

BOARD OF DIRECTORS

Mr. Ashutosh A. Maheshwari, Chairman
Mr. Anil Maloo, Executive Director
Mr. Santosh Muchhal, Director
Mr. Bhanu Prakash Inani, Director
Mr. Ashish Dave, Technical Director

COMPANY SECRETARY

Mr. Navin S. Patwa

AUDITORS

M/s. M. Mehta & Company,
Chartered Accountants
11/5, South Tukoganj, Nath Mandir Road, Indore-452001

BANKER

State Bank of India

REGISTRAR & TRANSFER AGENT

M/s. Ankit Consultancy Pvt. Ltd.,
Plot No. 60, Electronic Complex,
Pardeshipura,
Indore (M.P.) 452 010

REGISTERED OFFICE

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

Website: www.sam-industries.com

Email: secretarial@sam-industries.com

SAM INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the 17th Annual General Meeting of the Members of Sam Industries Limited, will be held on Friday the 9th day of September 2011 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 2011 and the Profit & Loss Account for the year ended on 31st March 2011, together with 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. Ashish Dave, 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 to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business

5. Re-appointment in terms of remuneration of Mr. Anil Maloo, Executive Director

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, designated as the executive director, for a period of five years with effect from 1st June 2011, on the terms and conditions as set out below:

1. **Salary:** Rs.50,000/- 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. 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.

NOTES :

1. The relative Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item no. 5 set out in the Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE THE PROXY FORM FULLY COMPLETED AND SIGNED AND SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 (FORTY EIGHT HOURS) BEFORE THE COMMENCEMENT OF THE MEETING.

SAM INDUSTRIES LIMITED

NOTICE

3. The Register of Members and Share Transfer Register of the Company will remain closed from Friday, 2nd September 2011 to Friday, 9th September 2011 (both days inclusive).
4. 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.
5. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
6. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. 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 working days prior to the Annual General Meeting.
9. The Ministry of Corporate Affairs (vide circulars nos.17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively, has undertaken a Green initiative in 'Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by representing / updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with Transfer Agent.
10. Members may avail of the nomination facility as provided under section 109A of the Companies Act, 1956.

ANNEXURE TO NOTICE

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

ITEM NO. 5

Mr. Anil Maloo has been re-appointed as a Whole-time Director of the Company for Five years from 1st June, 2011 by the Board of Directors of the Company in their meeting held on 19th May 2011 on a Gross Remuneration of Rs.50,000/- per month. Mr. Anil Maloo, aged about 56 years, is a MBA and has vast experience of about 30 years in Marketing, production & Administration 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.

The Board recommends the special resolution for members' approval.

None of the Directors, except Mr. Anil Maloo is concerned or interested in the above Resolution.

By Order of the Board

**Indore,
The 12th day of August 2011**

**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. Ashish Dave	Mr. Ashutosh A. Maheshwari
Date of Birth	25th May 1964	23rd April, 1973
Date of Appointment	6th May 2008	17th February ,1994
Expertise in specific functional area	Energy conservation, By -product Developments, Plant Operation	Entrepreneurship & Strategic Planner of the company
Qualification	Science Graduate	Commerce Graduate
List of Directorship held in other public companies	NIL	Dwekam Industries Limited
Chairman / Member of the Committee of the Board of Directors of the Company	Member of Share holders Grievances Committee	None

By Order of the Board

**Indore,
The 19th day of May 2011**

**Navin S. Patwa
Company Secretary**

SAM INDUSTRIES LIMITED

REPORT OF THE BOARD OF DIRECTORS

To the Members,

Your Directors have pleasure in presenting the 17th Annual Report together with the Audited Statement of accounts of your Company for the year ended 31st March 2011:

	(Rs. in Lacs)	
FINANCIAL RESULTS :		
Particulars	2010-2011	2009-2010
Income from Sales & Services	1712.48	3247.69
Other Income	162.04	111.71
Total Income	1874.52	3359.40
Total Expenditure	1142.58	2609.21
Profit (loss) before depreciation, and tax	731.94	750.19
Less: Depreciation	158.22	159.71
Provision for Taxation	204.17	180.51
Prior year adjustment	(0.14)	0.97
Excise/Service Tax on completed cases	16.91	0.0
Profit (Loss) after depreciation & tax	352.78	409.01
Profit for the year	352.78	409.01
Add : Balance brought forward	203.96	49.18
Total Profit available for appropriation	556.75	458.19
Proposed Dividend on Preference Shares	9.45	37.80
Tax on Proposed Dividend on Preference Shares	1.56	6.42
Transfer To Redemption Reserve	210.00	210.00
Balance Carried Forward to Balance Sheet	335.74	203.97

DIVIDEND

The Board of Directors decided not to declare Dividend for the year ended 31st March 2011, to conserve the resources of the Company & to maintain the liquidity of the Company.

PERFORMANCE

Company's Overall Performance

During the year under review, your Company has received income from operations amounting to Rs. 1854.52 Lacs as compared to Rs. 3359.41 Lacs in the previous year. Your Company has earned a profit after tax of Rs. 352.78 Lacs as compared to Rs. 409.01 Lacs in the previous year.

Segment wise Performance

Soya Division

Your Company is proud to inform you that it has completed 12 years of association with ITC Limited (Agri Business Division). Your Company has crushed in total 48,301(Forty eight Thousand three hundred one) Metric Ton Soya seed in the current year, as against 7720 M.T. (Seven Thousand Seven Hundred & Twenty Metric Ton) M.T. (Seven Thousand Seven Hundred & Twenty Metric Ton) in the previous year. Though it is higher than last year but due to disparity in crushing in last quarter ITC had not crushed the sufficient quantities. This is because of highly fluctuating seed prices as well as decrease in the de-oiled cake in the international market.

Welding Division

During the year under review, the revenue of your Company's Welding Division was Rs. 1126.13 Lacs as against Rs. 947.03 lacs in the previous year. Its profit of Rs. 638.29 Lacs during this period, against Rs. 557.92 Lacs during the previous year.

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Real Estate Division

Your company has developed 7.68 Lacs Sqare feet land as residential colony in Dewas city, near Indore. The colony is in the heart of Dewas and at a walking distance from the railway station and Bus 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 carried in its investment division. During the year, under review your company has earned income of Rs. 118.01 Lacs from Investment activity against Rs. 112.52 Lacs during the previous year

REDEMPTION OF PREFERENCE SHARES

Your Company has made reserve of Rs. 2,10,00,000/- (Previous Year 2,10,00,000/-) towards redemption of Two Lacs & Ten Thousand (2,10,000), 9% cumulative Redeemable Preference Shares of Rs.100/- each during the financial year 2010-11. Further the Company has redeemed the balance Rs. 2,10,00,000/- to its preference shareholders during the year.

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 :**
We are expecting 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 Indore and Dewas and your company has proposed housing project 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., commensurating 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 under review.

DIRECTORS

There is change in Board of Directors. During the financial year the chairman Mr. Om Agrawal & Mr. B. K. Jalan, Executive Direrctor has resigned. Your Directors place on record their deep appreciation for the guidance received from all the out-going Directors. And pursuance to Section 256 of the Companies Act, 1956, Mr. Ashish Dave and Mr. Ashutosh A. Maheshwari 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 2011-12. You are requested to consider their re-appointment.

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AUDITORS REPORT

Notes on 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 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 EARNINGS 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

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 and look forward to their continued support. 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,
The 19th day of May 2011**

**Anil Maloo
Executive Director**

**Ashish Dave
Technical Director**

SAM INDUSTRIES LIMITED

ANNEXURE "A"

PARTICULARS	(Amount in Rupees)	
	2010-2011	2009-2010
FORM - A FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY		
A. POWER AND FUEL CONSUMPTION		
Electricity		
(a) Purchased Unit	4,532,704	2,420,377
Total Amount	25,522,681	15,852,490
Rate /Unit	5.63	6.55
(b) Own Generation		
I) Through Diesel Generator		
Units	15,810	0
Units Per Ltr.	3.20	0
Cost /Unit (Rs.)	13.11	0
ii) Through Steam Turbine		
Units	Nil	Nil
Units Per Ltr. of fuel oil	Nil	Nil
Cost /Unit	Nil	Nil
Coal Qty (M.T.)	3,477	570
Total Amount (Rs.)	19,672,523	2,488,237
Average Rate (Rs./M.T.)	5,658	4,365
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)	2010-11	2009-10
Electricity (Unit / M.T.)	94.17	313.51
Furnace Oil (Ltr./ M.T.)	Nil	Nil
Coal (Kg./M.T.)	71.99	11.
		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.		
	2010-11	2009-10
IV. FOREIGN EXCHANGE EARNINGS AND OUT GO	-	-
Foreign exchange used (Rs.)	-	1,177,110
Foreign exchange earned (Rs.)		



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 : 10th May 2011

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.) - 453 771, during the financial year 2010-11 from 1st April 2010 to 31st March 2011.

The total quantity of seed processed during the period was 48,301 (Forty eight Thousand three hundred one) Metric Ton.

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, Tehsil: Sanwer, A. B. Road, District - Indore (M.P.) - 453 771, 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)


Authorized Signatory

ABD

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

ANNEXURE TO THE DIRECTORS' REPORT - REPORT ON CORPORATE GOVERNANCE

I. Company's Philosophy on Code of Corporate Governance

Your 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. 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.

The Board of Directors of company has a combination of Executive and Non Executive Directors. The Chairman of the Board of your Company is a non-executive, Promoter director. The Board of Directors of the Company consists of 5 Directors, of which 3 are non-executive as on 31st March 2011. During the year, 5 Meetings of the Board of Directors of the Company were held on 28.05.2010, 31.07.2010, 11.10.2010, 25.01.2011, and 28.03.2011. The maximum interval between any two meetings was 105 days.

The particulars of the Directors and the attendance at the Board Meetings during the year and the last Annual General Meeting as also the number of other directorships and committee memberships as on date 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	Independent Non Executive (Up to 17th March 2011)	4	No	1	-	3
Mr. Ashutosh A. Maheshwari	Promoter Non - Executive	5	No	11	-	-
Mr. Anil Maloo	Whole Time Director	5	Yes	2	1	1
Mr. Santosh Muchhal	Independent	5	Yes	4	1	1
Mr. Brij Kishore Jalan	Whole Time Director (Up to 4th March 2011)	4	No	2	-	1
Mr. Bhanu Prakash Inani	Independent	5	No	4	1	1
Mr. Ashish Dave	Whole Time Director	5	No	-	-	-

III. Code of Conduct

The Code of conduct for Board of Director and Senior Management Personnel i.e. Core Management Team comprising Chief General Manager and all General Managers, has been approved by the Board of Directors in compliance with clause 49 of the Listing Agreement with Stock Exchanges. The said Code of Conduct is posted on the Bank's website www.sam-industries.com. All the Board Members and Senior Management Personnel have since affirmed the compliance of the code.