



15th ANNUAL REPORT
2008-2009

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. Rhanu 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 15th Annual General Meeting of the Members of Sam Industries Limited, will be held on Wednesday, the 30th day of September, 2009 at 2:00 P. M., at the Basement of Dalamal Chambers, 29, New Marine Lines, Mumbai 400 020 to transact the following business: -

1. To receive, consider and adopt the Balance Sheet as at 31st March 2009 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. Santosh Muchhal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Brij Kishore Jalan, 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.

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 Wednesday, 23rd day of September 2009 to Wednesday, 30th September 2009 (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 21st day of August 2009

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. Santosh Muchhal	Mr. Brj Kishore Jalan
Date of Birth	31st March 1964	13th June 1959
Date of Appointment	1st December 2004	1st December 2004
Expertise in specific functional area	Accounts & Taxation	Commercial
Qualification	Chartered Accountants	Commerce Graduate
List of outside Directorship held	Madhy Pradesh Stock Exchange Limited	Gaurang Arc Electrodes Pvt Ltd Sam Fab Limited
Chairman / Member of the Committee of the Board of Directors of the Company	Audit Committee Chairman & Remuneration Committee Chairman	Audit Committee- Member, Shareholders/Investors Grievances committee Member

Indore,
The 21st day of August 2009

By Order of the Board

Navin S. Patwa
Company Secretary

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

To the Members,

Your Directors have pleasure in presenting the 15th Annual Report of the Company along with the Audited Accounts for the year ended 31st March 2009:

(Rs. in Lacs)

FINANCIAL RESULTS

Particulars	2008-2009	2007-2008
Sales & Other Income	4872.06	2284.77
Total Expenditure	4356.68	1718.19
Profit (loss) before depreciation, and tax	515.38	566.58
Less: Depreciation	160.02	151.62
Provision for Taxation	135.00	59.59
Deferred Tax Liability / (Assets)	7.30	7.14
Prior year adjustment	7.18	8.11
Fringe Benefit Tax	0.98	1.28
Profit (Loss) after depreciation & tax	204.90	338.81
Less: Provision for Diminution in the Value of Investment	29.82	(18.65)
Profit for the year	175.08	357.46
Add: Balance brought forward	31.29	238.06
Total Profit available for appropriation	206.37	595.52
Proposed Dividend on Preference Shares	47.25	66.15
Tax on Proposed Dividend on Preference Shares	8.03	11.24
Transfer To Redemption Reserve	105.00	210.00
Balance Carried Forward to Balance Sheet	46.08	308.13

DIVIDEND

The Board of Directors decided to declare Dividend on 9% Cumulative Preference Shares for the year ended 31st March 2009 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 2009.

PERFORMANCE**Company's Overall Performance**

During the year under review, your Company has received income from operations amounting to Rs. 4872.06 Lacs as compared to Rs. 2284.77 Lacs. Your Company has earned a profit after tax of Rs. 204.90 Lacs as compared to Rs. 338.81 Lacs in the previous year.

Segment wise Performance**Soya Division**

Your Company is proud to inform you that it has completed 10 years of association with ITC Limited (IBD Division). We have, like in the earlier years, once again received from them two letter of appreciation, copies of which is enclosed in the balance sheet. Your Company has crushed 28,000 Thousand M. T. Soya seed in the current year, as against 1,28,000 Lacs M. T. in the previous year. In Spite of good crops this year, the international recession and increase of prices of soya seed, have adversely affected the soya seed crushing in the current year.

Welding Division

During the year under review, the revenue of your Company's Welding Division was Rs. 890.90 Lacs as against Rs. 800.08 lacs in the previous year. Its higher profit of Rs. 410.21 Lacs during this period, against Rs. 403.43 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 segment i.e. Investment division and all the activities relating to investment in shares and loans etc. are now carried in its investment division. During the year, your company has earned income of Rs. 40.18 Lacs from Investment activity.

REDEMPTION OF PREFERENCE SHARES

Your Company has made provision for redemption of 1,05,000, 9% cumulative Redeemable Preference Shares of Rs.100/- each during the financial year 2008-09.

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

In accordance with Section 256 of the Companies Act, 1956, Mr. Santosh Muchhal and Mr. Brij Kishore Jalan 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 2009-10. 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 25 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 21st day of August 2009

For and on behalf of the Board of Directors
Om Agrawal
Chairman

SAM INDUSTRIES LIMITED**ANNEXURE "A"**

PARTICULARS	(Amount in Rupees)	
	2008-2009	2007-2008
FORM - A FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY		
A. POWER AND FUEL CONSUMPTION		
Electricity		
(a) Purchased Unit	2,683,091	6,511,594
Total Amount	17,582,890	30,737,598
Rate /Unit	6.55	4.72
(b) Own Generation		
I) Through Diesel Generator		
Units	5,900	246,610
Units Per Ltr.	3.20	3.20
Cost /Unit (Rs.)	11.71	10.64
ii) Through Steam Turbine		
Units	Nil	Nil
Units Per Ltr. of fuel oil	Nil	Nil
Cost /Unit	Nil	Nil
Coal Qty (M.T.)	2,644	11,872
Total Amount (Rs.)	11,535,446	44,559,278
Average Rate (Rs./M.T.)	4,363	3,753
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)	2008-09	2007-08
Electricity (Unit / M.T.)	95.68	49.68
Furnace Oil (Ltr./ M.T.)	Nil	Nil
Coal (Kg./M.T.)	94.08	87.27
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.)	938,385	1,144,598



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

TO WHOM SO EVER IT MAY CONCERN

Date: 2nd September 2009

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- 453771, Tehsil: Sanwer, A. B. Road, Indore (M.P.) during the financial year from 1st April 2008 to 30th September 2008.

The total quantity of seed processed during the period was 7048.843 M.T. (Seven Thousand Forty Eight Metric Tones and 843 Kilograms only).

We further 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 -453771 Tehsil: Sanwer, A. B. Road, Indore (M.P.) 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 Limited (Agri Business Division)

Pankaj

ABD

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

Visit us at www.itcportal.com



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

WHOMESOEVER IT MAY CONSERN

Date: 2nd September 2009

This is to certify that we have sold Soya seed and in turn purchased DOC and Soya Crude Oil for refining the Soya Oil from the plant of M/s Sam Industries Ltd., at Village Dakachya, Tehsil: Sanwer, A. B. Road, District Indore (M.P.) 453 771, during the financial year 2008-9 from 1st October 2008 to 31st March 2009.

The total quantity of the Soya seed sold during this period was 21,054.350 M.T. (twenty one thousand fifty four MT and 350 kilograms).

We further certify that all purchases of DOC, Soya Crude Oil for Refining were in the required quality and the right quantity from M/s Sam Industries Ltd., at Village Dakachya, Tehsil: Sanwer, A.B. Road, District Indore (M.P.) 453 771.

The company has extended full co-operation with honesty and integrity.

The company is enjoying healthy business association with M/s Sam Industries Ltd., consecutively for the 10th financial year.

For ITC Limited (Agri Business Division)

Pankaj

ABD

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