



SAM INDUSTRIES LIMITED

24th
ANNUAL REPORT
2017-2018

**BOARD OF DIRECTORS**

Mr. Ashutosh A. Maheshwari, Chairman
Mrs. Gitanjali A. Maheshwari, Whole time Director
Mr. Kishore Kale, Director
Mr. Ritesh Kumar Neema, Independent Director
Mr. Yogendra Vyas, Independent Director
Mr. Devraj Singh Badgara, Independent Director

CHIEF FINANCIAL OFFICER

Mr. Gopal Prasad Shrivastava

COMPANY SECRETARY

Mr. Navin S. Patwa

AUDITORS

M/s. Manoj Khatri & Company,
Chartered Accountants
218, Silver Sanchura Castle,
7-8, R. N. T. Marg, Indore – 452001

SECRETARIAL AUDITOR

M Maheshwari & Associates
202-C, Kanchan Sagar, 18/1, Old Palasia,
A. B. Road, Indore -452001

BANKERS

Indian Overseas Bank
IDBI Bank
Union Bank of India

REGISTRAR & TRANSFER AGENT

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

Registered Office

Village: Dakachiya, A. B. Road, Tehsil: Sanwer,
District – Indore – 453771 – M. P., India

Website: www.sam-industries.com
Email: secretarial@sam-industries.com

**NOTICE**

Notice is hereby given that the 24th Annual General Meeting (AGM) of the Members of Sam Industries Limited will be held on Tuesday, 25th September, 2018 at 4:00 P.M. at the Registered Office of the Company at Village: Dakachiya Tehsil: Sanwer, A. B. Road - Indore - 453771 – Madhya Pradesh, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018 including Audited Balance Sheet as at 31st March, 2018 and audited Statement of Profit & Loss Account for the year ended on 31st March, 2018 and the Cash Flow Statement for the year ended on that date together with the Reports of Directors and Auditors thereon, and in this regard pass the following Resolution as an Ordinary Resolution:

“RESOLVED THAT the Audited Financial Statements of the Company for the financial year ended March 31, 2018 including Audited Balance Sheet as at 31st March, 2018, the Statement of Profit & Loss Account for the year ended on 31st March, 2018 and the Cash Flow Statement for the year ended on that date together with the Reports of Directors and Auditors thereon be and are hereby considered and adopted.”

2. To appoint a director in place of Mr. Ashutosh A. Maheshwari who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment and to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:-

“RESOLVED THAT Mr. Ashutosh A. Maheshwari (DIN: 00094262), Director of the Company, who retires by rotation at this 24th Annual General Meeting and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company and he shall be liable to retire by rotation.”

**By order of the Board
For Sam Industries Limited**

**Place: Indore
Date:14/08/2018**

**Navin S. Patwa
Company Secretary**

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. Members/ Proxies should bring their attendance slip duly filled in order to attend the meeting.

A person can act as proxy on behalf of members not-exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

Appointing a proxy does not prevent a member from attending the meeting in person or shareholder.

2. The Register of Members and Share Transfer Register of the Company will remain closed from **Wednesday, the 19th September 2018 to Tuesday, 25th September 2018(both days inclusive)**
3. Shareholders desiring any information regarding the accounts are requested to inform the Company at least 10 days before the Annual General Meeting to enable the Management to keep the information ready.
4. Shareholders are requested to bring their copy of the Annual Report along with them to the Annual General Meeting, as copies of the Report will not be distributed again at the Meeting, in view of the increasing cost of

**Annual Report.**

5. Members / Proxies should bring the Attendance Slip sent herewith duly filled in and handover the same at the entrance after affixing their signature for attending the Meeting.
6. In case of joint holders attending the meeting, the members whose name appears as first holder in the order of name will be entitled to vote.
7. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communications including Annual Report, Notices etc. from the Company electronically.
8. Section 72 of the Companies Act, 2013 extends the nomination facility to individual shareholders of the Company. Therefore, the shareholders holding shares in single name and in physical form are advised to make nomination in respect of their shareholding in the Company in Form SH-13.
9. Electronic copy of the Annual Report is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is sent in the permitted mode.
10. The Ministry of Corporate Affairs (vide circular Nos.17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively, has undertaken 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.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Company or Transfer Agent of the Company.
12. Members may also note that the Notice of the 24th Annual General Meeting and the Annual Report for the year 2017-18 will also be available on the Company's website at www.sam-industries.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during business hours (11.00 A.M. to 1.00 P.M.) on all working days except Saturday and Sunday up to and including the date of the Annual General Meeting of the Company. Even after registering for e-communication, members are entitled to receive such communication in physical form upon making a request for the same, by post. For any communication, the shareholders may also send requests to the Company's investor email id: secretarial@sam-industries.com.
13. The relevant details as required by Regulation of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 of person seeking appointment / re-appointment as Directors under item nos. 2 of the notice, are also annexed.
14. SEBI vide amendment in the Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, dated June 8, 2018, has mandated that the transfer of securities would be carried out in dematerialized form only w.e.f. December 5, 2018. You are accordingly advised to dematerialize your physical shareholding at earliest. After December 5, 2018, no request for transfer of shares in physical form can be processed by the Company/RTA.
15. Voting through electronic means In compliance with provisions of Section 108 of the Companies Act, 2013, and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide members' facility to exercise their right to vote at the 24th Annual General Meeting (AGM) by electronic



means and the business may be transacted through Remote e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

The instructions for members voting electronically are as under:-

- (i) The voting period begins from **Saturday, 22nd September, 2018 at 9:00 A. M. and ends on Monday, 24th September, 2018 at 5:00 P.M.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date (i.e. record date) i.e. Tuesday, 18th September, 2018** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted in any earlier voting of any other company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the folio number in the PAN field.In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with folio number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details of Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none">If both the details are not recorded with the depository or company please enter the member id /folio number in the Dividend Bank details field as mentioned in instruction (iv).

NOTE: Please keep the sequence number in safe custody for future e-voting.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is can also be used by the demat holders for voting of resolutions of any other company on which they are eligible to vote, provided that company opts for Remote e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.



- (x) For Members holding shares in physical form, the details can be used only for Remote e-Voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Sam Industries Limited on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, and NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Other Instructions –

- 1) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the **cut-off date on Tuesday, 18th September 2018**.
- 2) Mr. Manish Maheshwari, proprietor of M/s M. Maheshwari & Associates, Company Secretaries (Membership No. FCS 5174, CP No. 3860) has been appointed as the Scrutinizer to scrutinize the Remote e-Voting process in a fair and transparent manner.
- 3) The Chairman shall, at the end of the discussion on the resolutions on which voting is to be held at the AGM, allow the use of ballot paper for all those Members who are present at the AGM and who have not cast their votes by availing the Remote e-voting facility.



- 4) The Scrutinizer shall, immediately after the conclusion of the voting at the general meeting, will first count the votes casted at the meeting, thereafter unblock the votes cast at the meeting, thereafter unblock the votes in the presence of at least two witnesses not in the employment of the Company and make, not later than forty eight hours (48) of conclusion of meeting a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
- 5) The results declared along with the report of the scrutinizer will be placed on the website of the Company viz. www.sam-industries.com and website of CDSL immediately after the results are declared by the Chairman or a person authorized by him and will simultaneously be communicated to the BSE Limited, the Stock Exchange on which the securities of the Company are listed.
- 6) This Notice has been placed on the website of the company i.e. www.sam-industries.com and also on the website of CDSL .
- 7) Members please note that no gifts shall be distributed at the meeting.

**By Order of the Board
For Sam Industries Limited**

Place: Indore
Date:14/08/2018

Navin S. Patwa
Company Secretary

Particulars of Directors who are proposed to be Re-appointed / appointed at the Meeting are given below:

Name of Director	ASHUTOSH A. MAHESHWARI
Director Identification Number (DIN)	00094262
Fathers Name	Ashokkumar H. Maheshwarri
Date of Birth	23rd April 1973
Nationality	Indian
Date of Appointment	17th February 1994
Inter se relationship with other directors	None of the directors, their relatives and the Key Managerial Personnel of the Company except Mrs. Gitanjali A. Maheshwari, are in any way, related with Mr. Ashutosh A. Maheshwari
Qualification	Commerce Graduate
Expertise in Specific Functional Area	Entrepreneurship and Strategic Planner of the Company
Number of Shares held in the Company either by him or on a beneficial basis for any other persons	One Lac Eight Thousand four hundred eighty two (1,08,482)
Board position held	Director is not an independent director and is retiring by rotation at the conclusion of this AGM
Terms & conditions of appointment / re-appointment	Director who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. He is liable to retire by rotation
List of outside Directorship held	Eight (8)
Chairman / Member of the Committee of the Board of Directors of the Company	NIL



REPORT OF THE BOARD OF DIRECTORS

To the Members,

Your Directors have pleasure in presenting the 24th Annual Report together with the Audited Statement of accounts of your Company for the year ended 31st March 2018:

1. FINANCIAL HIGHLIGHTS:

(Rs. in Lakhs)

Particulars	2017-18	2016-17
Sales & Other Income	1255.16	1125.56
Total Expenditure	998.74	776.60
Earning Before Finance Cost, Tax, Exceptional Items, Depreciation and Amortization Expenses	256.42	348.95
Less: Financial Costs	3.97	1.22
Depreciation and Amortization Expenses	40.88	67.94
Exceptional Items	0.00	0.09
Profit Before Extra-Ordinary Items & Tax	211.57	279.70
Less: Current Tax	89.00	113.60
Deferred Tax	(10.27)	(14.91)
Profit (Loss) for the year	132.84	181.01
Basic & Diluted Earnings Per Equity Share of Face Value of Rs.10 each	1.20	1.63

2. DIVIDEND

The Board of Directors has not recommended any dividend on equity shares for the year ended 31st March 2018. There are no amounts to be transferred to Investor Education and Protection Fund.

3. PERFORMANCE

Company's Overall Performance

During the year under review, your Company has received income amounting to Rs.1255.16 lakhs as compared to Rs.1125.56 lakhs in the previous year. Your Company has earned profit, after taxes, of Rs.132.84 lakhs as compared to profit of Rs. 181.01 lakhs in the previous year .

- **Segment wise Performance**
- **Welding Division**

During the year under review, the revenue of your Company's Welding Division was Rs. 806.91 lakhs as against Rs. 775.21 lakhs in the previous year, and it has incurred a loss Rs. 49.48 lakhs during this period as against profit of Rs. 110.18 lakhs during the previous year.

- **Real Estate Division**

During the year under review, the revenue of your Company's Real Estate Division was Rs. 368.20 lakhs as against Rs. 271.54 lakhs in the previous year, and earned a profit of Rs. 321.73 lakhs during this period in comparison to a profit of Rs. 187.94 lakhs during the previous year.

- **Investment Division**

During the year under review, the revenue of your Company's Investment Division was Rs. 80.04 lakhs as against Rs. 78.81 lakhs in the previous year, and has incurred a loss of Rs. 8.46 lakhs in comparison to a profit of Rs. 74.97 lakhs in the previous year.



4. MANAGEMENT DISCUSSIONS AND ANALYSIS

A detailed report on management discussions and analysis is annexed as **Annexure - I** in this Board Report.

Outlook

Your Company has three distinct businesses, viz., 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.

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.

5. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES COMPANIES

The Company has no Subsidiaries, Joint Venture and Associate Company.

The Policy for determining Material subsidiaries as approved may be accessed on the Company's website at the link: <http://www.sam-industries.com>.

6. INTERNAL FINANCIAL CONTROL SYSTEM

According to Section 134 (5) (e) of the Companies Act, 2013, the term 'Internal Financial Control' (IFC) means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information.

The Company has a well placed, proper and adequate internal control system, which ensures the efficiency and profitability of operations, the reliability of information, adhering to rules and regulations, that all assets are safeguarded and protected, and that the transactions are authorized, recorded and reported regularly and correctly.

7. FIXED DEPOSIT

Your Company has not accepted any public deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014 during the financial year 2017-18.

8. DIRECTORS

The Board of the Company at 31st March 2018 consisted of six directors out of whom one is Chairperson who is also the Promoter Director and one woman Whole time director, besides three independent Directors.

All the Independent Directors have given declarations that they meet the criteria of independence as laid down under section 149 of the Companies Act, 2013 and Regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which have been relied by the Company and were placed before the Board. Retirement by Rotation

In terms of Section 152 of the Companies Act, 2013, Mr. Ashutosh A. Maheshwari is liable to retire by Rotation at the forthcoming Annual General Meeting (AGM), and being eligible, has offered him-self for re- appointment.

9. KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and 203 of the Companies Act, 2013 are as follows:



Mr. Ashutosh A. Maheshwari, Chairman (DIN: 00094262)

Mrs. Gitanjali A. Maheshwari, Whole time Director (DIN: 00094596)

Mr. Gopal Prasad Shrivastava, Chief Financial Officer, and

Mr. Navin S. Patwa, Company Secretary

10. AUDITORS

Statutory Auditors

Messrs Manoj Khatri & Company, Chartered Accountants, as Statutory Auditors of the Company were appointed from the conclusion of the 23rd Annual General Meeting till the conclusion of 28th AGM to be held in the year 2022 and that they are eligible for such continuation of their appointment.

11. AUDITORS' REPORT

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

12. SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company with the approval of its Board, appointed M/s. M. Maheshwari & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2019. The Secretarial Audit Report for financial year ended 31st March 2018 is annexed herewith as **Annexure – II** in this Board Report. There were no qualifications, reservation or adverse remark or disclaimer made by the auditor in the report except submission of Form CHG-1 with Roc for creation of charge on car loan taken, which is under the process of filing.

13. CORPORATE GOVERNANCE

Corporate Governance is an ethically driven business process that is committed to values aimed at enhancing an organization's brand and reputation. The new Companies Act, 2013 and amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have strengthened the governance regime in the country. The Company is in compliance with the governance requirements provided under the new law and had proactively adopted many provisions of the new law ahead of time. The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by Securities Exchange Board of India (SEBI).

Your Company has complied with the requirements of corporate governance as per SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015. A detailed report on Corporate Governance is annexed as Annexure - III in this Board 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.

A Certificate of the Whole time Director, appointed in terms of Companies Act, 2013 and Chief Finance Officer (CFO) of the Company in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed as **Annexure – IV** in this Board Report.

14. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of section 134(3)(c) of the Companies Act, 2013, your Directors state that:

a) in the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards read with requirements set out under Schedule III to the Act, had been followed and there are no material departures from the same;