Rs.75,000/- per month.
2. Perquisites & Allowances :
  - (i) Medical : Reimbursement of medical expenses incurred for self and family subject to the ceiling of one month salary in a year or three months salary in a block of three years.
  - (ii) Leave Travel Concession : Leave Travel Concession for self and family once in a year to and from any place in India or abroad up to Rs.1,50,000/- per annum.
  - (iii) Club Fee : Subject to a maximum of two clubs the total of which to the Company shall not exceed Rs.18,000/- in a year.
  - (iv) Personal Accident Insurance : As per the policy of the Company.
  - (v) Conveyance : One Car for use on Company's Business.
  - (vi) Telephone : Telephone facility at the residence.

Explanation :- Provision of car for use of Company's business and telephone at residence will not be considered in computing the value of perquisites.

Note:- All the perquisites will be interchangeable i.e., any excess in particular perquisites may be permissible by a corresponding reduction in one or more of the other perquisite(s).

3. Sitting Fee : No sitting fee shall be paid to Mr. Ashutosh A Maheshwari for attending the Meeting of the Board of Directors of the Company or any committees thereof.
4. Minimum Remuneration : In the event of inadequacy or absence of profit in any financial year during his tenure, Mr. Ashutosh A Maheshwari, will be entitled to the above remuneration along with the perquisites / benefits mentioned above by way of minimum remuneration.

8. 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 Section 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, approval of the company be and is hereby granted for the re-appointment and payment of Remuneration to Mr. Anil Maloo, Executive Director, for a period of five years with effect from 1<sup>st</sup> September, 2004, on the terms and conditions as set out below:

1. Salary : Rs.15,000/- per month.
2. Perquisites & Allowances :
  - (i) Medical Reimbursement: Reimbursement of domiciliary expenses incurred in India for self and family at actual.
  - (ii) Club Fee : Subject to a maximum of two clubs the total of which to the Company shall not exceed Rs.18,000/- in a year.
  - (iii) Personal Accident Insurance : As per the policy of the Company.
  - (iv) Conveyance : One Car for use on Company's Business.
  - (v) Telephone : Telephone facility at the residence.

Explanation :- Provision of car for use of Company's business and telephone at residence will not be considered in computing the value of perquisites.

Note:- All the perquisites will be interchangeable i.e., any excess in particular perquisites may be permissible by a corresponding reduction in one or more of the other perquisite(s).

3. Sitting Fee : No sitting fee shall be paid to Mr. Anil Maloo for attending the Meeting of the Board of Directors of the Company or any committees thereof.
  4. Minimum Remuneration : In the event of inadequacy or absence of profit in any financial year during his tenure, Mr. Anil Maloo, will be entitled to the above remuneration along with the perquisites / benefits mentioned above by way of minimum remuneration.
9. To consider and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:-

**"RESOLVED** that in supersession of the Special Resolution passed by the members at the 8<sup>th</sup> Annual General Meeting, held on 30<sup>th</sup> September 2002, and pursuant to the provisions of Section 314(1) and other applicable provisions, if any, of the Companies Act, 1956 consent of the Company be and is hereby accorded to appoint Mr. Arvind A Maheshwari, as President who is relative of Mr. Ashutosh A Maheshwari, Director of the Company, with effect from 1<sup>st</sup> April 2004, for a period of three years, on monthly remuneration of Rs.40,000/- subject to statutory deduction.

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

**"RESOLVED** that consent of the Company be and is hereby accorded under the provisions of Section 314(1) and other applicable provisions, if any, of the Companies Act, 1956 to appoint Mrs. Seema A Maheshwari, as Commercial Advisor, relative of Mr. Ashutosh A Maheshwari, Director of the Company, with effect from 1<sup>st</sup> April 2004, for a period of three years, on monthly remuneration of Rs.25,000/- subject to statutory deduction.

Indore,  
The 23<sup>rd</sup> day of August, 2004

By Order of the Board

  
Naveen Patwa  
Company Secretary

**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 Thursday, 23<sup>rd</sup> September 2004 to Thursday, 30<sup>th</sup> September 2004 (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 filed in for attending the Meeting.
6. All documents relevant to the business to be transacted at this meeting will be available for inspection at the Registered Office of the Company during office hours on all the working days up to the date of Annual General Meeting.
7. Explanatory Statement as per Section 173 of the Companies Act, 1956 is annexed.

## ANNEXURE TO NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

#### ITEM NO.5

Pursuant to newly introduced Regulation 53A of the Securities and Exchange Board of India (Depositories & Participants) Regulations, 1996 the Company has appointed Ankit Consultancy Private Limited, a SEBI registered Agent as the Common registrar and Share Transfer Agent of the company for the both physical and dematerialized segments with effective from 1<sup>st</sup> June, 2004. For efficient discharge of the work it is necessary that the Register and Index of Members are kept at the Agent's office at 2<sup>nd</sup> Floor, Alankar Point, Geeta Bhawan Square, A.B. Road, Indore - 452 001 instead of at the Registered Office of the Company.

In terms of the proviso to Section 163(1) of the Companies Act, 1956, for keeping the Register and Index referred to above at any place other than at the Registered Office, approval of the members by a Special Resolution is required. Hence this resolution, which is recommended for adoption.

None of the Directors of the Company are concerned or interested in passing of the proposed Resolution.

#### ITEM NO.6

The Equity shares of the Company are currently listed on The Stock Exchange Mumbai (BSE) and Stock Exchange of Madhya Pradesh. As the large network of BSE offers investors sufficient trading and liquidity, it is proposed to de-list the equity shares of the Company from the Madhya Pradesh Stock Exchange and continue listing on the Stock Exchange, Mumbai. Prior consent of members is sought in terms of the SEBI guidelines on de-listing.

The Directors recommend the passing of Special Resolution as set out in Item No.6 of the Notice.

None of the Directors of the Company are concerned or interested in passing of the proposed Resolution.

#### ITEM NO.7

Mr. Ashutosh A Maheshwari was appointed as a Vice Chairman of the Company. The appointment was approved by the Company at its Annual General Meeting held on 4<sup>th</sup> July, 1996, thereafter his remuneration Rs.30000/- per month w.e.f. 01.04.2001 was approved by the Company at its Annual General Meeting held on 29<sup>th</sup> September, 2001.

The Company has made good progress since April 2001 onwards. In view of the continuous contribution and commitment made by Mr. Ashutosh A Maheshwari for turning around the Company during the period, the remuneration committee approved the enhanced remuneration and re-appointment with effect from 1<sup>st</sup> April 2004. The Board of Directors, at its meeting held on 29<sup>th</sup> April 2004, considered the recommendation of the Remuneration Committee and decided the remuneration on revised terms and conditions.



Hence, the above resolution is proposed as a Special Resolution and except Mr. Ashutosh A Maheshwari, Vice Chairman, no other Director is deemed to be interested or concerned in the Proposed Resolution.

The Directors recommend the passing of Special Resolution as set out in Item No.7 of the Notice.

The explanatory statement with the accompanying notice, should be treated as Memorandum of Interest, required to be sent to Shareholders under Section 302 of the Companies, 1956.

#### **ITEM NO. 8**

The Board of Directors of the Company at its meeting held on 23<sup>rd</sup> August, 2004, subject to the approval of the members in the Annual General Meeting, approved the terms and conditions of reappointment and remuneration payable to Mr. Anil Maloo as a Whole time Director designated as an Executive Director of the Company with effect from 1<sup>st</sup> September, 2004 for a period of five years. Pursuant to the provisions of Section 269 and 309 of the Act, read with Schedule XIII to the Act, the aforementioned reappointment of Mr. Anil Maloo and the terms as to remuneration, particularly in regard to minimum remuneration require the approval of the Members in General Meeting by Special Resolution.

Hence, the above resolution is proposed as a Special Resolution and except Mr. Anil Maloo, Executive Director, no other Director is deemed to be interested or concerned in the Proposed Resolution.

The Directors recommend the passing of Special Resolution as set out in Item No.8 of the Notice.

The explanatory statement with the accompanying notice, should be treated as Memorandum of Interest, required to be sent to Shareholders under Section 302 of the Companies, 1956.

#### **ITEM NO.9**

Section 314 (1) of the Companies Act, 1956, inter-alia, provides that appointment of a relative of a Director for holding an Office or a place of profit in a Company carrying total monthly remuneration exceeding Rs.10,000/- but not more than Rs.50,000/-, shall require approval of the Members by Special Resolution.

Considering the expertise, knowledge and vast experience possessed by Mr. Arvind A Maheshwari and his contribution to the business, your directors feel that Company should have his continued service and revise the remuneration from the present Rs.18,000/- per month to Rs.40,000/- per month w.e.f. 1<sup>st</sup> April, 2004.

The Directors recommend the passing of Special Resolution as set out in Item No.9 of the Notice.

None of the Directors of the Company other than Mr. Ashutosh A Maheshwari, are in any way, concerned or interested in passing of the proposed Resolution.



**ITEM NO. 10**

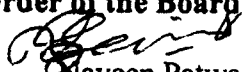
Section 314 (1) of the Companies Act, 1956, inter-alia, provides that appointment of a relative of a Director for holding an Office or a place of profit in a Company carrying total monthly remuneration exceeding Rs.10,000/- but not more than Rs.50,000/-, shall require approval of the Members by Special Resolution.

Considering the expertise and knowledge possessed by Mrs. Seema A Maheshwari and her contribution to the business, your directors feel that Company should avail her advice and remuneration of Rs.25,000/- per month w.e.f. 1<sup>st</sup> April, 2004.

The Directors recommend the passing of Special Resolution as set out in Item No.10 of the Notice.

None of the Directors of the Company other than Mr. Ashutosh A Maheshwari, are in any way, concerned or interested in passing of the proposed Resolution.

Indore,  
The 23<sup>rd</sup> day of August, 2004

By Order of the Board  
  
Naveen Patwa  
Company Secretary

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# SAM INDUSTRIES LIMITED

Village Dakachya – 453771, Tehsil Sanwer, District Indore

## REPORT OF THE BOARD OF DIRECTORS

To the Members,

Your Directors have pleasure in presenting the 10<sup>th</sup> Annual Report of the Company along with the Audited Accounts for the year ended 31<sup>st</sup> March, 2004:

### FINANCIAL RESULTS

Particulars	(Rs. in Lacs)	
	<u>2003-2004</u>	<u>2002-2003</u>
Sales & Other Income	1265.78	1113.14
Total Expenditure	1019.61	1053.01
Profit (loss) before depreciation, and tax	246.17	60.13
<u>Less: Depreciation</u>	<u>120.02</u>	<u>121.96</u>
Provision for Taxation	9.50	--
Deferred Tax Liability	(3.13)	30.06
Profit (Loss) after depreciation & tax	119.78	(91.89)
Add: Balance brought forward	(496.41)	(403.60)
Prior year adjustment	(4.34)	(0.92)
Balance carried forward to Balance Sheet	(380.97)	(496.41)

### DIVIDEND

The Board of Directors to conserve the resources of the Company and to maintain the liquidity has decided not to declare dividend on both Equity and Preference Shares for the year ended 31<sup>st</sup> March 2004.

### MANAGEMENT DISCUSSIONS AND ANALYSIS

#### **Financial Review**

The financial statements have been prepared in compliance with the requirement of the Companies Act, 1956, and Generally Accepted Accounting Principles (GAAP) in India. The management of the Company accepts responsibility for the integrity and objectivity of these financial statements, as well as for various decisions used therein. The various decisions relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present the Company's state of affairs and profit for the year. The year 2003-04 was turbulent for the global economy. This year was very good year especially for the Soya industry, both in local & international market. During the year under review the Sales and Other income including Processing Charges of your Company was Rs. 1265.78 Lacs as against Rs. 1113.14 Lacs in the previous year. Due to favorable climatic conditions, the Company is able to earned a Profit of Rs.119.78 Lacs as compared to a loss of Rs. 91.89 Lacs during the previous year. Members are aware the ITC Limited (IBD Division) is continues done processing job 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.