

PRESSURE SENSITIVE SYSTEMS [INDIA] LIMITED PSS



**ANNUAL
REPORT
2002-2003**

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

MR. RAJ PREHAR	:	CHAIRMAN & MANAGING DIRECTOR
MR. SURESH PREHAR	:	WHOLE TIME DIRECTOR
MR. RAJIV DATTA	:	DIRECTOR
MR. BALI D. YADAV	:	DIRECTOR
MR. RALPH X. PINTO	:	DIRECTOR

AUDITORS :

DULANI & CO.,
CHARTERED ACCOUNTANTS,
NAVI MUMBAI.

BANKERS :

BANK OF MAHARASHTRA.

REGISTRAR & SHARE TRANSFER AGENT :

INTIME SPECTRUM REGISTRY LTD.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup, Mumbai - 400 078.

REGISTERED OFFICE & WORKS :

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

SHARES LISTED AT :

The Stock Exchange - Mumbai
The Stock Exchange - Ahmedabad
(Listing Fees paid for 2003-04)

16th ANNUAL GENERAL MEETING

Date : 25th September, 2003
Day : Thursday
Time : 11.00 a.m.
Place : Pen Khopoli Road,
Pimpalgaon, Pen,
Dist. : Raigad - 402 107.

NOTICE

NOTICE is hereby given that 16th Annual General Meeting of the members of the Company **PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED** will be held on Thursday the 26th September, 2003 at 11.00 a.m. at the Registered office of the Company situated at Pan Khopoli Road, Pimpalgaon, Pan, Dist Raigad 402 107 to transact the following business:-

ORDINARY BUSINESS

To receive, consider and adopt the Audited Accounts for the year ended 31st March, 2003 along with notes and schedules thereon as on that date and Reports of Directors and Auditors thereon.

To appoint a Director in place of Mr. Rajiv Datta, Director of the company, who retires by rotation, and being eligible, offers himself for re-appointment.

To appoint auditors of the company to hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

To consider and if thought fit to pass, with or without modification, the following resolution as an ordinary resolution:

RESOLVED THAT Mr. Bal D. Yadav, who was appointed as an additional Director w.e.f. 27th February, 2003 and who holds office upto the date of the 16th Annual General Meeting, but who is eligible for the re-appointment and in respect of whom the company has received a notice in writing from a member under section 257 of the Companies Act, 1956 be and is hereby re-appointed as a Director.

To consider and if thought fit to pass, with or without modification, the following resolution as an ordinary resolution:

RESOLVED THAT Mr. Ralph X. Pinto, who was appointed as an additional Director w.e.f. 27th February, 2003 and who holds office upto the date of the 16th Annual General Meeting, but who is eligible for the re-appointment and in respect of whom the company has received a notice in writing from a member under section 257 of the Companies Act, 1956 be and is hereby re-appointed as a Director.

* To consider and if thought fit to pass, with or without modification, the following resolution as an ordinary resolution:

RESOLVED THAT subject to the provisions of the section 198, 269, 309, 310, 314 of the Companies Act, 1956, Schedule XIII and other applicable provisions and subject to consent of shareholders Mr. Raj Prehar be and is hereby re-appointed as a Managing Director w.e.f. 1st July, 2003 on such terms and conditions as per the draft agreement as approved by the Board.

"RESOLVED FURTHER THAT the Board is also authorized to vary/revise the aforesaid remuneration from time to time within the limits of schedule XIII of the Companies Act, 1956 & also authorized to take necessary steps for implementing the aforesaid resolution."

To consider and if thought fit to pass, with or without modification, the following resolution as an ordinary resolution:

RESOLVED THAT subject to the provisions of the section 198, 269, 309, 310, 314 of the Companies Act, 1956, Schedule XIII and other applicable provisions and subject to consent of shareholders Mr. Suresh Prehar be and is hereby re-appointed as a Whole Time Director w.e.f. 1st July, 2003 on such terms and conditions as per the draft agreement as approved by the Board.

"RESOLVED FURTHER THAT the Board is also authorized to vary/revise the aforesaid remuneration from time to time within the limits of schedule XIII of the Companies Act, 1956 & also authorized to take necessary steps for implementing the aforesaid resolution."

By order of the Board
PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED

Date: 30th June 2003.
Place: Mumbai

RAJ PREHAR
MANAGING DIRECTOR

NOTES

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.

The proxies, in order to be effective should be deposited with the company not less than 48 hours before the time fixed for the commencement of the meeting.

The Register of Members and Share Transfer Register shall remain closed from Thursday the 18th September, 2003 to Thursday the 26th September, 2003 (both days inclusive).

Explanatory statement under section 173(2) of the Companies Act, 1956 in respect of the Special Business set above is annexed.

As a measure of economy, copies of the Annual Reports and Accounts will not be distributed at the meeting. Members are therefore, requested to bring their copies to the meeting.

Members are requested to produce the attendance slip duly signed, sent along with the Annual Report and Accounts, for admission to the meeting hall.

Members who are holding shares in identical order or names in more than one folio are requested to write to the company to enable the company to consolidate their holding in one folio.

EXPLANATORY STATEMENT**As required by section 173(2) of the Companies Act, 1956****Item No. 4**

Mr. Bali D. Yadav, who was appointed as an additional Director w.e.f. 27th February, 2003, under section 260 of the Companies Act, 1956. The said Director will hold office upto the date of the Annual General Meeting. The company has received a notice in writing from member proposing the candidature of Mr. Bali D. Yadav for the office of the Director under section 257 of the Companies Act, 1956.

Mr. Bali D. Yadav is a Commerce Graduate having rich experience in the Corporate Laws. His legal knowledge will immensely help the company in the coming years due to induction of him on the Board. He is not on the Board of any other Companies.

The Board of Directors recommends the resolution for approval of the members.

None of the Directors, except Mr. Bali D. Yadav is concerned or interested in the said Resolution.

Item No. 5.

Mr. Ralph X. Pinto, who was appointed as an additional Director w.e.f. 27th February, 2003, under section 260 of the Companies Act, 1956. The said Director will hold office upto the date of the Annual General Meeting. The company has received a notice in writing from member proposing the candidature of Mr. R. X. Pinto for the office of the Director under section 257 of the Companies Act, 1956.

Mr. Ralph X. Pinto is a Science Graduate having rich experience in the field of Marketing. His experience in the marketing sector will help the company to boost its performance in the coming years. He is on the Board of Jurish International Pvt. Ltd.

The Board of Directors recommends the resolution for approval of the members.

None of the Directors, except Mr. Ralph X. Pinto is concerned or interested in the said resolution.

Item No. 6 & 7.

Mr. Raj Prehar & Mr. Suresh Prehar were appointed as Managing Director & Whole Time Director respectively w.e.f. 1st November, 1998 for the period of 5 years. The said appointments are expiring in this year hence the Board recommended their re-appointment for period of 5 years w.e.f. 1st July, 2003 on following major terms & conditions.

a. Major Terms of Re-appointment of Mr. Raj Prehar, Managing Director.

1. **Salary** : Not to exceed Rs. 40,000/- p.m. (Rupees Forty Thousand only) & the Board of Directors be authorized to determine the salary and grant such increases from to time within the limits of Schedule XIII of the Companies Act, 1956.

2. **Commission** : Such remuneration by way of commission to the above salary and perquisites, calculated with reference to the net profits of the company in a particular financial year and as may be determined by the Board of Directors for the company subject to the overall ceilings stipulated Under Section 198 and 309 of the Companies Act, 1956. The specific amount payable to Mr. Raj Prehar, Managing Director will be payable annually. The overall commission limit not to exceed 1% of the net profit of the company computed in the manner specified in the Companies Act, 1956 & the actual commission be determined by the Board of Directors of the Company.

3. **Perquisites** : The Managing Director shall be entitled to the following perquisites as classified in three categories 'A', 'B' & 'C'.

CATEGORY 'A'

Housing facility, Medical Reimbursement, Club fees, Personal Accident Insurance, Children's Education Allowance, Holiday Passage & Leave Travel Concession. These will be provided as under.

Housing : The Managing Director will be provided with furnished company accommodation.

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

Club Fees : Fees of clubs subject to a maximum of three clubs. This will not include admission & life membership fees.

Personal Accident Insurance : Premium not to exceed Rs. 4,000/- p. a.

Children's Education Allowance : In case of children studying in or outside India, an allowance limited to a maximum of Rs. 5,000/- p.m. per child or actual expenses incurred whichever is less. Such allowances are admissible upto maximum of two children.

Leave Travel Concession : Return passage for self and family in accordance with the rules specified by the company where it is proposed that the leave be spent in the home country instead of anywhere in India.

Explanation : for the purpose of category 'A' "Family" means the spouse and the dependent children of the Managing Director.

CATEGORY 'B'

1. Contribution to Provident Fund or Annuity Fund will not be included in the computation of the ceiling on remuneration to the extent these, either singly or put together, are not taxable, under the Income Tax Act.
2. Gratuity payable will not exceed half a month's salary for each completed year of service.
3. Encashment of leave at the end of the tenure.

CATEGORY 'C' : Provision of car with driver and also provision of telephone at residence will not be considered as perquisites.

OTHER BENEFITS : Apart from the aforesaid remuneration, the Managing Director shall be entitled to reimbursement of expenses incurred in connection with the business of the Company. The Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committee thereof.

MINIMUM REMUNERATION :

Notwithstanding anything to the contrary therein, where in any financial year during the currency of the tenure of the Managing Director, the company has no profits or its profits are inadequate, the remuneration payable by way of salary and perquisites shall not exceed Rs. 4,80,000/- p.a. or Rs. 40,000/- p.m.

b. OTHER INFORMATION :**i General Information****1) Nature of Industry :**

The company is engaged in the manufacturing of metalised thread & Self Adhesive Industrial Tapes.

2) Date or expected date of commencement of commercial production :

The company is an operating company & commenced commercial production from 14th August, 1991

3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus :
Not Applicable

4) Financial performance based on given indicators :

The financial performance of the company during the financial year 2002-03 reflects a steady improvement over the previous year.

Annual Report 2002-2003

The total sales increased from Rs. 515 Lacs to Rs. 671 Lacs in the current year representing a growth of 30% over the previous year.

5) **port performance and net foreign exchange earnings :**

The company has earned foreign exchange of Rs. NIL/- during the year ended 31st March 2003.

6) **Foreign investment or collaborators, if any :**

The company neither has any collaborations nor any foreign Investments as such.

ii) **Information about the appointee :**

1) **Background details :**

Mr. Raj Prehar is an MBA with 5 years corporate experience and 21 years experience in running his own business. He is well known in the field of coatings and his experience and knowledge makes him eminently qualified for this job. He is also the main promoter of the company.

2) **Past remuneration :**

Mr. Raj Prehar was originally appointed w.e.f. 1st November, 1998 on a remuneration of Rs.20,000/- p.m. subsequently w.e.f. 1st August, 2001 the remuneration was increased to Rs. 30,000/- p.m. & now re-appointed w.e.f. 1st July, 2003 with a remuneration of Rs. 40,000/- p.m.

3) **Recognition or awards : NIL**

4) **Job profile & his suitability :**

The job requires a person who has a sound knowledge of coatings, its markets and general administrative expertise. Mr. Raj Prehar fulfills all the 3 criteria and thus is quite suitable for job.

5) **Remuneration proposed :**

The remuneration proposed to be paid to Mr. Raj Prehar is set out hereinabove.

6) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person : not available.**

7) **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.**

The appointee apart from drawing remuneration in the company, has no pecuniary relationship, directly or indirectly with the company. The Whole time director is brother of appointee.

iii) **Other Information :**

1) **Reasons of loss or inadequate profits :**

Your company took numerous steps during the year to restructure its products portfolio. Efforts are also directed at reducing cost & improving deliveries. The reason for losses is provision for depreciation & rising fixed overheads. In the current year the company proposed to wipe off part of the losses & show improved financials.

Annual Report 2002-2003

2) Steps taken or proposed to be taken for improvement : Your company intends to drop loss making products and decrease the fixed overheads in this year. These two measures will improve the company's financials.

3) Expected increase in productivity & profits in measurable terms :

b. Major Terms of Re-appointment of Mr. Suresh Prehar, Whole Time Director.

1. Salary : Not to exceed Rs. 30,000/- p.m. (Rupees Thirty Thousand only) & the Board of Directors be authorized to determine the salary and grant such increases from time within the limits of Schedule XIII of the Companies Act, 1956.

2. Commission : Such remuneration by way of commission to the above salary and perquisites, calculated with the reference to the net profits of the company in a particular financial year and as may be determined by the Board of Directors for the company subject to the overall ceilings stipulated Under Section 198 and 309 of the Companies Act, 1956. The specific amount payable to Mr. Suresh Prehar, Whole Time Director will be payable annually. The overall commission limit not to exceed 1% of the net profit of the company computed in the manner specified in the companies Act, 1956 & the actual commission be determined by the Board of Directors of the Company.

3. Perquisites : The Whole Time Director shall be entitled to the following perquisites as classified in three categories 'A', 'B' & 'C'.

CATEGORY 'A'

Housing facility, Medical Reimbursement, Club fees, personal Accident Insurance, Children's Education Allowance, Holiday Passage & leave Travel Concession. These will be provided as under.

Housing : The whole Time Director will be provided with furnished company accommodation.

Medical Reimbursement : Expenses incurred for the whole time Director & the family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

Club Fees : Fees of clubs subject to a maximum of three clubs. This will not include admission & life membership fees.

Personal Accident Insurance : Premium not to exceed Rs. 4000/- p.a.

Children's Education Allowance : In case of children studying in or outside India, an allowance limited to a maximum of Rs. 5000/- p.m. per child or actual expenses incurred whichever is less. Such allowances are admissible up to maximum of two children.

Leave Travel Concession : Return passage for self and family in accordance with the rules specified by company where it is proposed that the leave be spent in the home country instead of anywhere in India.

Explanation : for the purpose of category 'A' "Family" means the spouse and the dependent children of whole time director.

CATEGORY 'B'

1. Contribution to Provident Fund or Annuity Fund will not be included in the computation of the ceiling on remuneration to the extent these, either singly or put together, are not taxable, under the Income Tax Act.
2. Gratuity payable will not exceed half a month's salary for each completed year of service.
3. Encashment of leave at the end of the tenure.

CATEGORY 'C' : Provision of car with driver and also provision of telephone at residence will not be considered as perquisites.

OTHER BENEFITS : Apart from the aforesaid remuneration, the Whole Time Director shall be entitled to reimbursement of expenses incurred in connection with the business of the company. The Whole Time Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committee thereof.

MINIMUM REMUNERATION :

Notwithstanding anything to the contrary, where in any financial year during the currency of the tenure of the Whole Time Director, the company has no profits or its profits are inadequate, the remuneration payable by way of salary and perquisites shall not exceed Rs. 3,60,000/- p.a. or Rs. 30,000/- p.m.

b. OTHER INFORMATION**1) General Information****1) Nature of Industry :**

The company is engaged in the manufacturing of metalised thread, & self adhesive industrial tapes.

2) Date or expected date of commencement of commercial production :

The Company is an operating company & commenced commercial production from 14th August, 1991.

3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not Applicable.**4) Financial performance based on given indicators :**

The financial performance of the company during the financial year 2002-03 reflects a steady improvement over the previous year. The total sales increased from Rs. 515 Lacs to Rs. 671 Lacs. in the current year representing a growth of 30% over the previous year.

5) Export performance and net foreign exchange earnings :

The company has earned foreign exchange of Rs. NIL/- during the year ended 31st March 2003

6) Foreign investment or collaborators, if any :**Annual Report 2002-2003**

The company neither has any collaborations nor any foreign investments as such.

ii) Information about the appointee :

1) Background details :

Mr. Suresh Prehar has 7 years corporate experience for Marketing of Self Adhesive Tapes. He has a thorough knowledge of market and market process. Mr. Suresh Prehar is also a co-promoter of the company.

2) Past remuneration :

Mr. Suresh prehar was originally appointed w.e.f. 1st November, 1998 on a remuneration of Rs. 17,000 /- p.m. subsequently w.e.f. 1st August, 2001 the remuneration was increased to Rs. 20,000/- p.m. & now re-appointed w.e.f. 1st July, 2003 with a remuneration of Rs. 30,000/- p.m.

3) Recognition or awards : NIL

4) Job profile & his suitability :

The job requires a thorough knowledge of the market, product knowledge and nature of competition. By virtue of Mr. Suresh Prehar past experience in selling this products he is very suitable for this job.

5) Remuneration proposed :

The remuneration proposed to be paid to Mr. Suresh Prehar is set out hereinabove.

6) Comparative remuneration profile with respect to industry size of the company, profile of the position and person : not available.

7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

The appointee apart from drawing remuneration in the company, has no pecuniary relationship, directly or indirectly with the company. The Managing Director is brother of appointee.

iii) Other Information :

1) Reasons of loss or inadequate profits :

Your company took numerous steps during the year to restructure its products portfolio. Efforts are also directed at reducing cost & improving deliveries. The reason for losses is provision for depreciation & rising fixed overheads. In the Current year the company purposes to wipe off part of the losses & show improved financials.

2) Steps taken or proposed be taken for improvement : Your company intends to drop loss making products and, decrease the fixed overheads in this year. These two measures will improve the company's financials.

3) Expected increase in productivity & profits in measurable terms :

Mr. Raj Prehar, aged 49 years, is an MBA & one of the Chief promoters of the Company. Due to his sustained efforts the company has achieved this level. Your Board therefore recommends his re-appointment on a revised remuneration w.e.f. 1st July 2003 as a Managing Director of the Company