

# PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED PSS

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FOR PRESSURE SENSITIVE SYSTEMS  
(INDIA) LIMITED

  
DIRECTOR

21ST

ANNUAL REPORT

2007-2008

**PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED****PSS****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
Mr. Anil Mistry	:	Independent Non-Ex. Director(w.e.f. 18-3-2008)

**AUDITORS :**

**DULANI & CO.**  
Chartered Accountants,  
Navi Mumbai

**CORPORATE GOVERNANCE REPORT :**

**HS Associates**  
Company Secretaries

**BANKERS :**

**Bank of Maharashtra**

**REGISTRARS & SHARE TRANSFER AGENTS :**

**Intime Spectrum Registry Limited.**  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup, Mumbai - 400 078.  
Tel No. 2596 3838 / Fax : 2594 6969  
Email : isrl@intimespectrum.com

**REGISTERED OFFICE & WORKS :**

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

**SHARES LISTED AT :**

**The Stock Exchange - Mumbai**  
**- Ahmedabad**

**(Listing Fees paid for 2008-09)**

**21st ANNUAL GENERAL MEETING**

**Date : 21st August, 2008**  
**Day : Thursday**  
**Time : 11.00 a.m.**  
**Place : Pen Khopoli Road,**  
**Pimpalgaon, Pen**  
**Dist. Raigad - 402107.**

## DIRECTOR'S REPORT

To,  
The Members,  
**PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED.**

Your Directors have great pleasure in presenting **21 st ANNUAL REPORT** along with the **Audited Balance Sheet and Profit And Loss Account** for the year ended **31st March 2008**.

### 1. FINANCIAL RESULTS :

	Year ended	(Rs. In 000)
	2008	2007
Gross Profit/( Loss)	(4,450.60)	6,509.77
Add/Less : Depreciation (Net)	(1,105.03)	1,362.60
Profit/Loss before for taxation	(5,454.61)	5,318.54
Less : Provision for Taxation	(32.93)	57.00
Less : Prior Year adjustments		
Net Profit Transferred to Balance Sheet	(5,487.54)	5,261.54
Balance Brought forward from previous year	(22,912.38)	(28,173.92)
Balance carried forward to Balance Sheet	(28,399.92)	(22,912.38)

### 2. OPERATIONS :

During the Year your company reported total sales of Rs. 10.72 Lacs (Rupees Ten Lacs Seventy Two Thousand Only) in comparison to Rs. 6,67,15,746/- (Rupees Six Crore Sixty Seven Lacs Fifteen Thousand Seven Hundred Forty Six Only) of previous year. After making necessary provisions the net loss is of Rs. 32,29,532 (Rupees Thirty Two Lacs Twenty nine Thousand Five Hundred Thirty Two Only) in comparison to Rs. 52,61,540/- (Rupees Fifty Two Lacs Sixty One Thousand Five Hundred Forty Only) of Previous Year. Your Directors expect better financial results in the coming year.

### 3. SHARE CAPITAL :

During the year under review the Authorised share capital was increased from Rs. 7,00,00,000/- to Rs. 15,50,00,000/- w.e.f. 30th April 2008 The Board proposed to issue 85,00,000 warrants in pursuance to SEBI Dip Guidelines after receipt of in principle approval from the concerned stock exchanges

### 4. DIVIDEND

In view of carry forward losses, no dividend is recommended for this year.

### 5. DEPOSITS :

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

#### **6. AUDITORS :**

**M/s. Dulani & Co. Chartered Accountants, Navi Mumbai statutory** Auditors of the company is holding the office till the conclusion of ensuing Annual General Meeting and has confirmed his availability for the reappointment.

#### **7. AUDITORS REPORT :**

As regards to auditors observations in Item No. (d)(f) of the auditors report. the notes to the accounts are self explanatory and hence no explanation is required from the Board as such.

#### **8. SUBSIDIARIES :**

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

#### **9. DIRECTORS :**

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

Mr. Anil Mistry was appointed as an additional Directors w.e.f. 18th March 2008. You are requested to reappoint him in the forthcoming Annual General Meeting.

Mr. Raj Prehar Managing Director and Mr. Suresh Prehar Whole Time Director of the company were re-appointed w.e.f. 1st July 2008

#### **10. DIRECTORS RESPONSIBILITY STATEMENT :**

The Board of Directors hereby confirm :

- i) That In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgements 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) That the Directors have taken proper and sufficient care for the maintenance of adequate accountings records in accordance with the provision of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) That the directors have prepared Annual Accounts on a going concern basis.

#### **11. 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 requisite certificate from HS Associates Company Secretaries, on implementation of requirements of the Corporate Governance is also annexed herewith forming part of this report

#### **12. STOCK EXCHANGE REQUIREMENT :**

Being listed at Mumbai & Ahmedabad Stock Exchanges your company has paid listing fees till March 2008

#### **13. 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/- p.m. or Rs. 24,00,000/- p.a. Hence no particulars are given.

**14. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO AS PER SECTION 217(1) COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988.**

**A) CONSERVATION OF ENERGY : 31-03-2008**

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) & (b) above for reduction of energy consumption & consequent impact on the cost of production of goods	:	NIL
d) Total energy consumption and energy consumption per unit of production as per form A of the Annexure in respect of industries specified in the schedule thereto	:	Enclosed as per 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 results of the above efforts : NIL

**II) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

1. Efforts, in brief made towards technology absorption adaptation and innovation - NIL
2. Benefits derived as a result of the above efforts e.g. product improvement cost reduction, product development, import substitution etc. - NIL
3. In case of imported technology imported during the last 5 years reckoned from the beginning of the financial year, following information may be furnished - NIL
  - (a) Technology imported : NIL
  - (b) Year of import : NIL
  - (c) Has technology been fully absorbed : NIL
  - (d) If not fully absorbed areas where this has not taken place reasons therefore and further plans of action - NIL.

**C. FOREIGN EXCHANGE EARNINGS & OUTGO**

- (1) Activities relating to exports : initiatives taken to increase exports, development of new export markets for products and services and export plans : NIL
- (2) Total foreign exchange used and earned - NIL

**ANNEXURE  
FORM A**

**Form for disclosure of particulars with respect to conservation of energy.**

**A. Power & Fuel Consumption :**

	Current Year	Previous Year
1. Electricity		
a) Purchased Unit	11320	10223
Total Amount	2,12,466	1,70,900
Rate Unit	13.77	16.717
b) Own Generation	-	-

(i)	Through diesel generator			
(ii)	Units	900Ltr.	-	
(iii)	Units per ltr. of Diesel Oil	305.06	-	
(iv)	Cost/unit	33.90	-	
C.	Through steam turbine generator units			
	units per ltr. of fuel oil / gas cost/unit	-	-	
(2)	Coal (specify quality and where used)	-	-	
	Quantity (tones)			
	Total Cost			
	Average rate			
(3)	Furnace Oil	-	-	
	Quantity (K)Ltrs.			
	Total amount			
	Average rate			
(4)	Others/ Internal generation	-	-	
	(Please five details)			
	Quantity			
	Total cost			
	Rate/Unit			
B.	Consumption per unit of production			
	standard (if any)	Current Year (1)	Previous Year (2)	
	Products (Details) unit	-	-	
	Electricity			
	Furnace Oil			
	Coal (Specify Quality)			
	Others (specify)			

**Notes :**

1. Please give separate details for different products / Item produced by the company and covered under these rules .
2. Please give reasons for variation in the consumption of power and fuel from standards of previous year.
3. In case of production of different varieties / specifications consumption details may be given for equivalent production.

**Form B****Form for disclosure of particulars with respect to absorption of technology.****Reserach & 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 R & D           | NIL |
| 3. Future plan of action                                     | NIL |

4. Expenditure on R & D:

(a) Capital	NIL
(b) Recurring	NIL
(c) Total	NIL
(d) Total R & D expenditure as percentage of total turnover	

**15. APPRECIATION :**

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

**By ORDER OF THE BOARD**

**PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED**

**DATE : 31st May 2008**

**PLACE : Mumbai**

**Sd/-  
RAJ PREHAR  
(CHAIRMAN & MANAGING DIRECTOR)**

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## 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 and subsequently amended w.e.f. 1st January 2006 has 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 & Employees

The company has complied with all the regulations required by SEBI through the listing agreement. This report along with the report of Management discussion and Analysis and additional information for the shareholders in the foregoing paras, constitutes Pressure's compliance with clause 49 of the Listings Agreement.

### 2.Board of Directors :

Details of Directors Seeking Appointment / Reappointment at the Forthcoming Annual General Meeting (pursuant to clause 49 VI(IA) of the Listing Agreement)

Name of the Director Age Qualification Expertise in specific functional areas Directorship in other Indian Public Limited Company & Other firms as on 31-03-2008 Shareholding	Mr. Raj Prehar 54 Years MBA 32 years in this & similar Industry NIL  20,73,800 (32.73%)
Name of the Director Age Qualification Expertise in specific functional areas Directorship in other Indian Public Limited Company & Other firms as on 31-03-2007 Shareholding	Mr. Suresh Prehar 55 Years BA 35 years in this & similar Industry NIL  20,000 (0.31%)
Name of the Director Age Qualification Expertise in specific functional areas Directorship in other Indian Public Limited Company & Other firms as on 31-03-2008 Shareholding	Mr. Ralph X. Pinto 41 Years BSc. 15 years in this & similar Industry NIL  200(0.003%)
Name of the Director Age Qualification Expertise in specific functional areas Directorship in other Indian Public Limited Company & Other firms as on 31-03-2008 Shareholding	Mr. Anil Mistry 39 Years B.COM 19 Years Simplex Trading & Agencies Ltd.  NIL



The Board of the company comprises of Six Directors out of which Chairman is Managing Director while one other Director is a whole time director. The other four directors are independent non executive 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 plastics 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.

#### **Non Executive Directors :**

As per revised code of Corporate Governance , the composition of the Board should be as such that the Board of Directors of the company shall have an optimum combination of executive and non-executive Directors with not less than fifty percent of the Board of Directors comprising of non Executive Directors.

During the year there were in total 6 (six) Board Meetings were held i.e. on 30th April 2007, 31st May 2007, 31st July 2007, 31st October 2007, 31st January 2008 and 18th March 2008 and 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	6	Yes	Nil	Nil
2	Mr. Suresh Prehar	Whole Time Director	6	Yes	Nil	Nil
3	Mr. Rajiv Datta	Director	6	No	Nil	Nil
4	Mr. Bali D. Yadav	Director	6	No	Nil	Nil
5	Mr. Ralph X. Pinto	Director	6	Yes	Junish International Pvt. Ltd.	Nil
6	Mr. Anil Mistry (w.e.f. 18-3-2008)	Director	NIL	No	Simplex Trading & Agencies Ltd.	Nil

#### **3. Audit Committee**

Pursuant to the provisions of section 292(A) of The Companies Act 1956 & clause 49 of Listing Agreement 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 ATTENDANCE AUDIT COMMITTEE MEETING WAS AS UNDER :

Director		No. of committee meeting held	No. of committee meeting attend.
Mr. Rajiv Datta	Member	4	4
Mr. Ralph X. Pinto	Member	4	4
Mr. Bali D. Yadav	Member	4	4
Mr. P. T. Dulani	Statutory Auditor	4	4

**Broad Terms of reference of the Audit Committee are as per following :**

- Approving and implementing the Audit procedures and techniques.
- Reviewing audit report of statutory auditors.
- Reviewing financial reporting systems, internal control systems and control procedures
- Ensuring compliance with regulatory guidelines.
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement its correct, sufficient and credible.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management the quarterly financial statements before submission to the board for approval.
- Reviewing, with management, performances of statutory and internal auditors, adequacy of teh internal control systems.
- Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Review of Related party Transactions.

#### **4. REMUNERATION COMMITTEE**

The Stock Exchange Listing Agreement stipulates that the Remuneration Committee should comprise of at least three Non Ex. 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. Rajiv Datta - Chairman
2. Mr. Bali D. Yadav - Member
3. Mr. Ralph X. Pinto - Member

#### **Disclosure on Remuneration of Directors**

1. All element of remuneration package of individual directors summarized under major groups, such as salary benefits, bonuses, stock option, pension etc. Mr. Raj Prehar and Mr. Suresh Prehar have drawn remuneration aggregating to Rs. 1080744/- in the year ended 31st March 2008 as Managing Director and Whole time Director respectively.