

For PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED

*[Signature]*  
Managing Director

**PSS**

MD	✓		BKC	✓
CS	NP		DPY	NA
RO	✓		DIV	NA
TRA	✓			✓
AGM	✓	✓	511	✓
YE	✓	✓		✓

**PRESSURE  
SENSITIVE  
SYSTEMS  
(INDIA)  
LIMITED**

Report  junction.com

**ANNUAL  
REPORT  
1997-98**

**PRESSURE SENSITIVE SYSTEMS (INDIA) LTD.****BOARD OF DIRECTORS :**

MR. RAJ PREHAR	- CHAIRMAN & MANAGING DIRECTOR
MR. PRADIP JADHAV	- WHOLE TIME DIRECTOR
MR. SURESH PREHAR	- WHOLE TIME DIRECTOR
AIR VICE MARSHAL M.W. DESAI	- DIRECTOR

**AUDITORS:**

DULANI LODAYA & CO.  
Chartered Accountants,  
MUMBAI

**BANKERS:**

UNITED WESTERN BANK LTD.  
BANK OF MAHARASHTRA

**COMPANY LAW CONSULTANTS:**

SHIRISH SHETYE & ASSOCIATES  
Company Secretaries  
MUMBAI

**REGISTRAR & SHARE TRANSFER AGENT:**

✓  
SBB  
8/10/98

INTIME SHARE SERVICES PVT. LTD.  
260-A, Shanti Industrial Estate,  
Sarojini Naidu Road,  
Mulund(W),  
MUMBAI - 400 080.

**REGISTERED OFFICE :**

✓  
SBB  
8/10/98

Unit No. 14, Khetani Industrial Premises,  
106, Bazar Ward, M.N. Road, Kurla (West),  
MUMBAI - 400 070.

**WORKS:**

Pen-Khopoli Road,  
Pimpalgaon, Pen,  
Dist. Raigad - 402 107.

**11TH ANNUAL GENERAL MEETING**

Date	: 30th September, 1998
Day	: Wednesday
Time	: 3.30 p.m.
Place	: Hotel Atithi, 77A & B, Nehru Road, Vile Parle (E), Mumbai - 400 099

**NOTICE**

NOTICE is hereby given that 11th Annual General Meeting of the members of the Company will be held on Wednesday, 30th September, 1998 at 3.30 P.M. at Hotel Atithi, 77 A & B, Nehru Road, Vile Parle (E), Mumbai-99. to transact the following business :

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 1998 and the Reports of Directors and of Auditors thereon.
2. To appoint a Director in place of Mr. Pradip Jadhav, who retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint Auditors for the year 1998-99 and to fix their remuneration.

**SPECIAL BUSINESS :**

4. To consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution:

"RESOLVED THAT the consent of members be and is hereby granted to the re-appointment of Mr. Raj Prehar as Managing Director of the Company for a period of five years w.e.f. 1st November, 1998 and that Mr. Raj Prehar shall be paid following remuneration and/or perquisites pursuant to the provisions of Section 198, 309, 310, Schedule XIII and any other provisions of the Companies Act, 1956 for rendering such services as Managing Director".

- a) Salary: Rs.20,000/- per month
- b) Commission: 1% of net profit subject to an overall limit of 50 % of his annual salary.
- c) Perquisites - As prescribed in Schedule XIII currently as detailed in part A,B,C. restricted to an amount equal to the annual salary.

**CATEGORY A:**

**i. HOUSING I :** The expenditure by the Company on hiring unfurnished accommodation for the Managing Director will be subject to the following ceiling :-

Sixty percent of the salary over and above ten percent payable by the Managing director.

**HOUSING II :** In case the accommodation is owned by the company, ten percent of the salary of the Managing Director shall be deducted by the Company.

**HOUSING III :** In case no accommodation is provided by the company the Managing Director will be entitled to house rent allowance subject to a ceiling laid down in housing I.

The expenditure incurred by the company on gas, electricity, water and furnishing shall be valued as per the Income tax Rules, 1962. This shall, however, be subject to a ceiling of ten percent of the salary of the Managing Director.

**ii. Medical Reimbursement:** Expenses incurred for the Managing Director and his family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

**iii. Leave Travel Concession:** For the Managing Director and his family, once in a year, incurred in accordance with the rules specified by the Company.

**iv. Club fees:** Fees of Club to maximum of two clubs. This does not include admission and life memberships fees.

**v. Personal Accident Insurance:** Premium not exceeding Rs.4,000/- per annum.

**CATEGORY B:**

- i. Contribution to the provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the income tax Act. Gratuity shall not exceed half month's salary for each completed year of service.
- ii. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling of perquisites.

**CATEGORY C:**

Provision of car for the use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director.

The terms and conditions of the said appointment and/or agreement may be varied/enhanced from time to time by the Board of Directors of the company as it may in its discretion, deem fit within the maximum amount payable to Managing Director as per Schedule XIII of the Companies Act, 1956 or any amendment thereto"

5. To consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution.

"RESOLVED THAT the consent of members be and is hereby granted to the re-appointment of Mr. Pradip Jadhav as Whole-time Director of the Company for a period of five years w.e.f. 1st November, 1998 and that Mr. Pradip Jadhav shall be paid following remuneration and/or perquisites pursuant to the provisions of Section 198, 309, 310, Schedule XIII and any other provisions of the Companies Act, 1956 for rendering such services as Whole-time Director".

- a) Salary : Rs. 17,000/- per month.
- b) Commission : 1% of net profit subject to an overall limit of 50 % of his annual salary.
- c) Perquisites- As prescribed in Schedule XIII currently as detailed in part A, B, C, restricted to an amount equal to the annual salary.

**CATEGORY A:**

- i. **HOUSING I** : The expenditure by the Company on hiring unfurnished accommodation for the Whole-time Director will be subject to the following ceiling.

Sixty percent of the salary over and above ten percent payable by the whole-time Director.

**HOUSING II** : In case the accommodation is owned by the company, ten percent of the salary of the whole-time Director shall be deducted by the Company.

**HOUSING III** : In case no accommodation is provided by the Company the Whole-time Director will be entitled to house rent allowance subject to a ceiling laid down in Housing I.

The expenditure incurred by the company on gas, electricity, water and furnishing shall be valued as per the Income-tax Rules, 1962. This shall, however, be subject to a ceiling of ten percent of the salary of the Whole-time Director.

- ii. **Medical Reimbursement**: Expenses incurred for the Whole-time Director and his family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.

- iii. **Leave Travel Concession**: For the Whole-time Director and his family, once in a year, incurred in accordance with the rules specified by the Company.

- iv. **Club Fees**: Fees of Club to maximum of two clubs. This does not include admission and life membership fee.

- v. **Personal Accident Insurance**: Premium not exceeding Rs. 4,000/- per annum.

**PSS****CATEGORY B:**

i. Contribution to the Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-tax Act. Gratuity shall not exceed half month's salary for each completed year of service.

ii. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling of perquisites.

**CATEGORY C:**

Provision of car for the use on Company's business and telephone at residence will not be considered as perquisites. personal long distance calls on telephone and use of car for private purpose shall be billed by the company to Whole-time Director.

The terms and conditions of the said appointment and/or agreement may be varied/enhanced from time to time by the Board of Directors of the company as it may in its discretion deem fit within the maximum amount payable to whole-time Director as per Schedule XIII of the Companies Act, 1956 or any amendemnt threto."

6. To consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution.

"RESOLVED THAT the consent of members be and is hereby granted to the re-appointment of Mr.Suresh Prehar as Whole-time Director of the Company for a period of five years w.e.f.1st November,1998 and that Mr.Suresh Prehar shall be paid following remuneration and/or perquisites pursuant to the provisions of Section 198,309,310, Schedule XIII and any other provisions of the Companies Act,1956 for rendering such services as Whole-time Director".

a) Salary: Rs.17,000/- per month

b) Commission : 1% of net profit subject to an overall limit of 50 % of his annual salary.

c) Perquisites- As prescribed in Schedule XIII currently as detailed in part A,B,C, restricted to an amount equal to the annual salary.

**CATEGORY A:**

i. **HOUSING I** : The expenditure by the Company of hiring unfurnished accomodation for the Whole-time Director will be subject to the following ceiling:

Sixty percent of the salary over and above ten percent payable by the Whole-time Director.

**HOUSING II** : In case the accomodation is owned by the company,ten percent of the salary of the Whole-time Director shall be deducted by the Company.

**HOUSING III** : In case no accomodation is provided by the company the Whole-time Director will be entitled to house rent allowance subject to a ceiling laid down in Housing I.

The expenditure incurred by the company on gas,electricity,water and furnishing shall be valued as per the income-tax Rules,1962. This shall, however, be subject to a ceiling of ten percent of the salary of the Whole-time Director.

ii. **Medical Reimbursement:** Expenses incurred for the Whole-time Director and his family subject to ceiling of one month's salary in a year or three months' salary over a period of three years.

iii. **Leave Trvel Concession:** For the Whole-time Director and his family, once in year, incurred in accordance with the rules specified by the Company.

iv. **Club Fees:** Fees of Club to maximum of two clubs. This does not include admission and life membership fee.

**Personal Accident Insurance:** Premium not exceeding Rs.4,000/- per annum.

**PSS****CATEGORY B:**

i. Contribution to the Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-tax Act. Gratuity shall not exceed half month's salary for each completed year of service.

ii. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling of perquisites.

**CATEGORY C:**

Provision of car for the use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the company to the Whole-time Director.

The terms and conditions of the said appointment and/or agreement may be varied/enhanced from time to time by the Board of Director of the Company as it may in its discretion deem fit within the maximum amount payable to Whole-time Director as per Schedule XIII of the Companies Act, 1956 or any amendment thereto."

7. To consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution.

"RESOLVED THAT the consent of the members be and is hereby accorded to shift the Registered Office of the Company to its factory at Pen-Khopoli Road, Pimpalgaon, Pen, Dist.: Raigad - 402 107".

8. To consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of section 163 of the Companies Act, 1956, the Register of Members, Index of Members and copies of all Annual Returns together with certificates and documents required to be annexed thereto be kept at INTIME SHARE SERVICES PVT.LTD., Registrar and Transfer Agents, for the Company at their office at 260-A Shanti Industrial Estate, Sarojini Naidu Road, Mulund (W), Mumbai - 400 080.

By order of the Board  
for **PRESSURE SENSITIVE SYSTEMS (INDIA) LTD.**

RAJ PREHAR  
CHAIRMAN & MANAGING DIRECTOR

Regd office : Unit No.14, Khetani Industrial Premises,  
106, Bazar Ward, M.N. Road,  
Kurla (W), MUMBAI - 400 070.

Date : 25th August, 1998.

**NOTES**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on poll instead of himself and the proxy need not be a member of the Company. The enclosed proxy form, if intended to be used, should reach the Registered Office of the Company duly completed not less than forty-eight hours before the scheduled time of the meeting.
2. The Register of Members and Share Transfer Register shall remain closed from 22nd September, 1998 to 30th September, 1998 (both days inclusive).
3. The relative Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956, in respect of Special business, set out above is annexed hereto.
4. Members intending to require information about Accounts to be explained at the meeting are requested to write to the Company at least ten days in advance of the Annual General Meeting.
5. Members holding shares in the same name under different folios are requested to apply for consolidation of such folios and send relevant share certificates.
6. Please bring your copy of the Annual Report to the Meeting.



**PSS****EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****ITEM NO. 4, 5 & 6 :**

Pursuant to resolutions passed in 8th Annual General Meeting of the members of the Company, the Managing Director and two whole-time Directors occupy their respective offices till 31st October, 1998.

The proposed resolutions are recommended for the re-appointment of Mr. Raj Prehar as Managing Director and Mr. Suresh Prehar and Mr. Pradip Jadhav as whole-time Directors of the Company for a period of five years w.e.f. 1st November, 1998. However the members are informed that presently Managing Director and two whole time Directors have voluntarily offered not to draw any remuneration and perquisites till improvement in financial position of the Company.

Mr. Raj Prehar, himself and Mr. Suresh Prehar, as relative are interested in the resolution for re-appointment of Mr. Raj Prehar as Managing Director.

Mr. Suresh Prehar himself and Mr. Raj Prehar, as relative are interested in the resolution for re-appointment of Mr. Suresh Prehar as Whole-time Director.

Mr. Pradip Jadhav is interested in the resolution for his re-appointment as Whole-time Director

**ITEM NO. 7 :**

At present, your Company is maintaining two major operating centres i.e. the Registered offices at Kurla, Mumbai and the Factory at Pimpalgaon, Pen. In order to increase the overall operating efficiency as well as to reduce overheads, the Board has decided to shift the registered office of the company to its factory at Pen. As the Registrars and Transfer Agents are situated in Mumbai, there would not be any inconvenience to the investors. None of the Directors is interested in this resolution. The Board recommends passing of the resolution.

**ITEM NO. 8 :**

Par Computer Sciences (Int) Ltd., the Registrars and Transfer Agents had merged their Transfer Agents activities with Intime Share Services Pvt. Ltd. Accordingly it is necessary to seek the consent of the members to keep certain statutory records at the new address. None of the Directors is interested in passing of the resolution. The Board recommends passing of the resolution.

By order of the Board  
for **PRESSURE SENSITIVE SYSTEMS (INDIA) LTD.**

**RAJ PREHAR**  
CHAIRMAN & MANAGING DIRECTOR

Regd office : Unit No.14, Khetani Industrial Premises,  
106, Bazar Ward, M.N. Road,  
Kurla (W), MUMBAI - 400 070.

Date : 25th August, 1998.

*[Signature]*  
Managing Director

**PSS**

## DIRECTORS' REPORT

Dear Members,

Your Directors submit 11th Annual Report and Audited Accounts of the Company for the year ended 31st March, 1998.

## FINANCIAL PERFORMANCE

	Year ended	
	31.03.1998	31.3.1997
	(Rs. in '000)	
Gross Profit/(Loss)	(3,308)	29
Add/Less : Depreciation (Net)	999	534
Profit/(Loss) before Taxation	(4,307)	(505)
Less: Provision for Taxation	Nil	Nil
ADD: Prior years Adjustments	359	(170)
Net Profit/(Loss) transferred to Balance Sheet	(4,666)	(675)

## OPERATIONS

During the year under review your Company achieved a turnover of Rs. 114.07 lakhs, as against Rs. 602.67 lakhs of the previous year and resulting in a net loss of Rs. 43.07 lakhs as against 5.05 lacs of the previous year.

## PROJECT IMPLEMENTATION

Due to severe adverse market conditions, your company has been unable to utilise most of the new capacity installed.

## BOARD OF DIRECTORS

Shri Pradip Jadhav retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for reappointment. The Board recommends the re-appointment.

Considering Company's present Financial position, Managing Director and whole-time Directors have offered Voluntarily not to draw w.e.f. 01.06.1998 any remuneration and perquisites receivable by them from the Company. This voluntary offer was made till further improvement in the financial position of the Company.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information forming part of this report is annexed.

## CURRENT ASSETS

Before the profit and loss account and Balance Sheet were made out, the Directors took reasonable steps to ascertain that any current assets were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values or have been adequately provided for. At the date of this report, Directors are not aware of any circumstances which would render the values attributable to current assets in the account of Company misleading.

## AUDITORS

M/s. Dulani Lodaya & Co., Chartered Accountants, Mumbai, auditors of the Company are holding the office till the conclusion of ensuing annual general meeting and have confirmed their eligibility for the re-appointment.

## AUDITORS REPORT

The note Nos.8,9 & 15 of the Auditors Report are self-explanatory.

## PERSONNEL

Relations with the employees remained cordial throughout the year. Information about the employees drawing remuneration not less than Rs.3,00,000/- p.a. and employed throughout the year is as per statement annexed.

## APPRECIATION

The Directors take this opportunity to thank all the employees for their contribution to the Company's performance during the year under review.

By order of the Board

For **PRESSURE SENSITIVE SYSTEMS (INDIA) LTD.**

Place : Mumbai  
Date : 25th August, 1998.

**RAJ PREHAR**  
CHAIRMAN & MANAGING DIRECTOR



**PSS****INFORMATION UNDER CLAUSE 43 OF THE LISTING AGREEMENT**

The comparison of the profitability figures as mentioned in the prospectus issued in Dec. - 94 and the actuals is as under:

**A) Projected V/s Actual profitability statement**

	Projections (Rs.in Lacs)	Actual
Sales	1184.48	114.08
Gross Profit/(Loss)	367.88	(33.08)
Net Profit/(Loss) before Taxes	284.17	(46.66)
Net Profit/(Loss) after Taxes	248.47	(46.66)
Earning per share (in Rs.)	4.02	NIL
Dividend	20%	NIL

**B) Projected V/s Actual Utilisation of Funds**

	Amount Projected (Rs.in Lacs)	Amount Utilised
Land & Building	68.50	68.50
Plant & Machinery	248.86	131.39
Pre Operative & Preliminary Expenses	70.00	50.00
Contingencies	22.19	5.17
Working Capital	197.04	172.53
	606.59	427.59

**ANNEXURE TO DIRECTORS' REPORT**

Information required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

**(A) CONSERVATION OF ENERGY:**

- Energy Conservation Measures taken.: Nil
- Additional investments and Proposals, if any, being implemented for reduction of consumption of energy.: Nil
- Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.: Nil
- Total Energy Consumption and Energy Consumption per unit of Production as per prescribed Form A.:

**ANNEXURE 'A'****B) TECHNOLOGY ABSORPTION:**

- Research & Development : (R & D)
  - Specific areas in which R & D carried out by the Company.: Nil
  - Benefits derived as a result of the above R & D : Nil
- Technology absorption, adaptation and innovation :
  - Efforts made towards technology absorption, adaptation and innovation: Nil
  - Benefits derived as a result of the above efforts : Nil
  - Technology imported during the last 5 years : Nil

**C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

- Outgo in Foreign Exchange : Rs. NIL
- Earnings in Foreign Exchange : Rs. NIL

By order of the Board  
for **PRESSURE SENSITIVE SYSTEMS (INDIA) LTD.**

Place : Mumbai

Date : 25th August, 1998

**RAJ PREHAR**  
CHAIRMAN & MANAGING DIRECTOR