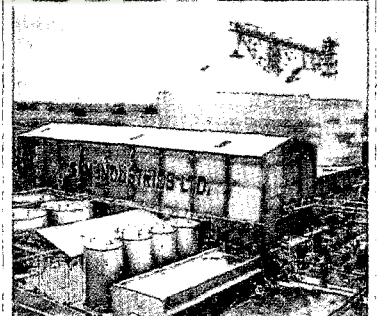
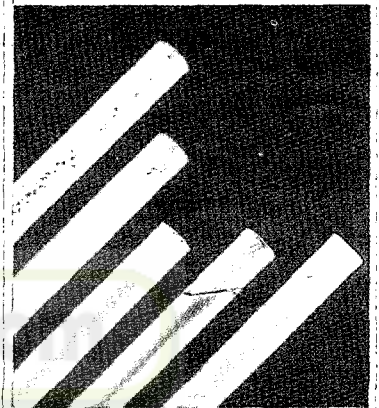
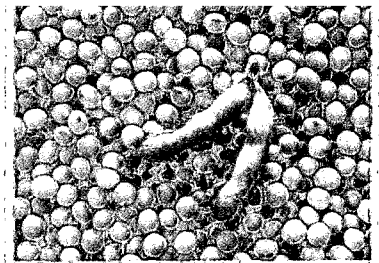


13th ANNUAL REPORT

2006-2007

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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. Bhanu Prakash Inani, 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-industrial.com

SAM INDUSTRIES LIMITED**NOTICE**

Notice is hereby given that the 13th Annual General Meeting of the Members of Sam Industries Limited, will be held at the Basement, Dalamal Chambers, 29, New Marine Lines, Mumbai 400020 on Friday, the 28th September, 2007 at 2:00 P.M., to transact the following business :-

1. To receive, consider and adopt the Balance Sheet as at 31st March 2007 and 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. Om Agrawal, who retires by rotation and being eligible offer himself for reappointment
3. To appoint a Director in place of Mr. B. P. Inani, who retires by rotation and being eligible offer himself for reappointment.
4. To appoint M/s M. Mehta & Company, Chartered Accountants, Indore as Auditors of the Company and to fix their remuneration.

By Order of the Board

Navin S. Patwa

Company Secretary

Indore,

The 23rd day of August 2007

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 Friday, 21st September 2007 to Friday, 28th September 2007 (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.

By Order of the Board

Navin S. Patwa

Company Secretary

Indore,

The 23rd day of August 2007

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. Om Agrawal	Mr. B. P. Inani
Date of Birth	4th February, 1954	31st August, 1966
Date of Appointment	15th October, 1998	21st March 2005
Expertise in specific functional area.	Commercial	Accounts & Finance
Qualification	Commerce Graduate	Chartered Accountant
List of outside Directorship held	Semi Ferro Alloys Pvt. Ltd.	Gaurang Metals Pvt. Ltd. Dwekam Weldtech Ltd. Swan Finance Ltd.
Chairman / Member of the Committee of the Board of Directors of the Company	Remuneration Committee - Member Shareholders / Investors Grievances Committee - Member	Audit Committee Member Remuneration Committee-Member

Indore,
The 23rd day of August 2007

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 13th Annual Report of the Company along with the Audited Accounts for the year ended 31st March 2007:

Financial Results

Particulars	(Rs. in Lacs)	
	2006-2007	2005-2006
Sales & Other Income	2030.26	2491.26
Total Expenditure	1543.28	1451.58
Profit (loss) before depreciation, and tax	486.98	1039.68
Less: Depreciation	145.04	134.26
Provision for Taxation	37.22	76.25
Deferred Tax Liability / (Assets)	(3.68)	1.02
Prior year adjustment	1.63	0.60
Fringe Benefit Tax	1.07	0.82
Profit (Loss) after depreciation & tax	305.70	826.73
Less : Provision for Diminution in the Value of Investment	39.90	-
Profit available for appropriation	265.80	826.73
Add: Balance brought forward	165.71	(459.00)
Balance	431.51	367.73
Proposed Dividend on Preference Shares	75.60	85.05
Tax on Proposed Dividend on Preference Shares	12.85	11.97
Transfer To Redemption Reserve	105.00	105.00
Balance Carried Forward to Balance Sheet	238.06	165.71

Dividend

The Board of Directors decided to declare Dividend on Preference Shares for the year ended 31st March 2007, 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 2007.

Performance**Company's Overall Performance**

During the year under review, your Company has received income from operations amounting to Rs.2030.26 Lacs as compared to Rs.2491.26 Lacs. Your Company has earned a profit after tax of Rs.305.70 lacs as compared to Rs. 826.73 Lacs in the previous year. The profit was less as no income was generated this year from commodity business.

Segment wise Performance**Soya Division**

Your Company is proud to inform you that it has completed 8 years of association with ITC Limited (IBD Division). We have, like in the earlier years, once again received from them a letter of appreciation, copy of which is enclosed in the Balance Sheet. Your Company has crushed 1.36 Lacs M. T. Soya seed for ITC Limited (IBD Division) in the current year, as against 1.29 Lacs M. T. in the previous year.

Welding Division

During the year under review, the income of your Company's Welding Division, was Rs. 685.51 lacs as against Rs. 659.48 lacs in the previous year. Its higher profit of Rs. 385.89 lacs during this period, against Rs. 282.69 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 completed very shortly. 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 sale of plots during the financial year. In view of the robust Real Estate scenario in the country, the Company expects to generate good revenues and profits.

Bio-Tech Division

Your company has chalked out plans to manufacture downstream value added Soy products. The land admeasuring 1.9 hectares has already been acquired for the said project.

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 2006-07.

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 favourable climatic conditions are likely to ensure a record soy crop also.

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 surrounding areas, like in most parts of India. 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.

Directors

In accordance with Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Om Agrawal and Mr. B. P. Inani will retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

SAM INDUSTRIES LIMITED

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 year 2007-08. 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 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 have 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 23rd day of August 2007

Om Agrawal
Chairman

SAM INDUSTRIES LIMITED**ANNEXURE "A"**

(Amount in Rupees)

PARTICULARS**2006-2007****2005-2006****FORM - A FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO
CONSERVATION OF ENERGY****A. POWER AND FUEL CONSUMPTION****Electricity**

(a) Purchased Unit	5,534,550	5,324,927
Total Amount	25,306,850	23,536,622
Rate /Unit	4.57	4.42
(b) Own Generation		
I) Through Diesel Generator		
Units	476,462	126,140
Units Per Ltr.	2.77	2.47
Cost /Unit (Rs.)	7.53	10.70
ii) Through Steam Turbine		
Units	Nil	Nil
Units Per Ltr. of fuel oil	Nil	Nil
Cost /Unit	Nil	Nil
Coal Qty (M.T.)	10,672	9,672
Total Amount (Rs.)	35,919,831	31,191,383
Average Rate (Rs./M.T.)	3,366	3,225
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)**

Electricity (Unit / M.T.)	44.19	42.25
Furnace Oil (Ltr./ M.T.)	Nil	Nil
Coal (Kg./M.T.)	78.45	74.97

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.)	2,415,116	1,431,316

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 mix 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 6 Directors, of which 3 are non-executive as on 31st March 2007. During the year, 8 Meetings of the Board of Directors of the Company were held on 29.04.2006, 30.04.2006, 27.07.2006, 04.09.2006, 30.10.2006, 01.12.2006, 27.01.2007 and 28.03.2007. The maximum interval between any two meetings was 87 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	8	No	1	-	2
Mr. Ashutosh A. Maheshwari	Promoter Executive	8	No	2	-	-
Mr. Anil Maloo	Whole Time Director	8	Yes	2	1	1
Mr. Santosh Muchhal	Independent	8	No	-	1	1
Mr. Brij Kishore Jalan	Whole Time Director	8	No	2	-	1
Mr. Bhanu Prakash Inani	Independent	8	No	3	1	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 and the 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 30.04.2006, 27.07.2006, 30.10.2006, and 27.01.2007.

SAM INDUSTRIES LIMITED

The details of the meetings held and attended are as given below:

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

IV. Remuneration Committee

The Remuneration Committee has approved the terms of remuneration of the Whole Time Directors. The Committee had meet on the 29TH day of April 2006, during the year 2006-2007. The composition of the remuneration committee is as follows:

Mr. Om Agrawal, Mr. Santosh Muchhal and Mr. Bhanu Prakash Inani.

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

(Amount in Rs.)

Name of Director	Remuneration
MR. ASHUTOSH MAHESHWARI (Up to 15.12.2006)	6,37,500/-
MR. ANIL MALOO	5,05,880/-
MR. BRIJ KISHORE JALAN	1,44,000/-

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 2007 and no share transfers pending for registration as on the said date. The Committee had meet on the 27th day of July 2006, during the year 2006-2007.

VI General Body Meetings

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

Year	Venue	Date	Time
2003-2004	Village: Dakachya - 453771, A. B. Road, Tehsil Sanwer, District Indore	30.09.2004	2.00 P.M.
2004-2005	Village: Dakachya - 453771, A. B. Road, Tehsil Sanwer, District Indore	30.09.2005	2.00 P.M.
2005-2006	Commercial Premises No. 27, Mahesh Shopping Centre, 1st, Floor, Sector 15, CBD Belapur, Navi Mumbai 400614	30.09.2006	2.00 P.M.