



# **SAM INDUSTRIES LIMITED**

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**11TH  
ANNUAL REPORT  
2004-2005**



## **SAM INDUSTRIES LIMITED**

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### **Board of Directors**

Shri Om Agrawal, Chairman  
Shri Ashutosh Maheshwari, Vice Chairman  
Shri Anil Maloo, Executive Director  
Shri B. K. Jalan, Director (From 01.12.2004)  
Shri Santosh Muchhal, Director (From 01.12.2004)  
Mr. Bhanu Prakash Inani, (From 21.03.2005)  
Shri V.K. Khandelwal, Director (Upto 01.12.2004)  
Smt. Trupti Patel, Director (Upto 01.12.2004)  
Shri M.D. Khatri, Director (Upto 21.03.2005)

### **Company Secretary**

Mr. Naveen Patwa

### **Auditors**

M/s. J. M. Trivedi & Associates  
Chartered Accountants  
317, Marathon Max, 3rd Floor,  
Mulund - Goregaon Link Road,  
Mulund (West),  
MUMBAI – 400 080

### **Bankers**

State Bank of Indore

### **Registrar & Transfer Agent**

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

### **Registered Office & Factory**

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



# SAM INDUSTRIES LIMITED

Village Dakachya - Tehsil-Sanwer, District - Indore - 453 771

## Attendance Slip

Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the Eleventh Annual General Meeting of the Company at Village - Dakachya - Tehsil-Sanwer, District - Indore - 453 771, at 2.00 p. m. on Friday, the 30th September, 2005.

.....  
Full name of the Shareholder  
(in block capitals)

.....  
Signature

Folio No. : ..... / DP ID No.\* ..... & Client ID No.\* .....

\* Applicable for members holding shares in electronic form.

.....  
Full name of the Shareholder  
(in block capitals)

.....  
Signature

NOTE : Shareholder/Proxyholder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

# SAM INDUSTRIES LIMITED

Village Dakachya - Tehsil-Sanwer, District - Indore - 453 771

## Proxy

I/We .....  
of.....in the district of.....being  
a Member/Members of the above named named Company, hereby appoint .....of  
.....in the district of.....or failing him  
.....of.....in the district of  
.....as my/our Proxy to attend and vote for me/us and on my/our  
behalf at the Eleventh Annual General Meeting of the Company, to be held on Friday, 30th September, 2005 and  
at any adjournment thereof.

Signed this.....day of.....2005.

Folio No. : ..... / DP ID No.\* ..... & Client ID No.\* .....

\* Applicable for members holding shares in electronic form.

No. of Shares

.....  
Signature

Affix Re. 1  
Revenue  
Stamp

This form is to be used @ in favour of ..... the resolution. Unless otherwise instructed, the proxy will act as he thinks fit.  
@ against

@ Strike out whichever is not desired.

NOTES : (i) The proxy must be returned so as to reach the Registered Office of the Company at Village - Dakachya - Tehsil-Sanwer, District - Indore - 453 771, not less than FORTY-EIGHT HOURS before the time for holding the aforesaid meeting  
(ii) Those members who have multiple folios with different jointholders may use copies of this Attendance Slip/Proxy.



## SAM INDUSTRIES LIMITED

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

Year	Venue	Date	Time
2002-2003	Village : Dakachya - 453771, A.B. Road, Tehsil Sanwer, District Indore	31.03.2003	2.00 P.M.
2004-2005	Village : Dakachya - 453771, A.B. Road, Tehsil Sanwer, District Indore	28.02.2005	2.00 P.M.

### 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 the Board approves them. These are widely published in national and regional newspapers.

### IX General Shareholders Information

#### Annual General Meeting

Date 30.09.2005

Time 2.00 P.M.

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

#### Date of Book Closure

The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, 23<sup>rd</sup> September, 2005 to Friday 30<sup>th</sup> September, 2005 (both days inclusive)

#### Financial Calendar 2005-2006

1	First Quarter Results	July 2005
2	Second Quarter & Half Yearly Results	October 2005
3	Third Quarter Results	January 2006
4	Annual Report	August 2006

### 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,  
The Stock Exchange Mumbai,  
Dalal Street,  
Mumbai - 400 001  
Stock Code 532005

#### Market Price Date

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



## SAM INDUSTRIES LIMITED

Month	Quotation at Mumbai Stock Exchange	
	High (Rs.)	Low (Rs.)
April, 2004	—	—
May, 2004	—	—
June, 2004	—	—
July, 2004	—	—
August, 2004	—	—
September, 2004	—	—
October, 2004	—	—
November, 2004	3.45	2.40
December, 2004	5.95	4.14
January, 2005	9.00	7.14
February, 2005	8.50	5.14
March, 2005	5.00	3.25

### Registrar & Transfer Agent.

As per the directives of SEBI, the Company has appointed M/s. M/s. Ankit Consultancy Pvt. Ltd., 2<sup>nd</sup> Floor, Alankar Point, Geeta Bhawan Square, A.B. Road, Indore – 452 001 as its registrar and Share Transfer Agent and all the Share transfer and the relating queries may please be forwarded to the Share Transfer Agent directly at their address.

### 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.

### Distribution of Shareholding

Distribution of Shareholding as on 31<sup>st</sup> March, 2005:

No. of ordinary Shares held	No. of Shareholders	% of Shareholders	No. of Ordinary shares	% of share holding
Upto 500	446	50.28	185755	01.68
501 - 1000	266	29.99	251137	02.26
1001 - 2000	58	06.54	96978	00.87
2001 - 3000	48	05.41	112800	01.02
3001 - 4000	6	00.68	20600	00.19
4001 - 5000	15	01.69	65900	00.59
5001 - 10000	11	01.24	95000	00.86
10001 & above	37	04.17	110260300	92.53
<b>Total</b>	<b>887</b>	<b>100.00</b>	<b>11088470</b>	<b>100.00</b>

The Shareholding Pattern as on 31<sup>st</sup> March, 2005 is given below:

S.No	Category	No. of Shares held	% shareholding
1	Promoter	7409240	66.82
2	Govt Company	59000	00.53
3	NRIs,	1356000	12.23
4	Private Corporate Bodies	1181998	10.66
5	Indian public	1082232	09.76
	<b>Total</b>	<b>11088470</b>	<b>100.00</b>



## SAM INDUSTRIES LIMITED

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### Dematerialization of Shares and Liquidity

As on 31<sup>st</sup> March 2005, 65.59% of the Company's total equity shares representing 7273500 shares were held in dematerialized form and the balance 34.40% representing 3814970 were in physical form.

### Plant Location

The Company's plants are located at Village: Dakachya, A.B. Road, Tehsil : Sanwer, District : Indore.

### Address for Correspondence

The Shareholders may address their communications to.

Mr. Naveen Patwa, Company Secretary is the Compliance Officer of the Company.

Sam Industries Limited,  
102-A, Kanchan Sagar,  
18/1, Old Palasia, A.B. Road,  
Indore – 452 001.

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## AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
Sam Industries Limited

We have examined the compliance of corporate governance by Sam Industries Ltd for the year ended on 31<sup>st</sup> March, 2005, as stipulated in clause 49 of the Listing agreement of the said company with stock exchanges.

The compliance of conditions of corporate governance is responsibility of the management. Our examination was limited to the procedure and implementation thereof, adopted by Sam Industries Limited for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of Sam Industries Limited.

On the basis of our review and according to the information and explanation given to us and representation made to us by the management, we state that to the best of our knowledge and belief, the Company has complied in all material respects with the conditions of Corporate Governance stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges.

**For J. M. TRIVEDI & ASSOCIATES**  
**Chartered Accountants**

**(J. M. Trivedi)**  
**Proprietor**  
**M.No.42063**

Indore  
The 23<sup>rd</sup> August, 2005


**SAM INDUSTRIES LIMITED**


ITC Limited  
INTERNATIONAL BUSINESS DIVISION  
Plot No. 8, Ranjit Towers,  
3rd Floor, Zone-II, M.P. Nagar,  
Bhopal - 462 011 India  
Telephone : 2763071, 72 - 74  
Fax : (0755) 2763081

### TO WHOMSOEVER IT MAY CONCERN

This is to certify that we have processed our Soya seed on job-work basis, at the plant of M/s **Sam Industries Limited** at Village Dakachya, Tehsil. Sanwer. A. B. Road, District Indore (M.P.) 453771 during the financial year from 1.04.2004 to **31.03.2005**

The total quantity of seed processed during this period was **58,967.741 M.T.** (Fifty Eight Thousand Nine hundred sixty seven and seven four one Metric Tones)

We certify that we are satisfied with all the input, output and yield ratios in respect of the seeds crushed at the solvent plant of M/s Sam Industries Limited at Village Dakachya, Tehsil. Sanwer, A. B. Road, District Indore (M.P.) 453771. The output of DOC, Crude Oil and Refined Oil was in the required quality and the right quantity as per our job work agreement.

The Company has extended full co-operation in the jobs with honesty and integrity.

**For ITC Ltd. (International Business Division)**

  
**Authorised Signatory**

**IBD**

Registered Office : ITC Limited, Virginia House, 37, J.L. Nehru Road, Kolkata 700 071 India

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**SAM INDUSTRIES LIMITED**


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Bhopal - 462 011 India  
Telephone : 2763071, 72 - 74  
Fax : (0755) 2763081

To  
Mr. Anil Maloo  
Executive Director  
Sam Industries Limited  
Indore (M.P.)

Dear Sir,

During the recently concluded financial year from 1<sup>st</sup> April 2004 to 31<sup>st</sup> March 2005. We have been process a record quantity of **58,967.741 M.T.** (Fifty Eight Thousand Nine hundred sixty seven and seven four one Metric Tones) at Sam Industries Ltd. at Village Dakachya, Tehsil: Sanwer, A. B. Road, District Indore (M.P.) 453771. We have also been very successful in activating the buying of Soya Bean Seed from Farmers through the "Soya Choupal" at your Plant. We would like to convey our sincer appreciation and gratitude for the efforts put in by you and the team of employees of Sam Industries Limited during the past year to make these successes possible.

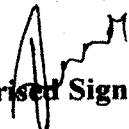
In the Choupal buying model, there was a lot of pressure on the infrastructure at the Plant due to the large number of farmers visiting Plant. We appreciate the efforts put in by your team under your able leadership to manage the logistics involved and to provide suitable facilities to the farmers.

We hope to continue our relationship in the seasons to come where your continued efforts will be essential build on the successes of the Third year of Choupal buying and to carry the initiative to its full potential.

Thanking You

Yours Faithfully

**For ITC Ltd. (International Business Division)**

  
**Authorized Signatory**

**IBD**

*Registered Office : ITC Limited, Virginia House, 37, J.L. Nehru Road, Kolkata 700 071 India*

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# SAM INDUSTRIES LIMITED

## The Auditors Report

To

The Members of Sam Industries Ltd., Dakachya

We have audited the attached Balance Sheet of **Sam Industries Limited** as at March 31, 2005, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
2. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books. The branch auditor's report has been forwarded to us and has been appropriately dealt with.
  - iii) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - iv) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report subject to notes on accounts at Schedule 25, comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - v) on the basis of written representations received from the directors, as on March 31, 2005, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2005 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
  - vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2005;
    - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
    - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For J. M. TRIVEDI & ASSOCIATES**  
**Chartered Accountants**

**(J. M. Trivedi)**  
**Proprietor**  
**M.No.42063**

Indore  
The 23<sup>rd</sup> August, 2005



## SAM INDUSTRIES LIMITED

### ANNEXURE TO THE AUDITOR'S REPORT

#### Referred to in paragraph 1 of our report of even date

1. (a) In respect of fixed assets, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets .
- (b) The Fixed Assets have been physically verified by the management, in accordance with the programme of verification adopted by the company. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its assets. To the best of our knowledge, no material discrepancies have been noticed on such verification.
- (c) During the year, in our opinion, no substantial part of fixed assets has been disposed off by the company.
2. (a) As explained to us, the inventory of the Company has been physically verified during the year by the management. In our opinion the frequency of the verification is reasonable.
- (b) According to the information and explanation given to us, in our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation of the size of the Company and the nature of its business.
- (c) In our opinion and information and explanation given to us, the Company is maintaining proper records of inventory and no material discrepancies were noticed on verification between the physical stocks and book records.
3. (a) The Company has granted unsecured loans, to Company covered in the Register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved in the year was Rs.34,03,721/- (Rs.63,09,121/-) and the year end balance was Rs.11,278/- (Rs.58,71,721/-).
- (b) As per information & explanation given to us, no interest have been charged on the Loans which have been granted to Companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. In our opinion, the terms and conditions on which loans have been granted to Companies listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
- (c) In respect of loans granted, there are no stipulations with regard to repayment of principal amounts. These loans are repayable on demand. Hence we are unable to comment on the overdue status of such loans.
- (d) The Company has not taken any loans, secured or unsecured, from the Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements or transactions referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under Section 301 of the companies Act, 1956.
- (b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the companies Act, 1956 have been made at prices which are prima facie reasonable, having regard to prevailing market prices at the relevant time where such market prices are available.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from public in contravention with the provisions of Section 58-A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal
7. The Company has an Internal Audit System, which in our opinion is adequate and commensurate with the size of the Company and nature of its business.