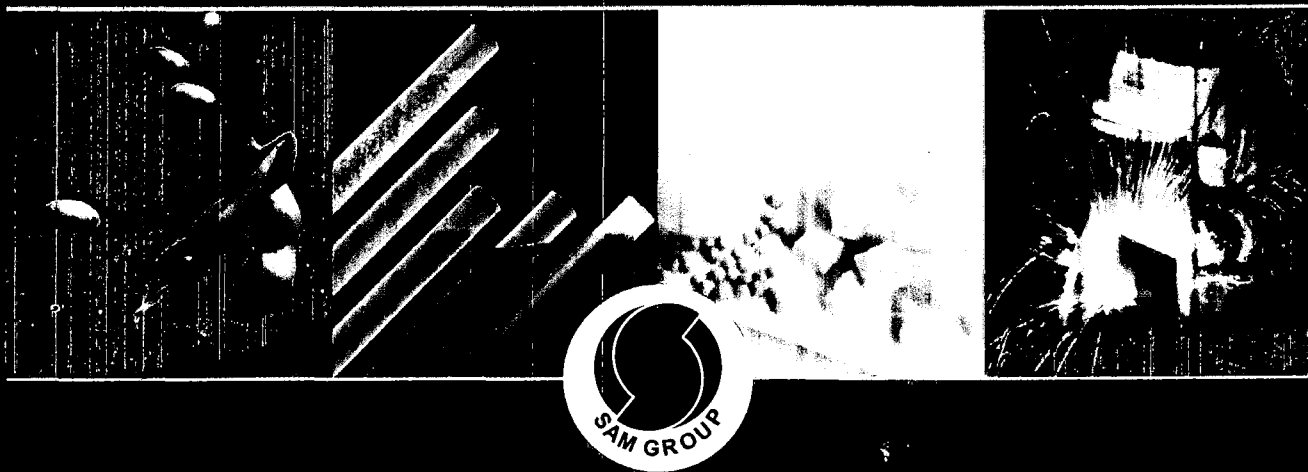


14th ANNUAL REPORT

2007-2008

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SAM INDUSTRIES LIMITED

BOARD OF DIRECTORS

Mr. Om Agrawal, Chairman
Mr. Ashutosh Maheshwari, Vice Chairman
Mr. Anil Maloo, Executive Director
Mr. Brij Kishore Jalan, Director
Mr. Santosh Muchhal, Director
Mr. Bhanu Prakash Inani, Director
Mr. Ashish Dave, Director

COMPANY SECRETARY

Mr. Navin S. Patwa

AUDITORS

M/s. M. Mehta & Company,
Chartered Accountants
Indore-452001

BANKER

State Bank of Indore

REGISTRAR & TRANSFER AGENT

M/s. Ankit Consultancy Pvt. Ltd.,
2nd Floor, Alankar Point,
Geeta Bhawan Square,
A. B. Road,
Indore 452001

REGISTERED OFFICE

408, Dalamal Chambers, 4th Floor, 29, New Marine Lines, Mumbai 400020

Website : www.sam-industries.com

E-mail : secretarial@sam-industries.com

SAM INDUSTRIES LIMITED**NOTICE**

Notice is hereby given that the 14th Annual General Meeting of the Members of Sam Industries Limited, will be held on Tuesday, the 30th day of September, 2008 at 2:00 P. M., at the Basement of Dalamal Chambers, 29, New Marine Lines, Mumbai 400020 to transact the following business: -

1. To receive, consider and adopt the Balance Sheet as at 31st March 2008 and the 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 Mr. Ashutosh A. Maheshwari, who retires by rotation and being eligible offers himself for re appointment.
3. To appoint a Director in place of Mr. Anil Maloo, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s M. Mehta & Company, Chartered Accountants, Indore 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 an Ordinary Resolution:-

"Resolved That in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Ashish Dave, an additional Director of the Company, who holds office up to 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 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. Ashish Dave, designated as the technical director, for a period of five years with effect from 1st June 2008, on the terms and conditions as set out below:

1. **Salary :** Rs.30,000/- per month.

2. **Perquisites & Allowances :**

- 1) Personal Accident Insurance: As per the policy of the Company.
- 2) Conveyance: One Car for the purpose of Company's Business.
- 3) Telephone: Telephone facility at residence.

Explanation:- Provision of car for use of Company's business and telephone at the 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. Ashish Dave 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. Ashish Dave, will be entitled to the above remuneration along with the perquisites / benefits mentioned above by way of minimum remuneration.
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 re appointment and payment of Remuneration to Mr. Brij Kishore Jalan, as the whole time Director of the Company for a period of three years with effect from 1st January 2008 be paid a gross remuneration of Rs.18,800/- per month with effect from 1st July 2008 subject to State and or Central statutory deductions.

Further Resolved that even if, in any financial year the Company has no profits or its profits are inadequate Mr. Brij Kishore Jalan shall be paid the remuneration aforesaid as minimum remuneration."

By Order of the Board

Indore,
The 23rd day of August 2008

Navin S. Patwa
Company Secretary

SAM INDUSTRIES LIMITED**ANNEXURE TO NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 5 & 6**

The Board of Directors of the Company has appointed Mr. Ashish Dave as an additional Director as per Article 115 of the Articles of Association of the Company w. e .f. 1st June 2008, and as such, he holds office up to the date of this Annual General Meeting. A notice under Section 257 of the Companies Act, 1956 has been received by the Company from a member proposing the candidature of Mr. Ashish Dave for appointment as Director in this behalf.

Mr. Ashish Dave has also been appointed as a Whole-time Director of the Company for Five years from 1st June, 2008 by the Board of Directors of the Company in their meeting held on 5th June 2008 on a Gross Remuneration of Rs.30,000/- per month. Mr. Ashish Dave, aged about 44 years, is a graduate in Science and has vast experience of about 20 years in commercial field. His experience and knowledge has helped the Company to a great extent and his appointment will contribute to the progress and prosperity of the Company.

None of the Directors, except Mr. Ashish Dave is concerned or interested in the above Resolution.

ITEM NO. 7

The Board of Directors of the Company at its meeting held on 31st December, 2007, subject to the approval of the members in the Annual General Meeting approved the terms and conditions of reappointment with effect from 1st January 2008 and remuneration payable to Mr. Brij Kishore Jalan as a Whole time Director of the Company with effect from 1st July 2008 for a period of three years. Pursuant to the provisions of Section 269 and 309 of the Companies Act, 1956, read with Schedule XIII to the Companies Act, 1956, the aforementioned reappointment of Mr. Brij Kishore Jalan 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. Brij Kishore Jalan, whole-time director, no other director is deemed to be interested or concerned in the proposed resolution.

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 close from Monday, 22nd day of September 2008 to Monday, 29th September 2008 (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 at the Annual General Meeting.
5. Members/Proxies should bring the Attendance Slip sent herewith duly filled 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 prior to the Annual General Meeting.

Indore,
The 23rd day of August 2008

By Order of the Board

Navin S. Patwa
Company Secretary

SAM INDUSTRIES LIMITED**Details of Directors seeking appointment /re appointment at the forthcoming Annual General Meeting****(In pursuance of Clause 49 of the Listing Agreement)**

Name of Director	Mr. Ashutosh A. Maheshwari	Mr. Anil Maloo
Date of Birth	23rd April, 1973	21st May, 1955
Date of Appointment	17th February ,1994	16th May 1994
Expertise in specific functional area	Entrepreneurship & Strategic planner of the Company	Marketing & Administration
Qualification	Commerce Graduate	M.B.A.
List of outside Directorship held	Dwekam Weldtech Ltd. Dwekam Industries Ltd. Dwekam Electrodes Pvt. Ltd. Anisha Realty P. Ltd. D & H Secheron Realty P. Ltd. Dwekam Realty P. Ltd.	Indore Aromatics P. Ltd. Indian Organics & Pharmaceuticals P. Ltd.
Chairman / Member of the Committee of the Board of Directors of the Company	None	Member of Audit Committee & Share holders Grievances Committee

By Order of the Board

Indore,
The 23rd day of August 2008

Navin S. Patwa
Company Secretary

SAM INDUSTRIES LIMITED**REPORT OF THE BOARD OF DIRECTORS**

To the Members,

Your Directors have pleasure in presenting the 14th Annual Report of the Company along with the Audited Accounts for the year ended 31st March 2008:

	(Rs. in Lacs)	
FINANCIAL RESULTS	2007-2008	2006-2007
Particulars		
Sales & Other Income	2284.77	2030.26
Total Expenditure	1718.19	1543.28
Profit (loss) before depreciation, and tax	566.58	486.98
Less: Depreciation	151.62	145.04
Provision for Taxation	59.59	37.22
Deferred Tax Liability / (Assets)	7.14	(3.68)
Prior year adjustment	8.11	1.63
Fringe Benefit Tax	1.28	1.07
Profit (Loss) after depreciation & tax	338.81	305.70
Less: Provision for Diminution in the Value of Investment	(18.65)	39.90
Profit for the year	357.46	265.80
Add: Balance brought forward	238.06	165.71
Total Profit available for appropriation	595.52	431.51
Proposed Dividend on Preference Shares	66.15	75.60
Tax on Proposed Dividend on Preference Shares	11.24	12.85
Transfer To Redemption Reserve	210.00	105.00
Balance Carried Forward to Balance Sheet	308.13	238.06

DIVIDEND

The Board of Directors decided to declare Dividend on 9% Cumulative Preference Shares for the year ended 31st March 2008 and to conserve the resources of the Company and to maintain the liquidity, has decided not to Declare dividend on Equity shares for the year ended 31st March 2008.

PERFORMANCE**Company's Overall Performance**

During the year under review, your Company has received income from operations amounting' to Rs.2284.77 Lacs as compared to Rs.2030.26 Lacs. Your Company has earned a profit after tax of Rs. 338.81 Lacs as compared to Rs. 305.70 Lacs in the previous year.

Segment wise Performance**Soya Division**

Your Company is proud to inform you that it has completed 9 years of association with ITC Limited (IBD Division). We have, like in the earlier years, once again received from them a letter of appreciation, copy of which is enclosed in the Balance Sheet. Your Company has crushed 1.28 Lacs M. T. Soya seed for ITC Limited (IBD Division) in the current year, as against 1.36 Lacs M. T. in the previous year.

Welding Division

During the year under review, the revenue of your Company's Welding Division was Rs. 800.08 Lacs as against Rs. 685.51lacs in the previous year. Its higher profit of Rs.403.43 Lacs during this period, against Rs. 385.89 lacs during the previous year, is also partially due to higher production output and efficiency which has not only lowered its unit production cost, but has also made it to earn additional incentive.

SAM INDUSTRIES LIMITED

Real Estate Division

Your company is developing 7.68 Lacs sq. ft. land as residential colony in Dewas city, near Indore, which is likely to be nearly completion stage. The distance of Dewas from Indore city, which is commercial capital of the state of Madhya Pradesh, is only 32 K.M. and is well connected by National Highway. The colony being developed is in the heart of Dewas and at a walking distance from the railway station. The Company has started selling of the plots. In view of the robust Real Estate scenario in the country, the Company expects to generate good revenues and profits.

Investment Division

As per segment reporting requirements, your company has identified a new segment ie. Investment division and all the activities relating to investment in shares and loans etc. are now carried in its investment division which was earlier done in soy division. During the year, your company has earned income of Rs. 66.02 lacs from capital gains and 83.28 lacs from F&O activity.

Biotech Division

Your company has decided to shift the project from site at village: pithoda, Tehsil: sanwer, District: Indore to the site at your existing soya extraction site at village: Dakachya Tehsil: sanwer, District: Indore in view of optimum utilization of available resources to minimize the cost.

REDEMPTION OF PREFERENCE SHARES

Your Company has made provision for redemption of 2,10,000, 9% cumulative Redeemable Preference Shares of Rs.100/- each during the financial year 2007-08.

MANAGEMENT DISCUSSIONS AND ANALYSIS

Outlook

Your Company has three distinct businesses viz. the Soy Extractions & Oil Refining, Welding Electrodes and Real Estate. The modus operandi of these three businesses is different in terms of the nature of the products, customers profile, challenges and growth avenues.

- **Soya Extraction and Oil Refining Scenario :**

As per approximate estimate, there is a record sowing of soybean seed this year. Timely and adequate monsoon and favorable climatic conditions are likely to ensure a record soy crop also in coming soy season.

- **Welding Industry Scenario :**

In view of the growing industrialization and expenditure on infrastructure, we expect a buoyant demand for welding materials in India.

- **Real Estate :**

The Real Estate scenario is very encouraging in city area of Indore and Dewas and your company has proposed in the heart of the city. The increasing population and residential housing projects are rapidly dotting on the highway connecting Indore and Dewas.

Internal Control System

Your Company has adequate internal control procedures relating to purchase of raw material, stores, components, etc., commensurate with the size of the Company and the nature of its business.

FIXED DEPOSIT

Your Company has not accepted any public deposit under Section 58A of the Companies Act, 1956 during the year.

SAM INDUSTRIES LIMITED

DIRECTORS

Your Board had appointed Mr. Ashish Dave as an additional director of the Company. He retires at the ensuing Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and being eligible offers himself for reappointment. In accordance with Section 256 of the Companies Act, 1956, Mr. Ashutosh Maheshwari and Mr. Anil Maloo will retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

AUDITORS

Messrs M. Mehta & Company, Chartered Accountants, Indore, will retire at the conclusion of the ensuing Annual General Meeting. The Board proposed their re-appointment as Statutory Auditor to audit the accounts of the Company for the financial year 2008-09. You are requested to consider their re-appointment.

AUDITORS REPORT

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

CORPORATE GOVERNANCE

Your Company has complied with the requirements of corporate governance as per clause 49 of the Listing Agreements with the 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 with 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 26 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 profit or 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. The energy conservation measures implemented during the year include installation of fan-less cooling towers, energy efficient pumps.

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

Relation between the Management and its employees has 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 Your Company's bankers and various Government agencies. The Directors also wish to thank the Shareholders, Employees, Customers and Suppliers for their support and co-operation.

Indore,
The 23rd day of August 2008

For and on behalf of the Board of Directors

Om Agrawal
Chairman

SAM INDUSTRIES LIMITED**ANNEXURE "A"**

PARTICULARS	(Amount in Rupees)	
	2007-2008	2006-2007
FORM - A FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY		
A. POWER AND FUEL CONSUMPTION		
Electricity		
(a) Purchased Unit	6,511,594	5,534,550
Total Amount	30,737,598	25,306,850
Rate /Unit	4.72	4.57
(b) Own Generation		
I) Through Diesel Generator		
Units	476,462	476,462
Units Per Ltr.	2.77	2.77
Cost /Unit (Rs.)	8.93	7.71
ii) Through Steam Turbine		
Units	Nil	Nil
Units Per Ltr. of fuel oil	Nil	Nil
Cost /Unit	Nil	Nil
Coal Qty (M.T.)	11,872	10,672
Total Amount (Rs.)	44,559,278	35,919,831
Average Rate (Rs./M.T.)	3,753	3,366
Furnace Oil Qty (M.T.)	Nil	Nil
Total Amount	Nil	Nil
Average Rate (Rs./Ltr.)	Nil	Nil
B. CONSUMPTION PER UNIT OF PRODUCTION		
Products (Seed & Electrodes)		
Electricity (Unit / M.T.)	51.37	44.19
Furnace Oil (Ltr./ M.T.)	Nil	Nil
Coal (Kg./M.T.)	87.27	78.45
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		
Foreign exchange used (Rs.)		-
Foreign exchange earned (Rs.)	1,144,598	2,415,116



ITC Limited
INTERNATIONAL BUSINESS DIVISION
Plot No. 8, Ranjeet Towers,
3rd Floor, Zone-II, M P Nagar,
Bhopal- 462011 (India)
Telephone : 4018066
Fax : (0755) 2763081

Date: 22/07/2008

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 **01.04.2007 to 31.03.2008**

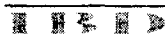
The total quantity of seed processed during this period was 128387.294 M.T. (one lakh twenty eight thousand three hundred eighty seven point two hundred ninety four Metric Tones)

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



Registered Office : ITC Limited, Virginia House, 37, J.L. Nehru Road, Kolkata - 700 071 India
CIGARETTES & TOBACCO • HOTELS • INFORMATION TECHNOLOGY • PACKAGING • PAPER & PAPERBOARDS • AGRI-EXPORTS • LIFESTYLE RETAILING

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