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**PRESSURE
SENSITIVE
SYSTEMS
[INDIA]
LIMITED**

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**ANNUAL
REPORT
1999-2000**

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

MR. RAJ PREHAR

MR. RAJIV DATTA

MR. SURESH PREHAR

- CHAIRMAN & MANAGING DIRECTOR

- DIRECTOR

- WHOLE-TIME DIRECTOR

AUDITORS :

DULANI & CO.

CHARTED ACCOUNTANTS,

MUMBAI

BANKERS :

UNITED WESTERN BANK LTD.

BANK OF MAHARASHTRA.

REGISTRAR & SHARE TRANSFER AGENT :

INTIME SHARE SERVICES PVT. LTD.

260-A, Shanti Industrial Estate,

Sarojini Naidu Road,

Mulund(w),

MUMBAI-400 080.

REGISTERED OFFICE & WORKS:

Pen-Khopoli Road,

Pimpalgaon, Pen,

Dist. Raigad- 402 107.

13TH ANNUAL GENERAL MEETING

Date : 28th September, 2000

Day : Thursday

Time : 11.00 a.m.

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

NOTICE

NOTICE is hereby given that 13th Annual General Meeting of the members of the Company will be held on Thursday 28th September, 2000 at the registered office of the company at Pen -Khopoli Road, Pimpalgaon, Pen, Dist Raigad -402 107 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, 2000 and the Reports of Directors and Auditors thereon.
- 2 To appoint a Director in place of Mr. Suresh Prehar, who retires by rotation, and being eligible offers himself for re-appointment.
- 3 To appoint Auditors for the year 2000-2001 and to fix their remuneration.

SPECIAL BUSINESS

- 4 To appoint Mr. Rajiv Datta as Director who vacates office at the end of this meeting and for whom company has received notice for appointing him as a Director.

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

RAJ PREHAR
CHAIRMAN & MANAGING DIRECTOR

Regd. Office, Pen-Khopoli Road,
Pimpalgaon, Pen Dist. Raigad-402 107.
Date: 31st August, 2000

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 26th September, 2000 to 28th September, 2000 (both days inclusive)
- 3 An explanatory statement pursuant to section -173 of the Companies Act 1956 is given below.
- 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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.**Item No. 4**

The company had appointed Mr. Rajiv Datta, as additional Director and he holds office till the conclusion of ensuing Annual General meeting. The company has received notices along with a deposit, recommending Mr. Rajiv Datta to be appointed as Director. The Board recommends appointment of Mr. Rajiv Datta as a Director. None of the Directors except Mr. Datta is interested in the resolution.

DIRECTORS' REPORT

Dear Members,

Your Directors submit 13th Annual Report and Audited Accounts of the Company for the year ended 31st March, 2000.

FINANCIAL PERFORMANCE

	31-03-2000	year ended (Rs. in '000)	31-3-1999
Gross profit (Loss)	(4612)		(3626)
Add/Less : Depreciation (Net)	1113		1112
Profit/(Loss) before Taxation	(5729)		(4737)
Less : Provision for Taxation	Nil		Nil
Add : Prior years Adjustments	(165)		(153)
Net Profit / (Loss) transferred to Balance Sheet	(5894)		(4890)

OPERATIONS

During the year under review your company achieved a turnover for Rs. 84.86 lakhs resulting in net loss of Rs.58.94 Lakhs.

BOARD OF DIRECTORS

1. Shri Suresh Prehar retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for reappointment. The Board recommends the re-appointment.
2. Shri Rajiv Datta was appointed as an additional Director and he holds the office till the conclusion of the ensuing Annual General Meeting. The company has received notices from some members with deposit recommending Mr. Datta to be appointed as Director.
3. During the year under review Shri Pradeep Jadhav vacated office pursuant to the provisions of section 283(1) (g) of the Companies Act, 1956.

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 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 & Co. Chartered Accountants, Navi Mumbai, auditors of the company are holding the office till the conclusion of ensuing Annual General Meeting and have confirmed thier availability for the appointment.

AUDITORS REPORT

The note Nos. 8,9 &15 of the Auditors Report are self-explanatory. regarding note no.17 the delay was due to financial constraints. The amount has been now deposited with the prescribed authority.

PERSONNEL

The Company has not employed any person who draws remuneration in excess of the limits mentioned in Companies (Particulars of Employees) Rules, 1975.

APPRECIATION

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

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

RAJ PREHAR
CHAIRMAN & MANAGING DIRECTOR

Place : Mumbai
Date : 31st August 2000

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

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

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

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

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

- 1. Outgo in Foreign Exchange: Rs. 21,56,223
- 2. Earnings in Foreign Exchange: Rs. Nil

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

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RAJ PREHAR
CHAIRMAN & MANAGING DIRECTOR

Place: Mumbai
Date: 31st August, 2000

ANNEXURE-A

Form for disclosure of Particulars with respect to Consumption of Energy.

		Year ended 31/3/2000	Year ended 31/3/1999
1. Electricity			
a) Purchased units		26,358	38,211
Total amount	Rs.	3,51,428	3,16,533
Average rate	Rs.	13.72	8.28
b) Own Generation		Nil	NIL
2. Coal		Not applicable	
3. Furnace Oil, LDO, HSD			
Quantity	Ltrs.	5,608	9,784
Amount	Rs.	78,295	106,214
Average Rate	Rs.	3.96	10.85

Consumption per unit of Production: Product wise consumption per unit for each product cannot be meaningfully determined as there is no specific standard.

AUDITORS REPORT

To,
The Members of,
PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED

I have audited the attached Balance Sheet of PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED as at 31st March, 2000 and also the Profit & Loss Account of the Company for the year ended on that date and report that :

1. As required by the Manufacturing and other Companies (Auditor's Report) Order , 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, I enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to my comments in the Annexure referred to in paragraph 1 above.
 - (a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit.
 - (b) In my opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from my examination of such books.
 - (c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account.
 - (d) In my opinion, the Balance Sheet and Profit & Loss Account dealt with in this report are prepared in compliance with applicable accounting standards referred to in section 211 (3C) of the Companies Act, 1956.
 - (e) In my opinion, and to the best of my information and according to the explanations given to me, the said accounts subject to Note No. 4 regarding change in the basis of valuation of inventories, Note No. 5 regarding intercorporate deposits and non provision of interest, Note No. 7 regarding non provision of doubtful debts, Note No. 8 regarding writing off of finished goods inventory and Note No. 11 regarding the non provision of gratuity liability and read together with other notes give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - i) In the case of the Balance Sheet of the State of affairs of the Company as at 31st March 2000:
 - ii) In case of Profit & Loss Account of the Loss of the Company for the year ended on that date.

For **DULANI & CO.**
CHARTERED ACCOUNTANTS,

P.T. DULANI
(PROPRIETOR)

Place : Mumbai
Date : 31st August, 2000

ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph (1) of our report of even date to the Members of **Pressure Sensitive System (India) Limited** on the accounts for the year ended **31st March, 2000**.

1. The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets. The major fixed assets have been physically verified by the management during the year, the frequency of verification, in my opinion is reasonable, having regard to the size of the Company and the nature of its assets and no serious discrepancies have been noticed in respect of those assets which have been physically verified.
2. None of the Fixed Assets have been re-valued during the year.
3. The stock of the traded goods, finished goods, raw materials, and stores has been physically verified during the year by the management. In my opinion the frequency of the verification is reasonable.
4. According to the information and explanations given to me the procedures of physical verification of the stock followed by the management are reasonable and adequate considering the size of the Company and the nature of its business.
5. The discrepancies noticed on verification between the physical stocks and book records were not material, have been properly dealt with in the books of accounts.
6. On the basis of my examinations of stocks records, I am of the opinion that valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same as in the preceding year except for inclusion of excise duty now in valuation of finished goods lying in the factory as referred in Note No.4.
7. The Company has taken unsecured loan from a firm as listed in the register maintained under section 301 of the Companies Act, 1956. In my opinion the terms and conditions of the loan Prima facie are not prejudicial to the interest of the company. I am informed that there are no companies under the same management u/s 370 (B) of the companies Act, 1956.
8. According to the information and explanations given to me, in respect of the unsecured loan by way of inter-corporate deposit granted to a company then listed in the register maintained under section 301, has defaulted in the repayment of the principal amount and the interest as per stipulations. The total arrears upto 31st March 2000 amounting to Rs. 66,84,479 (Previous year Rs. 68,34,479/-). The Company has initiated legal proceedings for recovery of the amount. [See Note No.5(a)] Further, no interest due for the year under audit amounting to Rs. 11.731 Lakhs (Previous year Rs. 12 Lakhs) has been provided on the said intercorporate deposit. The terms and conditions are not in my opinion prima facie prejudicial to the interests of the Company. I am informed that there are no companies under the same management u/s 370 (B) of the Companies Act, 1956.
9. a) In respect of the loans and advances in the nature of the loans as inter-corporate deposits given by the Company to other Companies who are in arrears of Principle amount and interest as stipulated, the arrears of interest amount to Rs. 33,56, 171.00. The management is confident of their recovery. However interest amounting to Rs.15 lakhs on the said deposits for the year under Audit have been provided. [see note 5(b)].
b) In respect of loans and advances in the nature of loans and advances given by the company to its staff, the parties are repaying the principal amount and interest as stipulated
10. In my opinion, and in accordance with the information and explanations given to me, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of traded goods, stores, raw materials including components, plant & machinery and other assets.

11. In my opinion, and according to the information and explanations given to me, there are no transactions of purchase of goods and materials and sales of goods, materials and services aggregating during the year to Rs. 50,000/- or more in respect of each party, in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956.
12. As explained to me, the Company has a system for determination of unserviceable or damaged stores, raw materials and finished goods and in my opinion, adequate provision for the loss so determined has been made in the accounts.
13. The Company has not accepted any deposits from the public and consequently the provisions of section 58-A of the Companies Act, 1956 are not applicable.
14. In my opinion, the Company has maintained reasonable records for the sale and disposal of realisable scraps. I am informed that no realisable by-products are generated.
15. In my opinion, and in accordance with information and explanation given to me there are adequate internal control procedure, however the Company has not set up an independent internal Audit system to commensurate with the size of the Company and nature of its business.
16. As explained to me, the Central Government has not prescribed the maintenance of the cost records under section 209 (1) (d) of the Companies Act, 1956 for the products of the Company.
17. According to the records of the Company there are delays in the deposit of Provident fund dues during the year with the appropriate authority, however, there are no arrears outstanding as on 31st March 2000. According to the information and explanations given to me provisions of Employees State Insurance Scheme Fund are not applicable.
18. According to the information and explanations given to me no undisputed amounts payable in respect of income-tax, sales tax, wealth tax, customs duty and excise duty were outstanding as at **31st March, 2000** for a period of more than six months from the date they become payable.
19. According to the information and explanations given to me, no personal expenses of employees or directors have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practice.
20. The Company is not a sick Company within the meaning of clause 3(1)(i) of the Sick Industrial Companies (Special Provision) Act, 1985.
21. In respect of the Company's trading activity, we are informed that there are no damaged stocks.

For DULANI & CO.
CHARTERED ACCOUNTANTS,

P.T. DULANI
(PROPRIETOR)

Place : Mumbai
Date : 31st August, 2000