

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 18th Annual General Meeting of the Members of Sam Industries Limited, will be held on Monday, the 3rd day of September 2012 at 10:00 A. 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 2012 and the Profit & Loss Account for the year ended on 31st March 2012, together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Anil Maloo, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Santosh Muchhal, 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.

NOTES:

1. **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 LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and Share Transfer Register of the Company will remain closed from Monday, the 27th day of August 2012 to Monday, the 3rd day of September 2012 (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 working days prior to the Annual General Meeting.
7. Corporate members intending to send their authorized 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.
8. In case of joint holders attending the meeting, only such joint holder who is higher in the order of name will be entitled to vote.
9. The Ministry of Corporate Affairs (Vide circular nos. 17/2011 and 18/2011 dated April 21st and April 29th 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.

Indore,

The 25th day of July 2012

By Order of the Board
Navin S. Patwa
Company Secretary

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. Anil Maloo	Mr. Santosh Muchal
Date of Birth	21st May 1955	31st March, 1964
Date of Appointment	16th May 1994	1st December 2004
Expertise in specific functional area	Marketing & Administration	Accounts & Taxation
Qualification	M. B. A.	Chartered Accountant
List of outside Directorship held	Indore Aromatics Pvt. Ltd. Indian Organics & Pharmaceuticals P. Ltd	Malwa Apparel Park Ltd. Madhya Pradesh Stock Exchange Ltd. Inter-Connected Stock Exchange of India Ltd
Chairman / Member of the Committee of the Board of Directors of the Company	Chairman of Share holders Grievances Committee & Member of Audit Committee	Chairman of Audit Committee & Members of Share holders Grievances Committee

SAM INDUSTRIES LIMITED

REPORT OF THE BOARD OF DIRECTORS

To the Members,
Your Directors have pleasure in presenting the 18th Annual Report together with the Audited Statement of accounts of your Company for the year ended 31st March 2012:

FINANCIAL RESULTS:

(Rs. in Lacs)		
Particulars	2011-2012	2010-2011
Sales & Other Income	2461.35	1874.52
Total Expenditure	1283.89	1133.41
Earning Before Finance Cost, Tax, Execeptional Items, Depreciation and Amortization Expenses	1177.46	741.11
Less: Financial Costs	12.07	9.17
Depreciation and Amortization Expenses	159.66	158.22
Execeptional Items	2.07	16.76
Profit Before Extra-Ordinary Items & Tax	1003.66	556.95
Current Tax	351.20	205.65
Deferred Tax	-39.13	-1.48
Profit (Loss) for the year	691.59	352.78
Basic & Diluted Earning Per Equity Share of Face Value of Rs.10 each	6.24	3.18

DIVIDEND

The Board of Directors decided not to declare Dividend for the year ended 31st March 2012, 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. 2461.34 Lacs as compared to Rs. 1874.52 Lacs in the previous year. Your Company has earned a profit after tax of Rs. 691.59 Lacs as compared to Rs. 352.79 Lacs in the previous year.

Segment wise Performance

Soya Division

The Company has been carrying out manufacturing business for manufacture of Refined Oil, Soya Products at its plants located at Village Dakachya, Tehsil Sanwer, District: Indore. The domestic soya crop production was down last 3 years.

The higher prices of Soyabean and disparity in crushing, the business environment is not conducive in future. This is due to fact that Company has done mainly processing job for ITC Limited since 2001. The installed capacity of Plant is 1200 TPD and Company has crushed soya seed of 7048 MT in 2009, 7720 MT in 2010, 48301 MT in 2011 and 14980 MT in 2012. The capacity utilization is not even 25% of installed capacity because ITC Limited did not provide soya seed in sufficient quantity for crushing.

The Company has incurred losses in Soya division since last three years because of under utilization of crushing capacity and also due to deterioration of the Plant & Machinery.

SAM INDUSTRIES LIMITED

Your Company has completed 13 years of association with ITC Limited (Agri Business Division). The revenue of your Company's Soya Division was Rs. 298.86 Lacs as against Rs. 601.79 Lacs in the previous year.

Welding Division

During the year under review, the revenue of your Company's Welding Division was Rs. 942.90 Lacs as against Rs. 1126.12 lacs in the previous year. Its profit of Rs. 329.21 Lacs during this period, against Rs. 638.29 Lacs during the previous year,

Real Estate Division

During the year under review, the revenue of your Company's Real Estate Division was Rs. 1091.83 Lacs as against Rs. 0.59 lacs in the previous year. Its profit of Rs. 769.76 Lacs during this period, against Rs. 0.51 Lacs during the previous year.

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. 99.29 Lacs as against Rs. 118.01 lacs in the previous year from Investment activity.

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:**
The domestic soya crop production was down last 3 years. The higher prices of Soyabean and disparity in crushing, the business environment is not conducive in future.
- **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.

DIRECTORS

In accordance with Section 256 of the Companies Act, 1956, Mr. Anil Maloo and Mr. Santosh Muchhal 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 2012-13. You are requested to consider their re-appointment.

SAM INDUSTRIES LIMITED

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 –

- (1) in the preparation of Annual Accounts, the applicable accounting standards have been followed;
- (2) the Directors have selected such accounting policies as mentioned in Note 1 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;
- (3) 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
- (4) 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. The energy conservation measures implemented during the year include installation of fanless cooling towers, energy efficient pumps etc.

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.

ACKNOWLEDGMENT

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.

For and on behalf of the Board of Directors

Indore
The 28th day of May 2012

Ashutosh A. Maheshwari
Chairman

SAM INDUSTRIES LIMITED

ANNEXURE "A"

PARTICULARS	2011-2012	2010-2011
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FORM - "A" FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

I. POWER AND FUEL CONSUMPTION

Electricity

(a) Purchased Unit	37,31,464	45,32,704
Total Amount	2,54,70,451	2,55,22,681
Rate /Unit	6.83	5.63

(b) Own Generation

i) Through Diesel Generator

Units	14,177	15,810
Units Per Ltr.	4.72	3.20
Cost /Unit (Rs.)	13.03	13.11

ii) Through Steam Turbine

Units	Nil	Nil
Units Per Ltr. of fuel oil	Nil	Nil
Cost /Unit	Nil	Nil

Coal

Qty (M.T.)	1,266	3,477
Total Amount (Rs.)	87,90,680	1,96,72,523
Average Rate (Rs./M.T.)	6,944	5,658

Furnace Oil Qty (M.T.)

Total Amount	Nil	Nil
Average Rate (Rs./Ltr.)	Nil	Nil

B. CONSUMPTION PER UNIT OF PRODUCTION

Products (Seed & Electrodes)

Electricity (Unit / M.T.)	250.06	94.17
Furnace Oil (Ltr./ M.T.)	Nil	Nil
Coal (Kg./M.T.)	84.52	71.99

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 EARNINGS AND OUT GO

Foreign exchange used (Rs.)	Nil	Nil
Foreign exchange earned (Rs.)	Nil	Nil



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: 1st April 2012

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 2011-12 from 1st April 2011 to 31st March 2012.

The total quantity of seed processed (estimated based on Inverted Pyramid Calculations) during the period was 14,980 (Fourteen Thousand Nine Hundred Eighty) 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



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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SAM INDUSTRIES LIMITED

ANNEXURE TO THE DIRECTORS' REPORT- REPORT ON CORPORATE GOVERNANCE

I. Company's Philosophy

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 2012. During the year, 4 Meetings of the Board of Directors of the Company were held on 19.05.2011, 12.08.2011, 12.11.2011, and 14.02.2012. The maximum interval between any two meetings was 93 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. Ashutosh A. Maheshwari	Promoter Non Executive	4	No	12	-	-
Mr. Anil Maloo	Whole Time Director	4	Yes	2	1	1
Mr. Santosh Muchhal	Independent	4	Yes	3	1	1
Mr. Bhanu Prakash Inani	Independent	4	No	4	1	1
Mr. Ashish Dave	Whole Time Director	4	No	-	-	1

III Audit Committee

The objective of the Audit Committee is to monitor and provide effective supervision of the Management's financial reporting processes with a view to ensuring accurate and proper disclosure, transparency and quality of financial reporting. The committee also reviews the financial and risk management policies, and the adequacy of internal control systems of the Company, and meets Statutory Auditors periodically.

Your Company has an Audit Committee consisting of three independent Directors as its members, and the Audit Committee Meetings were held on 19.05.2011, 12.08.2011, 12.11.2011, and 14.02.2012. The details of the meetings held and attended are as given below:

SAM INDUSTRIES LIMITED

ANNEXURE TO THE DIRECTORS' REPORT- REPORT ON CORPORATE GOVERNANCE

Name of Director	Meetings held	No. of Meetings attended
Mr. Anil Maloo	4	4
Mr. Bhanu Prakash Inani	4	4
Mr. Santosh Muchhal (Chairman)	4	4

IV Remuneration Committee

The Remuneration Committee has approved the terms of remuneration of the Whole Time Directors. One meeting on 19th May 2011 of the members of the Remuneration Committee was held in the year 2011-2012. The composition of the remuneration committee is as follows

Mr. Anil Maloo, Mr. Santosh Muchhal, member and Mr. Bhanu Prakash Inani (Chairman)

During the year under review, the Remuneration paid to the whole time Directors of the Company are as follows:

Name of Director	Remuneration (in Rs.)
Mr. Anil Maloo	5,42,400/-
Mr. Ashish Dave	3,60,000/-
Total	9,02,400/-

Note: Salary includes Basic Salary, Allowances, contribution to Provident and Other Funds and perquisites (including monetary value of taxable Perquisites), etc.

V Shareholders and Investor's Grievance Committee

The Board has constituted the shareholders and Investors Grievance Committee to look into the redress of investors' complaints. There were no complaints pending for reply as on 31st March 2012 and no share transfers pending for registration as on the said date. The Committee had met on the 19th day of May 2011, during the year 2011-2012.

VI General Body Meetings

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

Year	Venue	Date	Time
2008-2009	Basement of Dalamal Chambers, 29, New Marine Lines, Mumbai 400020	30.09.2009	2.00 P.M.
2009-2010	Basement of Dalamal Chambers, 29, New Marine Lines, Mumbai 400020	15.09.2010	2.00 P.M.
2010-2011	Basement of Dalamal Chambers, 29, New Marine Lines, Mumbai 400020	09.09.2011	2.00 P.M.

The shareholders passed all the resolutions including the special resolutions set out in the respective notices. No Postal Ballots were used for voting at these meetings

VII Disclosure

- (1) 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.
- (2) 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 has approved them. These are widely published in national and regional newspapers.

General Shareholders Information

Annual General Meeting

Date : 03.09.2012,

Day : Monday,

Time : 10.00 A.M.

Venue : Basement of Dalamal Chambers,
29, New Marine Lines,
Mumbai – 400020

Date of Book Closure

The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, 27th August 2012 to Monday 3rd September 2012 (both days inclusive).

Financial Calendar 2012-2013

1	First Quarter Results	July 2012
2	Second Quarter & Half Yearly Results	October 2012
3	Third Quarter Results	January 2013
4	Fourth Quarter Results	May 2013
5	Annual Report	July 2013

Listing of Securities

Name of the Stock Exchanges

Madhya Pradesh Stock Exchange, 201, Palika Plaza, M. T. H. Compound Indore - 452001.	The Stock Exchange Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Stock Code 532005
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Your Company confirms that it has paid annual listing fees to the Stock Exchange Mumbai, for the year 2012-13 and as such there are no arrears.