

PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED PSS

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**ANNUAL
REPORT
2003-2004**

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

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

AUDITORS :

DULANI & CO.,
CHARTERED ACCOUNTANTS,
NAVI MUMBAI.

CORPORATE GOVERNANCE REPORT :

H. SHETYE ASSOCIATES,
COMPANY SECRETARIES

BANKERS :

BANK OF MAHARASHTRA.

REGISTRARS & 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 2004-05)

17th ANNUAL GENERAL MEETING

Date : 23rd September, 2004
Day : Thursday
Time : 11.00 a.m.
Place : Pen Khopoli Road,
Pimpalgaon, Pen,
Dist. : Raigad - 402 107.

Annual Report 2003-2004

NOTICE

NOTICE is hereby given that the 17th Annual General Meeting of the members of **PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED** will be held on **Thursday the 23rd September, 2004 at 11.00 a.m.** at Registered office of the Company situated at **Pēn Khopoli Road, Pimpalgaon, Pen, Dist. Raigad - 402 107** to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited accounts for the year ended 31st March, 2004 along with notes and schedules thereon as on that date and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Bali Yadav, Director of the company, who retires by rotation and being eligible offers himself for re-appointment.
3. 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.

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

Date : 31st May, 2004.

Place : Mumbai

RAJ PREHAR
MANAGING DIRECTOR

NOTES

1. 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.
2. 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.
3. The Register of Members and Share Transfer Register shall remain closed from **Thursday the 16th September, 2004 to Thursday the 23rd September, 2004** (both days inclusive).
4. 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.
5. Members are requested to produce the attendance slip duly signed, sent along with the Annual Report and Accounts, for admission to the meeting hall.
6. 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 consolidation their holdings in one folio.

DIRECTOR'S REPORT**F35****PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED**Your Directors have great pleasure in presenting 17th Annual Report along with the Audited Balance Sheet and Profit and Loss Account, for the year ended 31st March 2004.**1. FINANCIAL RESULT**

	Year ended 31.03.2004	(Rs. in '000) Year ended 31.03.2003
Gross Profit (Loss)	(4057)	(2384)
Add/Less : Depreciation (Net)	(1293)	(1286)
Profit/(Loss) before Taxation	(5350)	(3680)
Less : Provision for Taxation	Nil	Nil
Add : Prior year Adjustments	(34)	(115)
Net Profit/(Loss) for the year	(5384)	(3794)
Balance brought forward from previous year	(26212)	(22418)
Balance carried forward to Balance sheet	(31596)	(26212)

2. OPERATIONS :

During the year your company reported lower sales & other income amounting to Rs. 172,31,894. (Rupees One Lakh Seventy Two Lacs Thirty One Thousand Eight Hundred Twenty Eight only) in comparison to Rs. 6,74,00,100. (Rupees Six Lacs Seventy Four Thousand One Hundred One Rupees and One Paise only). After making all the necessary adjustments, the loss for the year rose from Rs. 37,94,233/- (Rupees Thirty Seven Lacs Ninety Four Thousand Two Hundred Thirty Three only) to Rs. 53,84,108 (Rupees Fifty Three Lacs Eighty Four Thousand One Hundred Nine only). Your Directors are taking optimum measures to control the overheads & reduce the losses.

3. DIVIDEND :

In the absence of profits, no dividend is recommended for this year.

4. DEPOSITS :

Your Company did not accept any deposits from the public during the current year.

5. AUDITORS :

M/s Dulanji & Co., Chartered Accountants, Navi Mumbai, auditors of the company are holding the office till the conclusion of ensuing Annual General Meeting and have confirmed their availability for their re-appointment.

6. AUDITORS REPORT :

As regards to Para Item No. III (a), (b) & (c) the notes on accounts No. 4a is self explanatory & hence no explanation is given by the board as such.

As regards to Para Item No. VIII of the Auditor's report, the Board is of the opinion that the purchases are of products made exclusively for the company having special technical requirement & quality consideration & hence not comparable.

As regards to the Item No. 9(c) of the Auditor report, the company has contested a demand & the matter is pending before Asst. Commissioner, Mumbai VII.

7. SUBSIDIARIES :

Since the company has no subsidiaries, provision of section 212 of the Companies Act, 1956 is not applicable.

8. DIRECTORS :

During the year Mr. Bali Yadav Director of the company is retiring by rotation & being eligible offers himself for reappointment.

9. DIRECTOR'S RESPONSIBILITY STATEMENT :

The Board of Directors hereby confirm

- That in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper conventions and policies 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;
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the Directors have prepared the Annual Accounts on a going concern basis.

10. CORPORATE GOVERNANCE CODE :

The Board had implemented Corporate Governance code in pursuance of clause 49 of Listing Agreement during the year. The report on Corporate Governance is annexed hereto forming part of this report. The remarks/comments from M. Sanyal Associates, Company Secretaries on implementation of requirements of the Corporate Governance Code are annexed herewith forming part of this report.

11. STOCK EXCHANGE REQUIREMENT :

Being listed at Mumbai & Ahmedabad Stock Exchanges, your company has paid listing fees till March, 2005.

12. PARTICULARS OF EMPLOYEES :

There were no employees during the whole or part of the year who were in receipt of remuneration aggregating to Rs. 2,00,000/- per month or Rs. 24,00,000/- p.a. Hence no particulars are given.

13. CONSERVATION OF ENERGY, THE POLY AND AERATION, FERTILIZER EXCHANGE, FERTILIZER AND OTHERS :

The information forming part of this report is annexed.

14. APPRECIATION :

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

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

RAJ PREHAR

(CHAIRMAN)

PLACE : MUMBAI
DATE : 31st May, 2004**Annual Report 2003-2004**

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 in 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 : Not Applicable
 (d) Total Energy Consumption and Energy Consumption per Unit of Production as per prescribed Form A: Enclosed as 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 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. 17,24,862/-
 2. Earnings in Foreign Exchange : Rs. 1,39,728/-

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

PLACE : MUMBAI
 DATE : 31st May 2004

RAJ KISHOR
 (CHAIRMAN)

ANNEXURE - A

Form for disclosure of particulars with respect to Consumption of Energy

	Year ended 31/03/2004	Year ended 31/03/2003
1. Electricity		
a) Purchased Units	27,611	35,230
Total amount	Rs. 2,74,921	Rs. 3,08,620
Average rate	Rs. 9.96	Rs. 8.76
b) Own Generation	Nil	Nil
2. Coal	Nil	Nil
3. Furnace Oil, LDO, HSD		
Quantity	Ltrs. 8,343.54	Ltrs. 8,891.85
Amount	Rs. 2,05,000	Rs. 1,94,857.28
Average rate	Rs. 24.56	Rs. 21.91

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

CORPORATE GOVERNANCE REPORT**1. Company's Philosophy :**

The Corporate Governance code as introduced by Security and Exchange Board of India (SEBI) in pursuance of clause 49 of Listing Agreement is become applicable to the company by March, 2003 The same has been implemented by the company.

The company believes in maximum utilization of resources at minimum cost and attaining maximum long term shareholders value. The company has also consistently followed good Corporate policy and enhanced its value in the eyes of shareholders, Bankers, Customers and Employees.

2. Board of Directors :

The Board of the Company comprises of five Directors out of which Chairman is Ex. Director while one of the Director is a Whole Time Director. The other three Directors are independent Directors. There are no nominee or Institutional Directors in the Company.

None of Directors has pecuniary or Business relationship with the Company except managerial remuneration. Mr. Raj Prehar, Chairman & Managing Director, is a partner in M/s. Bright Plastic Industries with whom the company has business relationship. Both Mr. Raj Prehar & Mr. Suresh Prehar Directors, have interest in M/s. Laminar, whose office the company uses & pays society maintenance & Electricity Charges. No Director of the Company is either member in more than ten committees and/or Chairman of more than five committees across all companies in which he is Director.

During the year there were in total 5 (Five) Board Meetings were held i.e. on 29/04/2003, 30/06/2003, 28/07/2003, 20/10/2003 & 31/01/2004. The time gap between the two meetings was not more than 4 months. All the information required to be furnished to the Board was made available to them along with detailed Agenda notes.

Sr. No.	Name of Director	Category	No. of Meetings Attended	Attendance at Last AGM	No. of other Directorship	No. of other Committee membership in other Companies
1.	Mr. Raj Prehar	Chairman & Managing Director	5	Yes	NIL	NIL
2.	Mr. Suresh Prehar	Whole Time Director	5	Yes	NIL	NIL
3.	Mr. Rajiv Datta	Director	5	No	NIL	NIL
4.	Mr. Bali D. Yadav	Director	5	No	NIL	NIL
5.	Mr. Ralph X. Pinto	Director	5	Yes	Junish International Pvt. Ltd.	NIL

3. Committees of the Board:

a. Audit Committee

Pursuant to the provisions of section 292 (A) of the Companies Act, 1956 & clause 49 of Listing Agreements, an Audit Committee comprising of 3 Non Ex. Directors has been constituted.

Following are the members of the Committee.

1. Mr. Rajiv Datta - Chairman
2. Mr. Bali D. Yadav - Member
3. Mr. Ralph X. Pinto - Member

The audit committee has held 3 meetings during the year. The said meetings were attended by all the committee members, Mr. P. T. Dulani, Statutory Auditor & Mr. J. Thakkar, Internal Auditor of the Company.

Board terms of reference of the Audit Committee are as per following :

- Approving and implementing the Audit procedures and techniques.
- Reviewing audit reports of both statutory and internal auditors with auditors and management.
- Reviewing financial reporting systems, internal control systems and control procedures.
- Ensuring compliance with regulatory guidelines.

b. Remuneration Committee

The Stock Exchange Listing Agreement stipulates that the Remuneration Committee should comprise of at least three Non Executive Independent Directors, accordingly the company constituted the Remuneration committee. Except chairman, all the three members of the committee are Non Ex. & Independent Directors.

Following are the members of the Committee.

1. Mr. Raj Prehar - Chairman
2. Mr. Bali D. Yadav - Member
3. Mr. Rajiv Datta - Member
3. Mr. Ralph X. Pinto - Member

Details of remuneration paid to Directors for the year ended 31st March 2004.

Executive Directors

Name	Salary	Commission	Perquisites	(Amt. in Rupees) Retirement Benefits
Mr. Raj Prehar	Rs. 4,50,000/-	NIL	30,000/-	54,000/-
Mr. Suresh Prehar	Rs. 3,30,000/-	NIL	20,481/-	39,600/-

During the year the Non-Ex. Directors were paid only sitting fees as per the details give below.

Non-Executive Directors

Name	Success
Mr. Rajiv Datta	NIL
Mr. Bali Yadav	NIL
Mr. R. X. Pinto	NIL

c. Shareholders / Investors Grievance Committee

The Shareholder / Investors Grievance Committee has been constituted. The committee consists of three Non-Executive and Independent Directors & Compliance officer. The Committee is chaired by Mr. Bali D. Yadav. The committee looks into the shareholder and investors grievance that are not settled at the level of Compliance Officer and helps to expedite the share transfers and related matters.

Following are the members of the Committee.

1. Mr. Bali D. Yadav - Chairman
2. Mr. Rajiv Datta - Member
3. Mr. Ralph X. Pinto - Member
4. Mr. Raj Prehar - Compliance Officer

The company received 28 complaints from the shareholders during the year, out of which only NIL remained pending at the end of the year for want of necessary details from the shareholder. Further, during the year, requests for transfer of 17,49,500 shares in physical form were received and processed for transfer.

The committee met only thrice during the year ended on 31st March, 2004

4. General Body Meetings :

Details of last three Annual General Meetings are given below.

Financial Year	Date	Time	Venue	Special Resolution (s)
2000-01	25th September 2001	11.00 a.m.	Regd. Office	1. Alteration of Articles of Association to insert Article on Dematerialization of Shares & Passage of resolution by postal ballot. 2. Revision in the Managerial remuneration of Managing Director. 3. Revision in the Managerial remuneration of Whole Time Director.
2001-02	25th September 2002	11.00 a.m.	Regd. Office	N.A.
2002-03	25th September 2003	11.00 a.m.	Regd. Office	N.A.

No special resolution were put through postal ballot as all the above special resolutions were voted unanimously by show of hands.

5. Disclosures :

During the year under review, besides the transactions reported elsewhere, there were no other related party transactions of material nature with the promoters, Directors, the management or their subsidiaries or relatives during the year that may have potential conflict with the interest of the company at large.

There were no instances of Non-compliance on any matter related to the capital market during the past three years and that no penalties or strictures were imposed on the Company by any Stock Exchange or SEBI.

6. Means of Communication :

Since the company's registered office is situated at Pen the Quarterly / yearly results are normally published in the local News Paper. The Company is in the process of having its own-website; the unaudited results will be published on the same very soon.

No presentation was made during the year either to Institutional Investors or to the analysts.

Management discussion & Analysis Report is attached herewith forming part of the Annual Report.

7. General Shareholders Information :

i. The 17th Annual General Meeting is scheduled to be held on Thursday, the 23rd September, 2004 at 11.00 a.m. at Regd. Office of the Company.

Annual Report 2003-2004