


PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED PSS

FOR PRESSURE SENSITIVE SYSTEMS
(INDIA) LIMITED

DIRECTOR

21ST

ANNUAL REPORT

2007-2008

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 ^a	
	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	Current Year	Previous Year
		(if any)	(1)	(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
 - (b) Recurring
 - (c) Total
 - (d) Total R & D expenditure as percentage of total turnover

NIL
NIL
NIL

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)**

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(A) 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 Committees 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.

2. Details of fixed component and performance linked incentives along with the performance criteria - NIL
3. Service contracts, notice period, severance fees - NIL
4. Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable - NIL

Details of remuneration paid to Directors for the year ended 31 st March 2008.

Executive Directors

Name	Salary	Commission	Perquisites	Retirement Benefits
Mr. Raj Prehar	5,59,968/-	-	-	57,600/-
Mr. Suresh Prehar	4,19,976/-	-	-	4,200/-

Following is the list of Non-Executive Directors and their shareholdings in the company.

Sr. No.	Name of the Non-Executive Directors	Number of Equity Shares	Sitting Fees	Non convertible Instruments
1	Mr. Rajiv Datta	NIL	NIL	NIL
2	Mr. Bali Yadav	NIL	NIL	NIL
3	Mr. Ralph X. Pinto	200	NIL	NIL
4	Mr. Anil Mistry	NIL	NIL	NIL

Shareholders/Investors Grievance Committee

The shareholders / Investors Grievance committee has been constituted. The committee consists of three Non Ex. & independent Directors. The Committee is chaired by Mr. Bali 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 ATTENDANCE AT THE SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE MEETING WAS AS UNDER.

Director		No. of Committee Meeting Held	No. of Committee Meeting attend
Mr. Bali D. Yadav	Chairman	4	4
Mr. Rajiv Datta	Member	4	4
Mr. Ralph X. Pinto	Member	4	4
Mr. Raj Prehar	Compliance Officer	4	4

The company received 7 Complaints from the shareholders during the year, out of which only NONE remained pending at the end of the year for want of necessary details from the shareholder. Further during the year requests for transfer of 260 Shares in physical form were received and processed for transfer.

The committee met four times during the year ended on 31st March 2008

General Body Meetings :

Details of last three Annual General Meetings are given below.

Financial Year	Date	Time	Venue	Special Resolution (s)
2004-05	29th Sept.2005	11.00 a.m.	Regd. Office	N.A.
2005-06	27thSept2006	11.00 a.m.	Regd. Office	N.A.
2006-07	27thSept2007	11.00 a.m.	Regd. Office	N.A.

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

7. 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.

There were no instances of Non-compliances 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 of SEBI.

8. 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 Unaudited results are also put on the companies web site at pssindiaLtd.com

The quarterly / yearly results are submitted to the concerned stock exchanges after approval by the Board in due course.

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

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

9. General Shareholders Information :

I. The 21st Annual General Meeting is scheduled to be held on Thursday the 21st August 2008 at 11.00 a.m. at Regd. Office of the Company,

II. The Financial year of the company is from April to March. The financial calendar is as per following

First quarter results (30th June)	End of July
Second quarter results (30th September)	End of October
Third quarter results (31st December)	End of January
Fourth quarter / Annual Results	End of May
Registered Office	Pen Kholpoli Road, Pimpalgaon, Pen, Dist. Raigad 402 107
Register & Transfer System	Intime Spectrum Registry Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup, Mumbai - 400078

III. Book Closure dates are from Thursday the 14th August 2008 to Thursday the 21st August 2008 (both days inclusive)

IV. The Board of Directors have not proposed any dividend for the current financial year.

V. The company's shares are listed at Mumbai & Ahmedabad Stock Exchanges out of which Mumbai is a Regional Stock Exchange The Listing Fees for the year 2008-09 for all these Stock Exchanges have been paid.

VI. Stock Code : 526773

The Stock Exchange, Mumbai
Security in Physical Form No. BSE : 526773
Electronic Form No. INE891EO1016
Scrip Name : Pressure Sensitive Systems (I) Ltd.

VII. Market price data :
(All figures in Indian Rupees)

Months	Price		Volume
	High	Low	No. of Shares
April-07	6.29	4.06	44795
May-07	5.1	4.04	29062
June-07	5.5	4.02	99175
July-07	8.06	3.53	603463
August-07	8.5	5.45	306628
September-07	7.61	5.35	156258
October	6.05	4.6	43254
November-07	5.31	3.85	120493
December-07	6.95	4.66	113901
January-08	8.68	5.15	210666
February-08	4.9	3.26	75542
March-08	4.32	2.8	71153

VIII. Share Transfer Agent

Intime Spectrum Registry Limited,
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup,
Mumbai - 400 078

IX. Share Transfer System

The share transfer of securities in physical form are registered, duly transferred and despatched within one month of the receipt, if the transfer documents are in order. The shares in de-materialized form are normally processed and transferred with 21 days from receipt of dematerialization requests.

X. Distribution of shareholding as on 31st March 2008

Share holding of Rs.	Nomin 1 Value of Rs.	Share holder S. No.	% of Total	Share Amt. Rs.	% of Total
1	5000	5686	82.7050	14495340	2.8770
5001	10000	701	10.1960	5990850	9.4550
10001	20000	256	3.7240	4097140	6.4660
20001	30000	95	1.3820	2473140	3.9030
30001	40000	20	0.2910	714130	1.1270
40001	50000	33	0.4800	16191800	2.5550
50001	100000	45	0.6550	3171710	5.0060
100001	*****	39	0.5670	30800510	48.6100
Total		6875	100.0000	63362000	100.0000

XI. Dematerialization of securities

The company's shares were dematerialized w.e.f. 21st December 2001 vide a Tripartite agreement executed between NSDL, CDSL and the company as on 31st March-2008, 21,69,500 Equity Shares representing 34.24% were held in Demat form & the balance 41,66,700 Equity Shares representing 65.76% were in physical form.

XII. Company proposed to issue 8500000 convertible warrants at a price of Rs. 10/- per share after complying with SEBI guidelines of preferential allotments of securities other than this the Company has not issued ESOP or any GDRs/ADRs instrument

XIII. The Company's Plant are located as under

- a) Pen Khopoli Road,
Pimpalgaon, Pen,
Dist. Raigad - 402 107.
- b) Village Kishanpura, P.o. Gurumajra,
Off. Baddi Nalagarh Highway,
Dist Solan, H.P. 174101

14. Address for correspondence

Shareholders of the company can send correspondence at Company's Share & Transfer Agent's Office or the corporate office of the company situated at following address

B-130, Oshiwara Industrial Centre,
New link Road, Opp. Oshiwara Bus Depot,
Goregaon (W)
Mumbai - 400 104

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A) **INDUSTRY STRUCTURE AND DEVELOPMENT**

The self adhesive industry is virtually non-existent in the medium scale industry.

B) **SEGMENTWISE PERFORMANCE :**

The Company has only one reportable primary segment consisting of coatings on different materials, the performance of which has been detailed in my Annual Report.

C) **OPPORTUNITIES / OUTLOOK :**

Due to reasons mentioned in (A) above, opportunities/outlook are not very encouraging. The management feels this situation will worsen. However, some new opportunities in the coating field have been identified. The company has been successful in exploiting the same.

D) **THREATS :**

The main threats are from very cheap large volume imports from low cost countries and very small scale industries. The management is in the process of phasing out loss making/ products and replacing them with product giving higher yields. The management is also in the process of drastic reduction in overheads and running costs.

E) **RISKS AND CONCERNS :**

These have been mentioned in details in (A) and (D) above. The management is taking adequate measures to safeguard the interests of the company.

F) **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY :**

The company has put in place sufficient quality and inventory control systems, required for the company of our size. Monthly purchase are cross checked by the Directors. The company also has a full fledged in house laboratory which is recognized by various government agencies such as Railways, Defense, DOT etc. for quality checks at every stage of production.

G) **HUMAN RESOURCES POLICIES :**

The Company Has Adequate Human Resources to run its operations efficiently.

H) **CAUTIONARY STATEMENT :**

In light of large scale dumping of self adhesive tapes in India by countries such as China, Malaysia etc. the company is facing severe profitability problems. However, the management has identified new markets which are not affected by imports and has successfully entered the same.

A REPORT ON CORPORATE GOVERNANCE BY COMPANY SECRETARY IN PRACTICE

To,
The Board of Directors,
PRESSURE SENSITIVE SYSTEMS (INDIA)LIMITED
Pen-Khopoli Road,
Pimpalgaon, Pen,
Dist. Raigad - 402 107.

We have reviewed the implementation of Corporate Governance produced by the Company during the year ended 31st March 2008, with the relevant records and documents maintained by the company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The Compliance of the conditions of the Corporate Governance is the responsibility of the Management. Our examination is neither an audit nor an expression of opinion of the financial statements of the Company.

On the basis of the above and according to the information and explanations given to us, in our opinion, the Company has complied in all material respects with the conditions of Corporate Governance stipulated in the clause 49 of the Listing Agreement with the Stock Exchanges.

We further state that our examination of such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For HS Associates
Company Secretaries

Sd/-

Hemant Shetye
Partner
31st May 2008, Mumbai
FCS - 2827
COP - 1483

CERTIFICATION BY
CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

To,
The Board of Directors,
PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED
Pen-Khopoli Road,
Pimpalgaon, Pen,
Dist. Raigad - 402 107.

We hereby certify that for the financial year, ending 31st March 2008 on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that :-

1. These statement do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards ,applicable laws and regulations.
3. There are to the best of our knowledge and belief no transactions entered into by the company during the year which are fraudulent illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We further certify that :
 - a. There have been no significant changes in internal control during the year.
 - b. There have been no significant changes in accounting policies during the year.
 - c. There have been no instances of significant fraud of which we are become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Sd/-
RAJ PREHAR
(Managing Director & CFO)

Sd/-
SURESH PREHAR
(Whole Time Director & CEO)

Date : 31st May 2008
Place : Mumbai

DECLARATION

1. Mr. Suresh Prehar, CEO of the Company hereby declare that all Board members and senior management personnel have affirmed compliance with the code on an annual basis.

For PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED

Sd/-

SURESH PREHAR

(CEO)

[Date : 31 st May 2008

Place : Mumbai.

AUDITOR'S 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 March 31, 2008 and also the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management my responsibility is to express an opinion on these financial statements based on my Audit.

I conducted my audit in accordance with auditing standards generally accepted in India. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on test basis evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principals used and significant estimate made by management as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As required by the Companies (Auditor's Report) Order 2003 (as amended) issued by the Central Government of India in terms of sub-section(4A) of section 227 of the companies Act 1956, I enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.

Further to my comments in the Annexure referred to above I report that:

- a) I have obtained all the information and explanation 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 or those books.
- c) The Balance Sheet the Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
- d) In my opinion the Balance Sheet the Profit and Loss Account and Cash Flow Statement dealt with by this report, **subject to non provision of doubtful intercorporate deposits and of current year's interest thereon and non provision of depreciation on Baddi Plant** comply with the Accounting Standard referred to in sub-section (3C) of section of Companies Act 1956.
- e) On the basis of written representation received from the directors, as on March 31, 2008 and taken on record by the Board of Directors. I report that none of the directors is disqualified as on March 31, 2008 from being appointed as a director in terms of clause section 274(1)(g) of Companies Act 1956.
- f) In my opinion and to the best of my information and according to the explanation given to me the said accounts **subject to note number 2 regarding non provision of doubtful inter-corporate deposit and of current year's interest thereon and note no 3 for non provision of depreciation on Baddi plant** give a true and fair view in conformity with the accounting principals generally accepted in India.
 - i) In the case of Balance Sheet, of the state of affairs of the Company as at March 31 2008
 - ii) In the case of the Profit and Loss Account of the Loss of the company for the year ended on that date and
 - iii) In the case of Cash Flow Statement of the cash flow of the company for the year ended on that date.

Navi Mumbai
31st May 2008

For DULANI & CO.
Chartered Accountants
Sd/-
Mr. P. T. Dulani
(Proprietor)
M. No. 31405

ANNEXURE TO THE AUDITOR'S REPORT

The Annexure referred to in auditors report to the members of Pressure Sensitive Systems (india) Limited for the year ended March 31, 2008 I report that :

(I) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.

In my opinion, the frequency of verification is reasonable, having regard to the size of the company and nature of its business.

There was no substantial disposal of fixed assets during the year

ii) The inventories have been physically verified during the year by the management In my opinion: the frequency of the verification is reasonable.

In my opinion and according to the information and explanations given to me procedure of physical verifications of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

The company is maintaining proper records of inventory and no discrepancies were noticed on physical verification.

iii) The company has neither granted nor taken any loans secured or unsecured to or from companies firms or other parties covered in the register maintained under section 301 of the Companies Act 1956 accordingly paragraph(4 iii) of the order is not applicable

iv) In my opinion and according to the information and explanations given to me there are adequate internal control procedure commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of good I have not observed any major weakness in the internal controls during the course of the audit.

v. In my opinion and according to the information and explanations given to me the transactions that need to be entered in to register in pursuance of section 301 of the companies act 1956 have been entered

vi. In my opinion and according to the information and explanation given to me no transactions have been made in pursuance of such contracts or arrangement exceeding the value of five lakhs rupees

viii) The Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act 1956 in respect of companies products Accordingly paragraph (4viii) of the order is not applicable

ix. According to the information and explanation given to me and on the basis of my examination of the records of the company amounts deducted accrued in the books of accounts in respect of undisputed statutory dues including provident fund income tax sales tax custom duty excise duty service tax and other statutory dues have been regularly deposited during the year by the company with the appropriate authorities As explained to me the company did not have any dues on account of employees staff insurance

According to the information and explanation given to me no undisputed dues payable in respect of provident fund income tax, sales tax custom duty, excise duty, service tax were outstanding at March 31 2008 for period of more than six months from the date they become payable

According to the information and explanation given to me there are no dues of income tax , sales tax, custom duty, excise duty, service tax, and wealth tax which have not been deposited with the appropriate authorities on account of any dispute

x) The accumulated losses of the company as on 31 st March 2008 are not more than fifty percent of its net worth The company has incurred cash losses during the financial year and in the immediately presiding financial year there were no cash losses.

xi) According to the information and explanation given to me the company has not defaulted in repayment of dues to bank The companies has neither taken any loan from the financial institution nor issued any debenture and other securities

xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly paragraph 4 (xii) of the order is not applicable.

xiii) In my opinion and according to the information and explanation given to me the company not a chit fund or nidhi mutual benefit fund society. Accordingly paragraph 4(xiii) of the is not applicable:

xiv) According to the information and explanation given to me the company is not dealing or trading in the shares securities debentures and other investments accordingly paragraph 4(xiv) of the order is not applicable.

xv) According to the information and explanation given to me the company has not given any guarantee for loans taken by others from bank or financial institutions Accordingly paragraph 4(XV) of the order is not applicable.

XVI) The company did not have any term loans outstanding during the year Accordingly paragraph 4(xvi) of the order is not applicable

XVII) The company has not raised any funds on short term basis Accordingly paragraph4(XVII) the order is not applicable

XVIII) The company has not made any preferential allotment of shares to companies firms parties covered in the register maintained under section 301 of the companies act 1956 . Accordingly paragraph 4(XVIII) of the order is not applicable

XIX) The company did not have any outstanding debentures during the year Accordingly Paragraph 4 (XIX) of the order is not applicable

XX) The company has not raised any money by public issues during the year Accordingly paragraph 4(XX) of the order is not applicable

XXI) According to the information and explanation given to me, no fraud on or by company has been noticed or reported during the course of my audit

For DULANI & CO.
CHARTERED ACCOUNTANTS
Sd/-
MR. P. T. DULANI
PROPRIETOR
(M.NO. 31405)

NAVI MUMBAI
31 ST MAY 2008

**PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED
BALANCE SHEET AS AT 31ST MARCH 2008**

	Schedule No.	AS AT 31-03-08	AS AT 31-03-07
I. SOURCES OF FUNDS			
1 SHARE HOLDERS FUND :			
a) SHARE CAPITAL	1	63327000	63327000
b) RESERVE & SURPLUS	2	750000	850982
TOTAL FUNDS EMPLOYED		64077000	64177982
APPLICATION OF FUNDS			
1. FIXED ASSETS :			
a) GROSS BLOCK	3	28959686	31034225
b) LESS :DEPRICIATION		12709030	12228846
c) NET BLOCK		16250656	18805379
2. CURRENT ASSETS, LOANS AND ADVANCES :			
a) INVENTORIES	4	3742603	5662017
b) SUNDRY DEBTORS	5	1855811	1729723
c) CASHAND BANK BALANCES	6	8212030	10579874
d) LOANS AND ADVANCES	7	7950082	7426127
		21760526	25397741
LESS : CURRENT LIABILITIES & PROVISIONS 8			
A) CURRENT LIABILITIES		1487781	2211489
B) PROVISIONS		860711	829582
		2348492	3041071
NET CURRENT ASSETS		19412034	22356670
3. MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)			
PROFIT & LOSS ACCOUNT	9	14388	103557
		28399921	22912376
		28414309	23015933
INTER BRANCH BALANCES			
TOTAL FUNDS UTILISED		64076999	64177982
SIGNIFICANT ACCOUNTING POLICIES	17		
NOTES TO ACCOUNTS	18		

AS PER MY REPORT OF EVEN DATE

FOR & ON BEHALF OF BOARD

For **DULANI & CO.**
CHARTERED ACCOUNTANTS

PRESSURE SENSITIVE SYSTEMS (INDIA)LIMITED

MR. P.T. DULANI
(PROPRIETOR)
M.N.o. 31405

Mr. RAJ PREHAR
(CHAIRMAN &
MANAGING DIRECTOR)

MR. SURESH PREHAR
(WHOLETIME DIRECTOR)

MR. RAJIV S. DATTA
(DIRECTOR)

NAVI MUMBAI
31ST MAY 2008

MUMBAI
31ST MAY 2008

PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR 31ST MARCH 2008

	Schedule No.	2007-2008	2006-2007
I. INCOME			
SALES AND OTHER INCOMES	10	1134025	67772266
VARIATION IN STOCKS	11	(1046501)	(1056520)
		87524	66715746
II EXPENDITURE			
CONSUMPTION OF RAW MATERIALS	12	282467	52694182
POWER & FUEL		296506	305859
EXCISE DUTY PAID		10637	1886325
OTHER MANUFACTURING EXP.	13	42699	105155
PAYMENT TO AND PROVISIONS FOR EMPLOYEES	14	2080068	2471127
OTHER EXPENSES	15	1810062	2648944
INTEREST	16	3278	28870
PRIOR PERIOD ADJUSTMENTS		12374	65518
		4538091	60205980
III. PROFIT/(LOSS) BEFORE DEPRECIATION		(4450567)	6509766
IV DEPRICATION FOR THE YEAR		1105031	1362603
V TRANSFER FROM REVALUATION RESERVE		100982	171377
VI PROFIT (LOSS) BEFORE TAX		(5454617)	5318540
VII PROVISION FOR FRINGE BENEFIT TAX		32930	57000
VIII NET PROFIT (LOSS) FOR THE YEAR		(5487547)	5261540
IX BALANCE BROUGHT FROM PREVIOUS YEAR		(22912376)	(28173916)
X BALANCE CARRIED OVER TO BALANCE SHEET		(28399922)	(22912376)
EARNING PER SHARE(RS.0 BASIC & DILUTED)			0.83
SIGNIFICANT ACCOUNTING POLICIES		17	
NOTES TO ACCOUNTS		18	

AS PER MY REPORT OF EVEN DATE

FOR & ON BEHALF OF BOARD

For DULANI & CO.
CHARTERED ACCOUNTANTS

PRESSURE SENSITIVE SYSTEMS (INDIA)LIMITED

MR. P.T. DULANI
(PROPRIETOR)
M. No. 31405

Mr. RAJ PREHAR
(CHAIRMAN &
MANAGING DIRECTOR)

MR. SURESH PREHAR
(WHOLETIME DIRECTOR)

MR. RAJIV S. DATTA
(DIRECTOR)

NAVI MUMBAI
31ST MAY 2008

MUMBAI
31ST MAY 2008

**PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED**

	2007-2008	2006-2007
	RUPEES	RUPEES
<u>A) CASH FLOW FROM OPERATING ACTIVITIES</u>		
NET PROFIT BEFORE TAX AND EXCEPTIONAL TERMS ADJUSTMENT TO RECONCILE NET PROFIT BEFORE TAX TO CASH PROVIDED BY OPERATING ACTIVITIES	(5454617)	5318540
DEPRECIATION	1004049	1191226
INTEREST INCOME	(517273)	(485113)
OTHER INCOME	(3000)	(309)
MISCELLANEOUS EXPENDITURE	89169	89169
WRITTEN OFF		
INTEREST PAID	3278	28870
PROFIT ON SALE OF ASSETS	(308475)	0
NET CASH FLOW GENERATED BY	<u>(5186869)</u>	<u>6142383</u>
OPERATING ACTIVITIES		
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		
<u>ADJUSTMENT FOR :</u>		
INVENTORIES	1919414	1224540
SUNDRY DEBTORS	(126088)	35811954
LOANS & ADVANCES	(523955)	(1480329)
CURRENT LIABILITIES & PROVISION	(692579)	(38024679)
	<u>576792</u>	<u>(2468514)</u>
INCREASE/ (DECREASE) IN CURRENT ASSETS		
CASH GENERATED FROM OPERATION	(4610077)	3673869
LESS TAXES PAID	32930	57000
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>(4643007)</u>	<u>3616869</u>
EXTRAORDINARY ITEMS		
OTHER INCOME	3000	309
	<u>3000</u>	<u>309</u>
NET CASH FROM OPERATING ACTIVITIES	<u>(4640007)</u>	<u>3617178</u>
B) CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASE OF FIXED ASSETS	0	(511474)
PROCEEDS FROM SALE OF FIXED ASSETS	1758168	0
INTEREST RECEIVED	517273	483113
NET CASH FROM INVESTING ACTIVITIES	<u>2275441</u>	<u>(26361)</u>

C) CASH FLOW FROM FINANCING
ACTIVITIES

SECURED LOANS		444963
INTEREST PAID	(3278)	(28870)
NET CASH USED FOR FINANCING ACTIVITIES	(3278)	(473833)
<u>NET INCREASE IN CASH AND CASH EQUIVALENTS</u>	(2367844)	3116984
CASH AND CASH EQUIVALENTS ON OPENING DATE	10579874	7462890
CASH AND CASH EQUIVALENTS ON CLOSING DATE	8212030	10579874

THIS IS THE CASH FLOW STATEMENT REFERRED TO IN OUR REPORTS OF EVEN DATE.

FOR & ON BEHALF OF BOARD

For DULANI & CO.
CHARTERED ACCOUNTANTS

PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED

Sd/-

MR. P.T. DULANI
(PROPRIETOR)
M. No. 31405

Mr. RAJ PREHAR
(CHAIRMAN &
MANAGING DIRECTOR)

MR. SURESH PREHAR
(WHOLETIME DIRECTOR)

MR. RAJIV S. DATTA
(DIRECTOR)

NAVI MUMBAI
31ST MAY 2008

MUMBAI
31ST MAY 2008

PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED

SCHEDULE 1 TO 9 ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2008

	AS AT 31-03-08 (RS.)	AS AT 31-03-07 (RS.)
<u>SCHEDULE - 1</u>		
<u>SHARE CAPITAL AUTHORISED</u>		
70,00,000 EQUITY SHARES OF RS. 10 EACH	70000000	70000000
	<hr/>	<hr/>
63,36,200 EQUITY SHARES OF RS. 10 EACH FULLY PAID UP	63362000	63362000
LESS CALLS IN ARREARS ON 3500 EQUITY SHARES OF RS. 10/- EACH	35000	35000
	<hr/>	<hr/>
	63327000	63327000
	<hr/>	<hr/>

NOTES :

1. OF THE ABOVE EQUITY SHARES 1,15,000 SHARES OF RS. 10/- EACH ARE ALLOTTED AS FULLY PAID BONUS SHARES BY CAPITALISATION OF REVALUATION RESERVE

2. CALLS IN ARREARS RS. 35000/- (PREVIOUS YEAR RS. 35000/-) REPRESENTS STOCK INVEST RETURNED UNPAID AND ARE SUBJECT TO REALIZATION.

SCHEDULE - 2

RESERVE AND SURPLUS

1) CAPITAL RESERVE		
BALANCE AS PER LAST BALANCE SHEET	750000	750000
2) REVALUATION RESERVE		
BALANCE AS PER LAST BALANCE SHEET	100982	272359
LESS : TRANSFERRED TO PROFIT AND LOSS ACCOUNT	100982	171377
	<hr/>	<hr/>
	750000	850982
	<hr/>	<hr/>

PRESSURE SENSITIVE SYSTEMS (INDIA) LTD.

SCHEDULE 3 FIXED ASSETS

Sr. No.	PARTICULARS	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
		AS AT 01-04-07	ADDITIONS	SALE ADJUSTMENT	AS AT 31-03-08	UP TO 31-3-07	FOR THE YEAR	SALE ADJUSTMENT	UP TO 31-03-08	AS AT 31-3-08	AS AT 31-03-07
1	FREEHOLD LAND	761196	0	0	761196	0	0	0	0	761196	761196
2	BUILDING	9269986	0	0	9269986	2900035	219500	0	3119535	6150451	6369951
3	PLANT & MACHINERY	17159806	0	2074540	15085266	7574922	644117	624848	7594191	7491075	9584884
4	ELECTRICAL INSTALLATION	1763961		0	1763961	1120125	74722	0	1194847	569114	643836
5	FURNITURE & FIXTURES	220600		0	220600	86070	13963	0	100033	120567	134530
6	LABORATORY EQUIPMENT	342934	0	0	342934	139091	16289	0	155380	187554	203843
7	WEIGHING SCALE	73226	0	0	73226	39147	3479	0	42626	30600	34079
8	FIRE FITTING EQUIPMENT	67025	0	0	67025	40107	3184	0	43291	23734	26918
9	OFFICE EQUIPMENT	199018		0	199018	54094	9451	0	63545	135473	144924
10	COMPUTERS	167679	0	0	167679	143185	24494	0	167679	0	24494
11	VEHICLE	1008795		0	1008795	132070	95832	0	227902	780893	876725
	TOTAL	31034225	0	2074540	28959686	12228846	1105031	624848	12709030	16250656	18805379
	PREVIOUS PERIOD	30522751	511474	0	31034225	10866243	1362603	0	12228846	18805379	

NOTES:
 FIXED ASSETS OF THE PEN FACTORY OTHER THAN FURNITURE & FIXTURE WERE REVALUED AS AT 31-03-1993 WHICH HAD RESULT IN AGGREGATE INCREASE IN THE BOOK VALUE BY RS. 39,680,70.68 (GROSS) AND RS. 38,25,148.43 (NET) DEPRECIATION FOR THE YEAR INCLUDES RS. 100982/- (PREVIOUS YEAR RS. 171377/-) IN RESPECT OF INCREASED VALUE OF FIXED ASSETS DUE TO REVALUATION AND AN EQUIVALENT AMOUNT HAS BEEN RECOUPED FROM REVALUATION RESERVE.

PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED

AS AT 31-03-08

AS AT 31-03-2007

(Rs.)

(Rs.)

SCHEDULE - 4

INVENTORIES

(AS PER INVENTORIES TAKEN VALUED)
AND CERTIFIED BY THE MANAGEMENT

STORES AND SPARE PARTS	650	585090
RAW MATERIALS	705843	950106
PACKING MATERIALS	28705	73915
FINISHED GOODS	33439	129873
WORK IN PROGRESS	2972966	3923033
	<u>3742603</u>	<u>5662017</u>

SCHEDULE - 5

SUNDRY DEBTORS

(UNSECURED CONSIDERED (GOOD)
EXCEEDING SIX MONTHS
OTHERS

	1749393	1729725
	106418	0
	<u>1855811</u>	<u>1729723</u>

SCHEDULE - 6

CASH AND BANK BALANCES

CASH ON HAND
IN PLA A/C WITH EXCISE
WITH SCHEDULED BANK
IN CURRENT ACCOUNT
IN FIXED DEPOSIT ACCOUNT

	303784	364968
	491	477
	3465698	1356962
	4442057	8857467
	<u>8212030</u>	<u>10579874</u>

SCHEDULE 7

LOANS AND ADVANCES

(UNSECURED CONSIDERED GOOD)
ADVANCE TO SUPPLIERS
ADVANCE RECOVERABLE IN CASH OR
IN KIND FOR VALUE TO BE RECEIVED
LOANS TO STAFF
INTERCORPORATE DEPOSITS
DEPOSITS WITH
PUBLIC BODIES
OTHERS

	245000	245000
	4758177	4209752
	2500	0
	18,50,000	18,50,000
	91845	114875
	1004560	1006500
	<u>7950062</u>	<u>7426127</u>

SCHEDULE - 8

a) CURRENT LIABILITIES AND PROVISIONS

a) CURRENT LIABILITIES

SUNDRY CREDITORS
OTHER LIABILITIES

	1126124	1804614
	361657	406874
	<u>1487781</u>	<u>2211488</u>

b) PROVISIONS

FRINGE BENEFIT TAX
PROVISION FOR GRATUITY
PROVISION FOR LEAVE ENCASHMENT

	121930	89000
	676715	631450
	62066	109132
	<u>860711</u>	<u>829582</u>

TOTAL (a+b)

	<u>2348492</u>	<u>3041071</u>
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SCHEDULE - 9

MISCELLANEOUS EXPENDITURE

(TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)
VOLUNTARY RETIREMENT SCHEME

	14388	103557
	<u>14388</u>	<u>103557</u>

PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED
SCHEDULE 10 TO 16 ANNEXED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT FOR
THE YEAR ENDED 31ST MARCH 2008

	2007-2008 RS.	2006-2007 RS.
SCHEDULE 10		
SALES AND OTHER INCOME		
SALE OF GOODS MANUFACTURED	305276	67286844
INTEREST RECEIVED (TDS RS. 65032/-)	517273	485113
SUNDRY BALANCES WRITTEN OFF (NET)	1	309
OTHER INCOME	3000	0
PROFIT ON SALE OF ASSETS	308475	
	<u>1134025</u>	<u>67772266</u>
SCHEDULE - 11		
VARIATION IN STOCKS		
OPENING STOCK		
WORK IN PROGRESS	223033	142815
FINISHED GOODS	129873	4966611
	<u>4052906</u>	<u>5109426</u>
LESS : CLOSING STOCKS		
WORK IN PROGRESS	2972966	3923033
FINISHED GOODS	33439	129873
	<u>3006405</u>	<u>4052906</u>
NET INCREASE (DECREASE)	<u>(1046501)</u>	<u>(1056520)</u>
SCHEDULE - 12		
CONSUMPTION OF RAW MATERIALS		
OPENING STOCKS	950106	1350816
ADD : PURCHASES	39204	52293472
	<u>989310</u>	<u>53644288</u>
LESS : CLOSING STOCKS		
	<u>706843</u>	<u>950106</u>
	<u>282467</u>	<u>52694182</u>
SCHEDULE - 13		
OTHER MANUFACTURING EXPENSES		
PROCESSING AND PRINTING CHARGES	37927	39326
CONSUMPTION OF STORES AND SPARES	4772	65829
	<u>42699</u>	<u>105155</u>
SCHEDULE 14		
PAYMENT TO AND PROVISION FOR EMPLOYEES		
SALARIES AND WAGES	1803078	1981590
STAFF WELFARE EXPENSES	54379	80824
STAFF QUARTERS RENT	0	32000
CONTRIBUTION TO PROVIDED FUND & OTHER FUNDS		
GRATUITY	135243	147577
	45265	30835
LEAVE ENCASHMENT		
COMPENSATION TO WORKERS ON VOLUNTARY RETIREMENT	(47066)	109132
	<u>89169</u>	<u>89169</u>
	<u>2080068</u>	<u>2471127</u>

SCHEDULE - 15**OTHER EXPENSES**

TRAVELING AND CONVEYANCE	112845	287902
INSURANCE	52045	226525
RENT RATES AND TAXES	96102	94497
REPAIRS TO BUILDINGS	0	16585
REPAIRS TO PLANT AND MACHINERY	5908	6272
REPAIRS TO OTHERS	13821	28776
LEGAL AND PROFESSIONAL CHARGES	174269	199961
PAYMENT TO AUDITORS	185394	203307
PRINTING AND STATIONARY	55347	29704
POSTAGE TELEGRAMS AND TELEPHONES	131427	141087
FREIGHT OCTROI AND CARRIAGE	44771	246136
BUSINESS PROMOTION EXPENSES	48194	32256
VEHICLE MAINTANCE	135331	204572
PACKING MATERIAL CONSUMED	44099	120813
BANK GUARANTEE COMMISSION	7155	184217
SALES TAX	0	6
MISCELLANEOUS EXPENSES	189464	272407
DELAYED PAYMENT CHARGES	0	353051
BROKERAGE AND COMMISSION	30000	
LOSS ON SALE OF ASSETS	483890 0	

1810060	2648944
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SCHEDULE 16**INTEREST**

ON FIXED LOANS	0	1747
OTHERS	3278	27123
	<hr/>	<hr/>
	3278	28870
	<hr/>	<hr/>

SCHEDULE 17
SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONCEPTS :

The company maintains its accounts on accrual basis following the historical cost convention except for revaluation of Fixed Assets (except furniture & fixtures) , and as a going concern, in compliance with applicable accounting standards referred to in Section 211 (3c) and other requirements of the Companies Act 1956 . However interest on loans given as inter corporate deposits has not been provided. Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles.

2. FIXED ASSETS

Fixed Assets are Stated at Original cost net of CENVAT credits availed if any and those which are revalued as on 31 st March 1993 are stated at the value determine by the valuer. Cost of acquisition includes shipment duties taxes installation interest and expenditure during the construction up to the date of commercial production have been capitalized.

3. DEPRECIATION

Depreciation (other than freehold land) is calculated on straight line method as per Schedule XIV to the Companies Act 1956 on prorata time basis with reference to the month of additions depreciation on revalued assets is also provided on the same basis and the equal amount is recouped from the revaluation reserve.

4. IMPAIRMENT

The company assesses at each Balance sheet date whether there is any indication of impairment of assets / cash generating unit based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an assets / cash generating unit exceeds its recoverable amount the recoverable amount is measured as the higher of the net selling price and value in use of such assets / cash generating unit. which is determine by the present value of the estimated future cash flow. For the purpose of accounting of impairment due consideration is given to revaluation reserve if any.

5. GOVERNMENT GRANTS AND SUBSIDIES

Grants and subsidies from the government are recognized when there is reasonable assurance that the grants / subsidies will be received and all attaching conditions will be complied with. where the grant or subsidy relates to an assets, its value is deducted in arriving at the carrying amount of the related assets and those in the nature of project subsidy are credited to capital reserve.

6. INVENTORIES

Inventories are valued as under after providing for obsolescence

- a) Raw materials, Stores and Spares Packing Material are valued at cost
 - b) Finished goods are valued at lower of the cost or estimated net realisable value cost includes overheads and excise duty paid / payable on such goods.
 - c) Work in progress is valued at estimated cost.
- printing cylinder are written off as 10% of the balance cost each year.

7. REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and revenue can be reliably measured

Sales of goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales figures are inclusive of Excise duty but are net of sales returns and rate difference adjustment.

INTEREST

Revenue is recongnized on a time Proportion bases taking into account the amount outstanding and the rate applicable.

8.CENVAT

Cenvat Benefits is accounted by reducing the purchase cost of the raw materials, packing material, stores and spares and fixed assets

9.FOREIGN EXCHANGE TRANSACTION :

- i) Transaction denominated in foreign exchange currencies are recorded at the exchange rate prevailing at the time of transactions.
- ii) Monetary items denominated in foreign currencies at the year end are translated at year end rates.

10. RETIREMENT BENEFITS

- i) Provident Fund and Family Pension

Contribution to provident fund and family pension fund are provided for and payments in respect thereof are made to the relevant authorities on actual basis.

- ii) Gratuity : In respect of gratuity the provision is made on actuarial basis at the year end subject to creation of the fund.

- iii) Leave Encashment - Provision is made for leave encashment liability at the year end.

11. INCOME TAX :

- i) Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with Indian Income Tax Act after taking credit for allowances and exemptions.
- ii) Fringe Benefit Tax is measured at the amount expected to be paid to the tax authorities in accordance with Indian Income Tax Act.
- iii) Differed tax assets are recognized only if there is reasonable certainty that sufficient future taxable income will be available against which differed tax assets can be realized if the company has unabsorbed depreciation or carry forward tax losses differed tax assets are recognized only if there is virtual certainty supported by convincing evidence that such differed tax asset can be realized against future taxable profits.

12. MISCELLANEOUS EXPENDITURE

Compensation paid under voluntary retirement scheme are amortized over a period of sixteen months.

13. CONTINGENT LIABILITY

contingent Liability are not provided for and are disclosed by way of notes.

SCHEDULE 18

NOTES ON ACCOUNTS

1. CONTINGENT LIABILITIES NOT PROVIDED FOR

- a) Bank Guarantee given by the Bank on behalf of the company Rs. 2,00,000/- (Previous Year Rs. 1,17,97,095/-)

- b) the company has provided fixed deposit of Rs. 8,03,000/- in lieu of bank guarantee for Rs.10,474,300/- (Previous Year Rs. NIL)

2.a) The other inter corporate deposit outstanding amounting to Rs. 1850000/- (Previous year Rs. 18,500,00/-) the directors are hopeful of recovering the same. however no legal steps have been taken for recovery of the same. Under the circumstances the company has not provided interest for the year amounting to Rs. 2,22,000/- (Previous year 2,22,000/-)The total amount outstanding as per books together with interest as on 31st March 2008 amounts to Rs. 3,030,437/- (Previous Rs. 3,030,437/-) no provision for doubtful debts have been made.

b) The company has not provided interest on inter corporate deposit amounting to Rs. 2,22,000/- (Previous year Rs. 2,22,000) (as mentioned in (a) above) and as result the loss shown for the year is higher by the said amount.

3. During the year the plant at Baddi has not been put to use therefore no depreciation on factory building plant & machinery and electrical installations of the said plant has been provided for the year As a result of this the loss shown for the year is lower by Rs. 260612/-

4. The board has conveyed EGM for obtaining shareholders approval for issue of 8500000 Convertible Warrants on preferential basis in pursuance of SEBI (DIP) Guidelines 2000, the said issue of convertible warrants is subject to approval of necessary permission from SEBI.

5. In the opinion of the board and to the best of their knowledge and belief, the current assets, loans and advances are approximately the value stated if realized in the ordinary course of the business and the provisions for all known liabilities is adequate and not in excess of the amount reasonably required.

6. The Company has undertaken manufacturing of custom made products the process scrap generated has no realisable value and hence the value for the same has been taken as Nil

7. The company has replaced against rejected material under contract amounting to Rs. 1156773/- and the said rejected material is lying with the customer which is subject to confirmation and the value for the said rejected material is taken as Nil, being custom made goods the loss on account of this has been adjusted in the stocks.

8. Previous Year's income /expenditure now ascertained/ arises have been charged as follows. :-

	2007-2008 Rs.	2006-2007 Rs.
EXPENDITURE	—	—
1) Bank Guarantee commission and charges	—	65,518
2) Rent, Rates & Taxes	12,374	—
TOTAL EXPENDITURE	12,374	65,518
9. Details of payment to Auditors		
Statutory Audit fees	95,000	70,000
Tax Audit Fees	—	25,000
Vat Audit Fees	—	30,000
Taxation Matters/Certifications	70,000	55,000
Service Tax	20,394	23,307
	1,85,394	2,03,307

10. The outstanding balance of Debtors, Creditors, Deposit and Loans & Advances are subject to confirmation

11. The company does not have details of suppliers registered with the Micro and Medium Enterprises Development act 2006 However The small scale under taking to whom the amount exceeding Rs. 10,00,00/- outstanding as at 31 st March 2008 for more than 30 days are as follows :

a) Bright Plastic Industries

12. The company has unabsorbed depreciation and carried forward losses under the Income Tax act 1956 In the absence of virtual certainty of sufficient future taxable income, deferred tax assets are not recognized in the accounts.

13. The company is exclusively engaged in the business of coating and slitting on films, fabrics, papers etc., which is considered as the only reportable segment referred to in statement on accounting standards (As 17) for segment reporting

14. The Figures for the current year and previous year have been rounded off to nearest Rupees and Previous Years figures have been regrouped/rearranged wherever necessary so as to make them comparable with those of the current year.

15. Information given in accordance with the requirements of accounting Standards 18 on related party disclosure issued by the Institute of the Chartered Accountant of India

a. List of related parties with whom transactions have taken place during the year

i) Associates : Bright Plastic Industries, Laminar, Security Products

ii Names of the key Management Personal of the Companies

a) Chairman & Managing Director Mr. Raj Prehar
b) Whole Time Director Mr. Suresh Prehar

B. Transactions with associates

	<u>2007-08</u>	<u>2006-2007</u>
i) Purchase of Raw Materials	Rs. 1,81,231/-	Rs.54,759,813/-
ii) Compensation for use of office premises (Society Maintenance & Electricity)	Rs.1,01,303/-	Rs.89,696/-
iii) Sale of Materials	Rs. 7,275/-	NIL
iv) Sale of Assets	Rs. 1,03,000/-	NIL
v) Outstanding Liability as at year end	Rs. 16,64,390/-	Rs. 16,64,390/-

C. Transaction with key Management Personal :

Details of management remuneration is disclosed in Notes No. 16 Free Samples

16. The total amount of Directors Remuneration charged to these accounts under various heads is set out below :-

	Managing Director		Whole Time Directors	
	2007-08	2006-2007	2007-2008	2006-07
Remuneration	5,59,968	5,60,000	4,19,976/-	4,20,000/-
Provident Fund	57600/-	57600/-	43200/-	43200/-
Monetary Value of perquets	-----	44575/-		
	<u>6,17,568/-</u>	<u>6,62,175/-</u>	<u>4,63,176/-</u>	<u>4,63,200/-</u>

17. Additional Information as required by para 3,4C and 4d of Part II of Schedule VI to the companies act 1956 (As certified by the Managing Director of the company)

A) Details of licensed capacity installed capacity, production, opening stock turnover and closing stock of products manufactured

I) License Capacity - Not Applicable

II) Installed Capacity

a) COATINGS SQ MTRS 10,00,000 (PREVIOUS YEAR 6600000 SQ. MTRS)

b) REGISTERED MICRO SLITTINGS 60,000 KGS (OR 15,00,000KMS)
PREVIOUS YEAR 60,000 KGS (OR 15,00,000 KMS)

III) Details of opening stock, production, turnover & closing stock

Sr. No.	Name of product	Year	Units of measurement	Production Qty.	Opening Stock		Turn over		Closing Stocks	
					Qty.	Rupees	Qty.	Rupees	Qty.	Rupees
	A) GOODS MANUFACTURED									
1	Electrical insulations Industrial tapes	2007-2008 2006-2007	Roll Roll	7190 6150	1169 1861	35520 56619	7190 *6842	328685 468257	1169 1169	33439 35520
2	Metalised thread	2007-2008 2006-2007	Kgs Kgs	3025 3025	25 0	94353 0	25 3000	85451 11519085	25	94353
3	Magnetic Thread	2007-2008 2006-2007	Kms Kms	768.62 35212	0 3675	0 4909992	768.82 *38887	-108860 55299502	0 0	0 0
	TOTAL	2007-2008				129873		305276		33439
		2006-2007				4966611		6728644		129873

NOTES :

Sales are net of returns

- a) Includes nil rolls absolute quantity (previous year 694 rolls)
- b) Includes Rejections / Shortages 1775 Kms.
- c) Replacement against rejection

B) Statment of Consumption of Raw Materials :

Sr. No.	Name of the Raw Materials	Units of Measurement	QTY.	2006-2007 Values (Rs.)	QTY.	2005-2006 Values (RS.)
1	Rubber	KG	380	44219	441	37444
2	Cloth	MTR	3175	62099	4565	94189
3	Chemicals	KG	615	83209	1032	90700
4	Resins	KG	133	16344	133	13046
5	Release Paper	KG	226	23871	0	0
6	Demetalised Polyester Film	KG	0	0	3477	7909038
7	Tolvene	LTR	400	18596	590	29218
8	Solvents	KG	619	35129	659	42470
9	Demetalised Laminated Magnetic Coated Polyester Film	KG	0.00	0	2262.35	44481077
	TOTAL			282467		52694182

C) Value of Imports Calculated on CIF Basis

Stores & Spares

9274

92325

D) Value of imported and Indigenous Raw Materials Spare Parts & Components Consumed**1. Raw Materials**

Imported					
Indigeneous	100%	282467	100%	52694182	100%

TOTAL	100%	282467	100%	52694182	100%
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2. Stores & Spares Consumed :

Imported	0%		56%	37088	98%
Indigenous	100%	4772	44%	28742	4%

TOTAL	100%	4772	100%	65830	100%
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E. Expenditure in Foreign Currency

1. Travelling Expenses

NIL 69105.

2. Seminar Expenses

NIL 79376

F. Earning In Foreign Exchange

Exports

NIL NIL

Signature to Schedule 1 To 18

For DULANI & CO.
Chartered Accountants

For & On Behalf of Board

PRESSURE SENSITIVE SYSTEM (INDIA) LIMITED

Sc/-

MR. P.T. DULANI
(PROPRIETOR)
M. No. 31405Mr. RAJ PREHAR
(CHAIRMAN &
MANAGING DIRECTOR)MR. SURESH PREHAR
(WHOLETIME DIRECTOR)MR. RAJIV S. DATTA
(DIRECTOR)NAVI MUMBAI
31ST MAY 2008MUMBAI
31ST MAY 2008

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 21ST ANNUAL GENERAL MEETING OF THE MEMBERS OF PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED WILL BE HELD ON THURSDAY THE 21ST AUGUST 2008 AT 11.00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED 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 for the year ended 31 st March 2008 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. Ralph Pinto of the company who retires by rotation & 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.

SPECIAL BUSINESS

4. To consider and if thought fit to pass, with or without modification, the following resolution as an Ordinary resolution.

"RESOVLED that Mr. Anil Mistry, who appointed as an additional Director w.e.f. 18th March 2008 and who holds office upto the date of the 21st Annual General Meeting but whō 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"

5. To consider and if thought fit to pass, with or without modification the following resolution as an Ordinary resolution.

" RESOLVED THAT in accordance with the provisions of Sections 198,269,309 Schedule XIII and other applicable provisions if any of the Companies Act 1956 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force)(hereinafter referred to as " the said Act") the consent of the Company is hereby accorded to the re-appointment of Mr. Raj Prehar as a Managing Director of the company for a period of 5(five) years with effect from 1st July 2008, on the terms and conditions including remuneration as are set out in the agreement to be entered into between the company and Mr. Raj Prehar a draft whereof is placed before this meeting with liberty to the Board of Directors ((hereinafter referred to "the Board which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter and vary the terms of the said appointment and/or remuneration and/or agreement."

"RESOLVED FURTHER THAT in the absence or inadequacy of profits in any financial year (a) subject to the approval of the Central Government the remuneration payable to the Executive Director by way of salary and perquisites shall not be reduced and (b) if the approval of the Central Government as stated in (a) is not received the remuneration payable to the Executive Director shall be the maximum amount permitted as per Schedule XIII, as amended from time to time."

Annual Report 2007-08

"RESOLVED FURTHER THAT Board is also authorised to vary revise the said remuneration of the Managing Director from time to time within the limits of Schedule XIII, of the companies Act 1956"

"RESOLVED FURTHER THAT the Board is hereby authorized to take all such steps as may be necessary proper or expedient to give effect to this resolution."

6. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution.

"RESOLVED THAT in accordance with the provisions of sections 198,269,309 Schedule XIII and other applicable provisions if any of the Companies Act 1956 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (hereinafter referred to as the said act) the consent of the Company is hereby accorded to the re-appointment of Mr. Suresh Prehar as a whole Time Director of the company for a period of 5 (five) years with effect from 1st July 2008 on the terms and conditions including remuneration as are set out in the agreement to be entered into between the company and Mr. Suresh Prehar a draft whereof is placed before this meeting with liberty to the Board of Directors (hereinafter referred to the Board which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter and vary the terms of the said appointment and/or remuneration and / or agreement."

"RESOLVED FURTHER THAT in the absence or inadequacy of profits in any financial year(a) subject to the approval of the Central Government the remuneration payable to the Managing Director by way of salary and perquisites shall not be reduced and (b) if the approval of the Central Government as started in a is not received the remuneration payable to the Executive Director shall be the maximum amount permitted as per Schedule XIII, as amended from time to time."

"RESOLVED FURTHER THAT Board is also authorised to vary revise the said remuneration of the Managing Director from time to time within the limits of schedule XIII, of the Companies Act, 1956"

"RESOLVED FURTHER THAT the Board is hereby authorized to take all such steps as may be necessary proper or expedient to give effect to this resolution"

BY ORDER OF THE BOARD

PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED

DATE : 31st May 2008

PLACE : Mumbai

Sd/-

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 14th August 2008 to Thursday the 21st August 2008 (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 consolidate their holdings in one folio.
7. Any member requiring further information on accounts at the meeting is requested to send their queries in writing to the Managing Director of the company on or before 20th August 2008.

EXPLANATORY STATEMENT
As required by section 173(2) of the Companies Act, 1956

Item No. 4

Mr. Anil Mistry was appointed as an additional Director w.e.f. 18th March 2008 under section 200 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. Anil Mistry for the office of the Director under section 257 of the companies act, 1956.

1	Name of the Director	Mr. Anil Mistry
2	Age	39 Years
3	Qualification	B.COM
4	Experience	19 Years
5	Number of directorship in other Indian Public Limited Company	Simplex Trading & Agencies Ltd.

Mr. Anil Mistry is not having any shareholding in the Company.

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

None of the Directors are concerned or interested in the said Resolution except Mr. Anil Mistry.

Item No. 5

As recommended by the Remuneration Committee and approved by the Board of Directors of the Company, at its meeting held on 31st May 2008, Mr. Raj Prehar, was re-appointed as a Managing Director of the Company for a period of 5 (five) years with effect from 1st July 2008 the remuneration to Mr. Raj Prehar inter alia, includes the payment of salary, perquisites and benefits and is subject to the approval of the members.

1.	Name of the Director	Mr. Raj Prehar
2.	Age	54 Years
3.	Qualification	MBA
4.	Experience	32 Years in Various Capacities
5.	Number of Directorship in other companies	NIL
6.	Shareholding	20,73,800 (32.73%)

Mr. Raj Prehar will serve as a Managing Director on the Board of the Company from 1st July 2008.

The terms & conditions proposed to be entered into by the company Mr. Raj Prehar in respect to his reappointment, contains the following terms & conditions

Major Terms of revised in the remuneration of Mr. Raj Prehar , Managing Director.

1. Terms & Conditions

1.	Name & Designation of Director	Mr. Raj Prehar, Managing Director
2.	Date of Appointment	Re-appointment w.e.f. 1 st July 2008
3.	Period	5 years
4.	Salary (p.m.)	Rs. 90,000/- p.m. with power to Board to vary from time to time within the limits of schedule XIII of the Companies Act 1956
5.	Minimum Remuneration	In the absence or inadequacy of profits in any financial year (a) subject to the approval of the Central Government the remuneration payable to Mr. Raj Prehar

by way of salary & perquisites shall not be reduced and (b) if the approval of the Central Government as stated in (a) is not received the remuneration payable to the Mr. Raj Prehar shall be the maximum amount permitted as per Schedule XIII, as amended from time to time

II) PERQUISITES :

Mr. Raj Prehar as a Managing Director will be entitled for following perquisites, which shall not be part of the ceiling of remuneration.

1. Salary : Not to exceed Rs. 90,000/- p.m. (**Rupees Ninety Thousand Only**) and the Board of Directors be authorised to determine the salary and grant such increases from time 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 from 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 computed in the manner specified in the Companies Act, 1956 and 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 Education Allowance, Holiday Passage & Leave Travel Concessions. 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 and 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 and 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, and 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 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, Superannuation fund or annuity fund to the extent such contribution either singly or put together are not taxable under the Income Tax Act 1961
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.

Bonus :

The Managing Director also entitled for performance bonus as approved by the Board within the limits of Schedule XIII.

- a) Salary and perquisites specified herein shall be payable to the Managing Director not with standing the inadequacy or no profits in any financial year during the currency of tenure of his office as such.
- b) The Managing Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or committee thereof.
- c) The managing Director shall not become interested or otherwise concerned directly or through his wife or minor children in any selling agency of the company as per the provisions of the law in force as applicable to the company.
- d) The terms and conditions of said appointment and/or may be altered and varied from time to time by the board as it may in its discretion deem fit so as not to exceed the limits specified in schedule XIII the companies act 1956 or any amendment hereafter in that regard.

None of the Directors of the company except Mr. Suresh Prehar and Mr. Raj Prehar himself are considered to be interested or concerned in this resolution.

These Terms & conditions of appointment may be treated as abstracts between the company & Mr. Raj Prehar, Managing Director pursuant to section 302 of the companies act 1956

The copy of the draft agreement is open for inspection during office hours 10.00 a.m. to 12 noon till the date of Annual General Meeting.

Item No. 6

As recommended by the Remuneration Committee and approved by the Board of Directors of the company at its meeting held 31st May 2008 Mr. Suresh Prehar was re-appointed as a Whole Time Director of the company for a period of 5 years with effect from 1st July 2008 the remuneration includes the payment of salary, perquisites and benefits and is subject to the approval of the members.

Name of Director	:	Suresh Prehar
Age	:	55 Yrs.
Qualification	:	BA
Experience	:	35 Years in this and similar Industry
Number of Directorship in other companies	:	NIL
Shareholding	:	20,000(0.31%)

Mr. Suresh Prehar will serve as Whole Time Director on the Board of the company from 1st July 2008 The terms & conditions proposed to be entered into the company with Mr. Suresh Prehar in respect of his re-appointment contains the following terms & conditions.

Major Terms of variation in remuneration of Mr. Suresh Prehar Whole Time Director

I) TERMS & CONDITIONS :

1. Name & Designation of Director : Suresh Prehar
Whole Time Director
2. Date of Appointment : Re-appointment w.e.f. 1st July 2008
3. Period : 5 years
4. Salary (p.m.) : Rs. 90,000/- p.m. with Power to Board to vary from time to time within the limits of schedule XIII of the Companies Act 1956
5. Minimum Remuneration : In the absence or inadequacy of Profits in any financial year (a) subject to the approval of the Central Government the remuneration payable to Mr. Suresh Prehar by way of salary and perquisites shall not be reduced and (b) if the approval of the Central Government as stated in a is not received the remuneration payable to the Mr. Suresh Prehar shall be the maximum amount permitted as per schedule XIII as amended from time to time.

Mr. Suresh Prehar as a whole director will be entitled for following perquisites which shall not be part of the ceiling of remuneration.

1. Salary : Not to exceed Rs. 90,000/- (Rupees Ninety Thousand Only) and the board of directors be authorised to determine the salary and grant such increases from time 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 determine by the Board of Directors from 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 computed in the manner specified in the Companies Act 1956 and 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 Education Allowance, Holiday Passage & Leave Travel Concessions. 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 and 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 and 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, and 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 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 Whole Time Director.

CATEGORY 'B'

1. Contribution to provident fund, Superannuation fund or annuity fund to the extent such contribution either singly or put together are not taxable under the Income Tax Act 1961
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.

Bonus :

The Whole Time Director also entitled for performance bonus as approved by the Board within the limits of Schedule XIII.

a) Salary and perquisites specified herein shall be payable to the Whole Time Director not with standing the inadequacy or no profits in any financial year during the currency of tenure of his office as such.

B) The whole time Director shall not be paid any sitting fee for attending the meeting of the Board of Directors or committee thereof.

c) The whole time director shall not become interested or otherwise concerned directly or through his wife or minor children in any selling agency of the company as per the provisions of the law in force as applicable to the company.

d) The terms and conditions of the said appointment and/or may be altered and varied from time to time by the board as it may, in its discretion deem fit so as not to exceed the limits specified in schedule XIII the Companies Act 1956 or any amendment hereafter in that regard.

None of the Directors of the Company except Mr. Raj Prehar and Mr. Suresh Prehar himself are considered to be interested or concerned in this resolution.

These Terms & conditions of appointment may be treated as abstracts between the company & Mr. Suresh Prehar Whole Time Director pursuant to section 302 of the companies act 1956

The Copy of the Draft agreement is open for inspection during office hours 10.00 a.m. to 12 noon till date of Annual General Meeting.

BY ORDER OF THE BOARD

DATE : 31st May 2008

PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED

PLACE : Mumbai

Sd/-
RAJ PREHAR
(MANAGING DIRECTOR)

PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED
PEN-KHOPOLI ROAD, PIMPALGAON, PEN
DIST. RAIGAD - 402 107.

ATTENDANCE SLIP

I hereby record my presence at the 21. St Annual General Meeting Of The Company On Thursday the 21st August 2008 at 11.00 a.m.

Name of the shareholder

Signature

Folio No. _____

(Full Name of Proxy)

Note : Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

No Duplicate Attendance Slip will be issued at the meeting hall. You are requested to bring your copy of Annual Report to the Meeting.

PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED
PEN-KHOPOLI ROAD, PIMPALGAON, PEN
DIST. RAIGAD - 402 107.

PROXY FORM

I/We of
..... in the district
of being a member / members of the above named
Company hereby appoint of
..... in the district of or
failing him of
..... In the district of
..... as my / our proxy to vote for
me/us on my our behalf at the **21st ANNUAL GENERAL MEETING** of the Company to be held at Regd.
Office of the company, on Thursday the **21st August 2008** and at any adjournment thereof.

Signed this day of 2008.

Signature



Note : This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the company, not less than 48 hours before the meeting.

PRESSURE SENSITIVE SYSTEMS (INDIA) LTD.

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

Annual Report 2007-08