



19th ANNUAL REPORT
2012-2013



SAM INDUSTRIES LIMITED

BOARD OF DIRECTORS

Mr. Ashutosh A. Maheshwari, Chairman
Mr. Anil Maloo, Executive Director
Mr. Santosh Muchhal, Director
Mr. Bhanuprakash R. Inani, Director
Mr. Ritesh Kumar Neema, Additional Director
Mr. Yogendra Vyas, Additional Director

COMPANY SECRETARY

Mr. Navin S. Patwa

AUDITORS

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

BANKERS

State Bank of India
IDBI Bank

REGISTRAR & TRANSFER AGENT

M/s. Ankit Consultancy Pvt. Ltd.,
Plot No. 60, Electronic Complex,
Pardeshipura
Indore – 452010 (M. P.)

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 19th Annual General Meeting of the Members of Sam Industries Limited, will be held on Friday, the 27th day of September 2013 at 10:00 A. 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 2013 and the Profit & Loss Account for the year ended on 31st March 2013, 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. Bhanuprakash R. Inani, 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. 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. Ritesh Kumar Neema, 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 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. Yogendra Vyas, 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."

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 Friday, the 20th day of September 2013 to Friday, the 27th day of September 2013 (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 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 Governances' 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.

SAM INDUSTRIES LIMITED

Notice

- 10.** Members may avail of the nomination facility as provided under section 109A of the Companies Act, 1956.
- 11.** The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the business under item no. 5 & 6 above, is annexured hereto. The relevant details as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges, of person seeking appointment/re-appointment as Directors under item no. 2&3, & 5 to 6 of the notice, are also annexed.

**Indore,
August 14, 2013**

By Order of the Board

**Navin S. Patwa
Company Secretary**

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

ITEM NO. 5

The Board of Directors of the Company has appointed Mr. Ritesh Kumar Neema as an additional Director as per Article 115 of the Articles of Association of the Company w. e .f. 14th August 2013, 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. Ritesh Kumar Neema for appointment as Director in this behalf.

None of the Directors, except Mr. Ritesh Kumar Neema is concerned or interested in the above Resolution.

The Board commends the Ordinary Resolution set out at item no. 5 for Approval of the Members.

ITEM NO. 6

The Board of Directors of the Company has appointed Mr. Yogendra Vyas as an additional Director as per Article 115 of the Articles of Association of the Company w. e .f. 14th August 2013, 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. Yogendra Vyas for appointment as Director in this behalf.

None of the Directors, except Mr. Yogendra Vyas is concerned or interested in the above Resolution.

The Board commends the Ordinary Resolution set out at item no. 6 for Approval of the Members.

**Indore,
August 14, 2013**

By Order of the Board

**Navin S. Patwa
Company Secretary**

SAM INDUSTRIES LIMITED

Notice

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. Bhanuprakash R. Inani
Date of Birth	23rd April, 1973	31st August, 1966
Date of Appointment	17th February, 1994	21st March 2005
Expertise in specific functional area	Entrepreneurship & Strategic Planner of the company	Account & Finance
Qualification	Commerce Graduate	Chartered Accountant
List of outside Directorship held	Dwekam Weldtech Pvt. Ltd. Dwekam Electrodes Pvt. Ltd. Dwekam Industries Ltd. Dwekam Realty Pvt. Ltd. D&H Secheron Impex Pvt. Ltd. D&H Secheron Realty Pvt. Ltd. D&H Secheron Projects Pvt. Ltd. D&H Secheron Resources Pvt. Ltd. Anisha Realty Pvt. Ltd.	DKG Finvest Pvt. Ltd. NSB Securities Pvt. Ltd. Swan Finance Ltd.
Chairman / Member of the Committee of the Board	None	Remuneration Committee- Chairman, Audit Committee – Member

Name of Director	Mr. Ritesh Kumar Neema	Mr. Yogendra Vyas
Date of Birth	7th February, 1979	18th July, 1975
Date of Appointment	14th August 2013	14th August 2013
Expertise in specific functional area	Taxation	Accounts & Finance
Qualification	Chartered Accountant	Chartered Accountant
List of outside Directorship held	D & H Secheron Projects Pvt. Ltd. D & H Secheron Resources Pvt. Ltd.	Indotrade India Limited Mandhari Trading Pvt. Ltd. Solertech Multitrade Pvt. Ltd. Venus Multitrade Pvt. Ltd.
Chairman / Member of the Committee of the Board	None	None

SAM INDUSTRIES LIMITED

REPORT OF THE BOARD OF DIRECTORS

To the Members,

Your Directors have pleasure in presenting the 19th Annual Report together with the Audited Statement of accounts of your Company for the year ended 31st March 2013:

FINANCIAL RESULTS:

(Rs. in Lacs)

Particulars	2012-2013	2011-2012
Sales & Other Income	1384.28	2461.35
Total Expenditure	860.36	1283.89
Earning Before Finance Cost, Tax, Exceptional Items,	523.91	1177.46
Depreciation and Amortization Expenses		
Less: Financial Costs	8.33	12.07
Depreciation and Amortization Expenses	138.64	159.66
Exceptional Items	0.00	2.07
Profit Before Extra-Ordinary Items & Tax	376.94	1003.66
Current Tax	154.28	351.20
Deferred Tax	(28.69)	(39.13)
Profit (Loss) for the year	251.35	691.59
Basic & Diluted Earnings Per Equity Share of Face Value of Rs.10 each	2.27	6.24

DIVIDEND

The Board of Directors has decided not to declare Dividend for the year ended 31st March 2013, 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. 1384.28 Lacs as compared to Rs. 2461.35 Lacs in the previous year. Your Company has earned a profit after tax of Rs. 251.35 Lacs as compared to Rs. 691.59 Lacs in the previous year.

Segment wise Performance

Soya Division

The Company has discontinued soya business activity for Refined Oil & Soya Products at its plants located at Village Dakachya, Tehsil Sanwer, District Indore and company has closed its soya division during the year.

The revenue of your Company's Soya Division was Rs. 114.96 Lacs as against Rs. 298.86 Lacs in the previous year and incurred losses Rs.161.03 Lacs as against Rs. 192.54 Lacs during the previous year.

Welding Division

During the year under review, the revenue of your Company's Welding Division was Rs. 673.29 Lacs as against Rs. 942.90 lacs in the previous year. Its profit of Rs. 95.16 Lacs during this period, against Rs. 329.21 Lacs during the previous year,

SAM INDUSTRIES LIMITED

REPORT OF THE BOARD OF DIRECTORS

Real Estate Division

During the year under review, the revenue of your Company's Real Estate Division was Rs. 479.85 Lacs as against Rs. 1091.83 lacs in the previous year. Its profit of Rs. 336.66 Lacs during this period, against Rs. 769.76 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. 106.14 Lacs as against Rs. 99.29 lacs in the previous year from Investment activity.

MANAGEMENT DISCUSSIONS AND ANALYSIS

Outlook

Your Company has four distinct businesses viz. the Soy Extractions & Oil Refining, Welding Electrodes, Real Estate and Investment division. 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.

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

Your Board had appointed Mr. Ritesh Kumar Neema & Mr. Yogendra Vyas 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 re-appointment.

In accordance with Section 256 of the Companies Act, 1956, Mr. Ashutosh A. Maheshwari and Mr. Bhanuprakash R. Inani will retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

During the year Mr. Ashish Dave, Technical Director of the Company had resigned. The Board appreciates his valuable support and guidance to the Company during the tenure of his Directorship.

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 2013-14. You are requested to consider their re-appointment.

SAM INDUSTRIES LIMITED

REPORT OF THE BOARD OF DIRECTORS

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

- (I) In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that – in the preparation of Annual Accounts, the applicable accounting standards have been followed;
- (ii) 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 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. The energy conservation measures implemented during the year include installation of fan-less cooling towers, energy efficient pumps etc.

PARTICULARS OF EMPLOYEES

None of the Employees of the Company are in receipt of Remuneration in excess of limits specified under section 217 (2A) of the Companies Act, 1956, whether employed through out or part of the year

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.

For and on behalf of the Board of Directors

Indore
August 14, 2013

Ashutosh A. Maheshwari
Chairman

SAM INDUSTRIES LIMITED

ANNEXURE "A"

PARTICULARS	2012-2013	2011-2012
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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	24,95,203	37,31,464
Total Amount (Rs.)	2,08,97,019	2,54,70,451
Rate /Unit	8.37	6.83
(b) Own Generation		
i) Through Diesel Generator		
Units	Nil	14,177
Units Per Ltr.	Nil	4.72
Cost /Unit (Rs.)	Nil	13.03
ii) Through Steam Turbine		
Units	Nil	Nil
Units Per Ltr. of fuel oil	Nil	Nil
Cost /Unit	Nil	Nil
<u>Coal</u> Qty (M.T.)	Nil	1,266
Total Amount (Rs.)	Nil	87,90,680
Average Rate (Rs./M.T.)	Nil	6,944
<u>Furnace Oil</u> 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.)	293.52	250.06
Furnace Oil (Ltr./ M.T.)	Nil	Nil
Coal (Kg./M.T.)	Nil	84.52

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.)	36,754	4,19,187
Foreign exchange earned (Rs.)	Nil	Nil

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 director. The Board of Directors of the Company consists of 4 Directors, of which 3 are non-executive as on 31st March 2013. During the year, 4 Meetings of the Board of Directors of the Company were held on 28.05.2012, 25.07.2012, 10.11.2012, and 08.02.2013. The maximum interval between any two meetings was 107 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	9	-	-
Mr. Anil Maloo	Executive	4	Yes	3	-	2
Mr. Santosh Muchhal	Independent	4	Yes	3	2	1
Mr. Bhanuprakash R. Inani	Independent	4	No	3	1	1
Mr. Ashish Dave*	Executive	3	Yes	–	-	1
Mr. Ritesh Kumar Neema**	Independent	-	-	2	-	-
Mr. Yogendra Vyas**	Independent	-	-	4	-	-

* Mr. Ashish Dave, Resigned wef 8th February 2013.

** Mr. Ritesh Kumar Neema & Mr. Yogendra Vyas appointed on 14th August 2013.

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 company's website **www.sam-industries.com**. All the Board Members and Senior Management Personnel have since affirmed the compliance of the code.