

PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED

**22ND ANNUAL REPORT
2008 – 2009**

BOARD OF DIRECTORS :

Mr. Raj Prehar	: Chairman & Managing Director (upto 1st February, 2009)
Mr. Suresh Prehar	: Whole Time Director (upto 1st February, 2009)
Mr. Rajiv Datta	: Independent Non-Executive Director (upto 1st February, 2009)
Mr. Bali D. Yadav	: Independent Non- Executive Director (upto 1st February, 2009)
Mr. Ralph X. Pinto	: Independent Non- Executive Director (upto 1st February, 2009)
Mr. Anil Mistry	: Independent Non- Executive Director
Mr. Vipul P.Pathak	: Non-Executive Director (Promoter) (w.e.f 31st January, 2009)
Mr. Niyant R. Parikh	: Non Executive Director (Promoter) (w.e.f 31st January, 2009)
Mr. Vipul S. Trivedi	: Non-Executive Director (Promoter) (w.e.f 31st January, 2009)
Mr. Shankar Bhagat	: Independent Non-Ex. Director (w.e.f 31st January, 2009)

AUDITORS:

DULANI & Co.
Chartered Accountants,
Navi Mumbai.

CORPORATE GOVERNANCE REPORT:

HS Associates
Company Secretaries

BANKERS:

Bank of Maharashtra

REGISTRARS & SHARE TRANSFER AGENTS:

Purva Sharegistry India Pvt. Ltd.
9, Shiv Shakti Industrial Estate,
J. R. Boricha Marg, Opp. Kasturba Hospital,
Lower Parel (East), Mumbai - 400 011
Tel No. 2301 6761 / 2301 8261 Fax: 2301 2517
Email: busicomp@vsnl.com

REGISTERED OFFICE & WORKS:

1st Floor, Neelkanth Shopping Centre,
Corner Cama Lane, M.G. Road,
Ghatkopar (West), Mumbai - 400086

SHARES LISTED AT:

Bombay Stock Exchange Limited
Ahmedabad Stock Exchange Limited

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 22ND ANNUAL GENERAL MEETING OF THE MEMBERS OF PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED WILL BE HELD ON WEDNESDAY THE 30TH DAY OF SEPTEMBER, 2009 AT 11.00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 1ST FLOOR, NEELKANTH SHOPPING CENTRE, CORNER CAMA LANE, M.G. ROAD, GHATKOPAR (WEST), MUMBAI - 400086 TO TRANSACT THE FOLLOWING BUSINESS.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited accounts for the year ended **31st March, 2009** 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. Anil Mistry** Director 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 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.**

"RESOLVED THAT Mr. Niyant Ravindra Parikh, who was appointed as an Additional Director w.e.f. 31st January, 2009, and who holds office upto the date of the 22nd Annual General Meeting, but who is eligible for the re-appointment and in respect of whom the Company has received a notice in writing from a member under section 257 of the Companies Act, 1956 be and is hereby re-appointed as a Director."

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

"RESOLVED THAT Mr. Vipul S. Trivedi, who was appointed as an Additional Director w.e.f. 31st January, 2009, and who holds office upto the date of the 22nd Annual General Meeting, but who is eligible for the re-appointment and in respect of whom the company has received a notice in writing from a member under section 257 of the Companies Act, 1956 be and is hereby re-appointed as a Director."

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

"RESOLVED THAT Mr. Vipul P. Pathak, who was appointed as an Additional Director w.e.f. 31st January, 2009, and who holds office upto the date of the 22nd Annual General Meeting, but who is eligible for the re-appointment and in respect of whom the company has received a notice in writing from a member under section 257 of the Companies Act, 1956 be and is hereby re-appointed as a Director."

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

"RESOLVED THAT Mr. Shankar Bhagat, who was appointed as an Additional Independent Non-Executive Director w.e.f. 31st January, 2009, and who holds office upto the date of the 22nd Annual General Meeting, but who is eligible for the re-appointment and in respect of whom the company has received a notice in writing from a member under section 257 of the Companies Act, 1956 be and is hereby re-appointed as a Director."

8. 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 appointment of Mr. Vipul P. Pathak as a Managing Director of the Company for a period of 5 (Five) years with effect from 1st October, 2009 on the terms and conditions including remuneration contained in the draft agreement approved by a resolution passed by Remuneration Committee and Board of Directors of the Company and as set out in the Explanatory Statement attached to this Notice, 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."

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"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 Managing 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 of Directors of the company be and are hereby singly or severally authorized to take all such steps as may be necessary, proper or expedient, to give effect to this resolution."

9. To consider and if thought fit to pass, with or without modification, the following resolution as a **Special Resolution**.

"RESOLVED THAT pursuant to Section 163(1) of the Companies Act, 1956 the Company hereby accords its approval that the Register of Members, Index of Members and copies of Annual Returns prepared under Section 159 together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Companies Act, 1956 or any one or more of them, be kept at the office of Company's Registrars and Share Transfer Agent, viz., M/s. Purva Sharegistry India Private Limited, 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel (East), Mumbai - 400 011, instead of being kept at the Registered Office of the Company".

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

"RESOLVED THAT pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called "the Board" and which term shall be deemed to include any Committee, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons) for borrowing from time to time, as it may think fit, any sum or sums of money not exceeding Rs. 50 Crore (Rupees Fifty Crore only) on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the monies to be borrowed, together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business), exceed the aggregate, for the time being, of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

RESOLVED FURTHER THAT the Board be and is hereby authorized for borrowing from time to time as it may think fit, any sum or sums of money but not exceeding Rs. 50 Crore (Rupees Fifty Crore only), in aggregate or equivalent thereto in any foreign currency (including the monies already borrowed by the Company), on such security and on such terms and conditions as the Board may deem fit, by way of loans from, or issue of Bonds, Debentures or other Securities whether Convertible into Equity/Preference Shares and/or Securities with or without detachable warrants with a right exercisable by the warrant holder(s) to convert or subscribe to Equity/Preference Shares (hereinafter referred to as "securities"), to Bank(s), Financial or other Institution(s), Mutual Fund(s), Non-Resident Indians (NRIs), Foreign Institutional Investors (FIIs) or any other person(s), body(ies) corporate, etc., whether shareholder of the Company or not.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and to sign all such documents as may be necessary, expedient and incidental thereto to give effect to this resolution."

**BY ORDER OF THE BOARD
PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED**

Date : 02.09.2009
Place : Mumbai

Sd/-
Vipul P. Pathak
(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 Wednesday the 23rd September, 2009 to the Wednesday the 30th September, 2009 (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. The copy of Agreement for appointment of Managing Director entered between the Company and Mr. Vipul Pathak, shall be available for inspection on the day of 22nd Annual general Meeting of the Company.
6. Members are requested to produce the attendance slip duly signed, sent along with the Annual Report and Accounts, for admission to the meeting hall.
7. Members who are holding shares in identical order or names in more than one folio are requested to write to the company to enable the company to consolidation their holdings in one folio.
8. 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 before 29th September, 2009.
9. Explanatory statements under Section 173(2) of the Companies Act, 1956 in respect of Item No. 4, 5, 6, 7, 8, 9 and 10 are annexed to the notice.

EXPLANATORY STATEMENT

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

Item No. 4.

Mr. Niyant Ravindra Parikh was appointed as an Additional Director w.e.f. 31st January, 2009 under section 260 of the Companies Act, 1956. The said Director will hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing from member proposing the candidature of Mr. Niyant Ravindra Parikh for the office of the Director under section 257 of the Companies Act, 1956.

The Details as required under Clause 49 of Listing Agreement:

1 Name of the director	Mr. Niyant Ravindra Parikh
2 Age	27
3 Qualification	B.com
4 Experience	4 Yrs. Experience in Citibank for marketing of financial product and 3 yrs. experience in Marketing glass Wear products & Sanitary products.
5 Number of directorship in other Indian Public Limited Company	NIL

Mr. Niyant Ravindra Parikh 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. Niyant Ravindra Parikh.

Item No. 5.

Mr. Vipul S. Trivedi was appointed as an Additional Director w.e.f. 31st January, 2009 under Section 260 of the Companies Act, 1956. The said Director will hold office upto the date of the Annual General Meeting. The company has received a notice in writing from member proposing the candidature of Mr. Vipul S. Trivedi for the office of the Director under section 257 of the Companies Act, 1956.

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The Details as required under Clause 49 of Listing Agreement:

1	Name of the director	Mr. Vipul S. Trivedi
2	Age	28
3	Qualification	B.Com
4	Experience	5 Yrs, Exp. in lease & finance business
5	Number of directorship in other Indian Public Limited Company	Sarang Chemicals limited.

Mr. Vipul S. Trivedi 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. Vipul S. Trivedi.

Item No. 6.

Mr. Vipul P. Pathak was appointed as an Additional Director w.e.f. 31st January, 2009 under section 260 of the Companies Act, 1956. The said Director will hold office upto the date of the Annual General Meeting. The Company has received a notice in writing from member proposing the candidature of Mr. Vipul P. Pathak for the office of the Director under section 257 of the Companies Act, 1956.

The Details as required under Clause 49 of Listing Agreement:

1	Name of the director	Mr. Vipul P. Pathak
2	Age	39
3	Qualification	B.Com
4	Experience	18 Yrs. Experience in marketing of Laminates Ply- wood and Block board.
5	Number of directorship in other Indian Public Limited Company	NIL

Mr. Vipul P. Pathak 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. Vipul P. Pathak.

Item No. 7.

Mr. Shankar Bhagat was appointed as an Additional Independent Non-Executive Director w.e.f. 31st January, 2009 under section 260 of the Companies Act, 1956. The said Director will hold office upto the date of the Annual General Meeting. The Company has received a notice in writing from member proposing the candidature of Mr. Shankar Bhagat for the office of the Director under section 257 of the Companies Act, 1956.

The Details as required under Clause 49 of Listing Agreement:

1	Name of the director	Mr. Shankar Bhagat
2	Age	51
3	Qualification	B.Com. (Hons), F.C.A.
4	Experience	25 years experience as practicing chartered accountant
5	Number of directorship in other Indian Public Limited Company	Turbotech Engineering Limited Kappac Pharma Limited Xo Infotech Limited Amradeep Industries Limited

Mr. Shankar Bhagat 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. Shankar Bhagat.

Item No.8:

As recommended by the Remuneration Committee and approved by the Board of Directors of the Company, at its meeting held on 2nd September, 2009 Mr. Vipul P. Pathak, was appointed as a Managing Director of the Company for a period of 5 (Five) years with effect from 1st October, 2009. The remuneration payable to Mr. Vipul P. Pathak as salary is subject to the approval of the members.

Mr. Vipul P. Pathak will serve as a Managing Director on the Board of the Company from 14th August, 2009.

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The terms & Conditions proposed to be entered into by the Company with Mr. Vipul P. Pathak in respect of his appointment, inter alia, contains the following terms and conditions:

Major Terms of remuneration payable to Mr. Vipul Pathak, Managing Director.

I) TERMS & CONDITIONS:

1. Name & Designation of Director. : Mr. Vipul P. Pathak, Managing Director.
2. Date of Appointment : 1st October, 2009
3. Period : 5 years
4. Salary (p.m) : Rs. 15,000/- 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. Vipul P. Pathak 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. Vipul P. Pathak shall be the maximum amount permitted as per Schedule XIII, as amended from time to time.

These Terms & Conditions of appointment may be treated as abstracts between the Company & Mr. Vipul Pathak, Managing Director pursuant to Section 302 of the Companies Act, 1956.

The Copy of the Draft agreement entered between the Company and Mr. Vipul Pathak is open for inspection during office hours 10.00 a.m. to 12 noon till the date of Annual General Meeting.

None of the Directors are concerned or interested in the said Resolution except Mr. Vipul Pathak.

Item No. 9

As per Section 163(1) of the Companies Act, 1956 certain Registers and Documents which are normally required to be kept at the Registered Office of the Company could be kept at a place other than the Registered Office of the Company, provided such other place has been approved by the Members by way of a Special Resolution. The Company has appointed Purva Sharegistry India Private Limited, 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel (East), Mumbai - 400 011 who have been providing depository related services for the shares held in demat mode and also acting as the Share Transfer Agent for the shares held in physical segment. Hence, the approval of the members is sought in terms of Section 163(1) of the Companies Act 1956 for keeping the aforementioned registers and documents at the office of the Depository Registrar and Share Transfer Agent as stated in the resolution. Directors recommend the resolution as proposed in the Notice for Member's approval.

None of the Directors of the Company is interested in the resolution.

Item No. 10

In view to meet the capital expenditure and other funds requirements for the business purposes, the Company would be required to borrow funds from time to time by way of loans and/or issue of Bonds, Debentures or other securities. As per section 293(1)(d) of the Companies Act 1956, borrowings (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Board beyond the aggregate of the paid up capital of the Company and its free reserve requires approval from the shareholders of the Company, hence the Company proposes to obtain the consent of the members by way of Ordinary Resolution for limit up to Rs. 50 Crore (Rupees Fifty Crore only) is made.

Your Directors recommend the resolutions as set out above for your approval. None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

BY ORDER OF THE BOARD
PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED

Sd/-

Vipul P. Pathak
(Director)

Date : 02.09.2009
Place : Mumbai

PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED

DIRECTORS' REPORT

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

Your Directors have great pleasure in presenting **22ND ANNUAL REPORT** along with the Audited Balance Sheet and Profit And Loss Account, for the year ended 31st March, 2009.

FINANCIAL RESULTS:

	Year ended 2009	(Rs. In '000) Year ended 2008
Gross Profit/(Loss)	(4,836.87)	(4,450.57)
Add/Less: Depreciation (Net)	(1,254.70)	(1105.03)
Profit/(Loss) before Taxation	(6,091.56)	(5,454.61)
Less: Provision for Taxation	(35.67)	—
Less: Fringe Benefit Tax	(10.48)	—
Less: Provision for Current Year Fringe Benefit Tax	(34.59)	(32.93)
Less: Prior year adjustments		
Net Profit / (Loss) transferred to Balance sheet	(6,172.29)	(5,487.54)
Balance Brought forward from previous year	(28,399.92)	(22,912.38)
Balance carried forward to Balance Sheet	(34572.21)	(28,399.92)

OPERATIONS:

During the year your Company reported total sales of Rs. 28,93,132/- (Rupees Twenty Eight Lacs Ninety Three Thousand One Hundred Thirty Two only) in comparison to Rs. 11,34,025/- (Rupees Eleven Lacs Thirty Four Thousand Twenty Five only) of previous year. After making necessary provisions, the net Loss is of Rs. 61,72,288/- (Rupees Sixty One Lacs Seventy Two Thousand Two Hundred Eighty Eight only) in comparison to Rs. 54,87,546/- (Rupees Fifty Four Lacs Eighty Seven Thousand Five Hundred Forty Six only) of previous year. Your Directors expect better financial results in the coming years.

DIVIDEND:

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

SHARE CAPITAL:

During the year the Authorised Share Capital of the Company was increased from Rs. 7,00,00,000/- (Rupees Seven Crore only) divided into 70,00,000 (Seventy Lacs) Equity shares of Rs. 10/- (Rupees Ten only) each to Rs. 15,50,00,000/- (Rupees Fifteen Crores Fifty Lacs only) divided into 155,00,000 (One Crore Fifty Five Lacs) Equity Shares of Rs. 10/- (Rupees Ten only) each in the Extra-ordinary General Meeting of the members of the Company held on 30th April, 2008.

PREFERENTIAL ISSUE OF CONVERTIBLE WARRANTS:

During the year the Company has allotted 8,50,000 fully convertible warrants of the Company on 7th April, 2009 to promoters Group Companies on preferential basis @ Rs.12/- each by taking members approval in their Extra-ordinary General Meeting held on 26th March, 2009. As on date of this report the conversion into Equity Shares is pending.

DEPOSITORS:

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

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 given notice in writing of his unwillingness to be reappointed. Mr. Arvind Thakkar & Co. has given his consent to be appointed as auditor of the company.

AUDITORS REPORT:

As regards to auditors observations in Item No. 4(d) and 4(f) of the Auditors Report, the notes to the accounts are self explanatory and hence no explanation is required from the Board as such.

SUBSIDIARIES:

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

DIRECTORS:

During the year **Mr. Anil Mistry**, Director of the Company is retiring by rotation & being eligible offers himself for reappointment.

Mr. Niyant R. Parikh, Mr. Vipul S. Trivedi, Mr. Vipul P. Pathak and Mr. Shankar Bhagat were appointed as an Additional Director of the Company w.e.f. 31st January, 2009, all the said Directors holds office upto the conclusion of the forthcoming Annual General Meeting of the Company.

The Company has received separate Notices u/s 257 of the Companies Act, 1956 from shareholders proposing their respective candidates Mr. Niyant R. Parikh, Mr. Vipul S. Trivedi, Mr. Vipul P. Pathak and Mr. Shankar Bhagat, respectively for the office of the Director of the Company and the requisite fees as required under the said section is received from each such shareholders.

You are requested to reappoint all the above Directors in the forthcoming Annual General Meeting of the Company.

Mr. Vipul P. Pathak of the Company was appointed w.e.f. 1st August, 2009.

A brief Resume of all the aforesaid Directors being appointed / re- appointed, as stipulated under clause 49 of the Listing Agreement, are given in the statement of corporate governance.

Mr. Raj Prehar, Mr. Suresh Prehar, Mr. Rajiv Datta, Mr. Bali D. Yadav and Mr. Ralph X. Pinto resigned as Directors of the Company w.e.f. 1st February, 2009.

During the year the Shareholders of the Company also accorded their consent for the Change in control in promoters / Management in pursuance of Regulations 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, through Postal Ballot.

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 judgments 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 financial year and of the Profit or Loss of the Company for that period.

PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED

- iii. That the Directors have taken proper and sufficient care for the maintenances of adequate accounting 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 the Annual accounts on a going concern basis.

CORPORATE GOVERNANCE:

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.

STOCK EXCHANGE REQUIREMENT:

Being listed at Mumbai & Ahmedabad Stock Exchanges, your Company has paid listing fees till March, 2009.

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.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO AS PER SECTION 217(1) OF THE COMPANIES ACT, 1956 AND COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

As there was no manufacturing activities in the Company during the year the particulars as required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 on Conversion of Energy and Technology Absorption are not applicable to your company. Your Company has neither earned nor spent any amount in Foreign Exchange during the year under review.

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 : 02.09.2009
Place : Mumbai

Sd/-
Vipul P. Pathak
(Chairman)

REPORT ON CORPORATE GOVERNANCE

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 and 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 compliances with clause 49 of the Listing Agreement.

2. Board of Directors:

a. Composition:

The Board of the Company comprises of 5 (Five) Directors out of which 3 (Three) are Non Executive Directors and 2 (Two) are Independent Non Executive Directors. There are no nominees or Institutional Directors in the Company.

None of Directors has pecuniary or Business relationship with the Company except as mentioned under this report. No Director of the Company is either member in more than 10 (Ten) committees and/or Chairman of more than 5 (Five) committees across all Companies in which he is Director.

b. Non Executive Directors:

As per Clause 49 of Listing Agreement, 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. In our case all the Board of Directors of the Company are Non Executive Directors.

c. Board Meeting and Attendance:

During the year there were in total 6 (Six) Board Meetings were held i.e. on 31st May, 2008, 30th June, 2008, 31st July, 2008, 31st October, 2008, 31st January, 2009 and 26th February, 2009. 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 of Directorship	No. of Board meetings Attended	Attendance at last Annual General Meeting	No. of other Directorship	No. of other Committee memberships in other Companies
1.	**Mr. Raj Prehar	Chairman & Managing Director	5	Yes	Nil	Nil
2.	**Mr. Suresh Prehar	Whole Time Director	5	Yes	Nil	Nil
3.	**Mr. Rajiv Datta	Director	5	Yes	Nil	Nil
4.	**Mr. Bali D. Yadav	Director	5	No	Nil	Nil
5.	**Mr. Ralph X. Pinto	Director	5	Yes	1	Nil
6.	Mr. Anil Mistry	Director	6	No	1	Nil
7.	*Mr. Vipul P.Pathak	Director	1	N.A.	Nil	Nil
8.	*Mr. Niyant R. Parikh	Director	1	N.A.	Nil	Nil
9.	*Mr. Vipul S. Trivedi	Director	1	N.A.	Nil	Nil
10	*Mr. Shankar Bhagat	Director	1	N.A.	4	4

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* Appointed w.e.f. 31st January, 2009

** Resigned w.e.f. 1st February, 2009

d. 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	Mr. Anil Mistry
Age	40
Qualification	B Com
Expertise in specific functional areas	
Directorship in other Indian Public Limited Company & other firms as on 31.03.2009	Xo Infotech Limited
Shareholding	Nil
Name of the Director	Mr. Niyant R. Parikh.
Age	27
Qualification	B Com
Expertise in specific functional areas	4 Yrs. Experience in Citibank for marketing of financial product and 3 yrs. experience in Marketing glass Wear products & Sanitary products.
Directorship in other Indian Public Limited Company & other firms as on 31.03.2009	Nil
Shareholding	Nil
Name of the Director	Mr. Vipul S. Trivedi.
Age	28
Qualification	B Com
Expertise in specific functional areas	5 years experience in Lease and Finance Business
Directorship in other Indian Public Limited Company & other firms as on 31.03.2009	Sarang Chemicals Limited
Shareholding	Nil
Name of the Director	Mr. Vipul P. Pathak
Age	39
Qualification	B Com
Expertise in specific functional areas	18 years of experience in marketing of Laminates Ply wood and Block Board.
Directorship in other Indian Public Limited Company & other firms as on 31.03.2009	Nil
Shareholding	Nil
1 Name of the director	Mr. Shankar Bhagat
2 Age	51
3 Qualification	B.Com. (Hons), F.C.A
4 Experience	25 years experience as practicing chartered accountant
5 Number of directorship in other Indian Public Limited Company	Turbotech Engineering Limited Kappac Pharma Limited Xo Infotech Limited Amradeep Industries Limited

3. Audit Committee

Pursuant to the provisions of section 292(A) of The Companies Act, 1956 and Clause 49 of Listing Agreement, an Audit Committee comprising of 3 Non Executive Directors has been constituted.

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Due to resignation of Mr. Rajiv Datta, Mr. Bali D. Yadav and Mr. Ralph X. Pinto the Audit Committee of the Board of Directors of the Company was reconstituted w.e.f. 26th February, 2009.

Following are the members of the Committee w.e.f. 26th February, 2009.

1. Mr. Shankar Bhagat – Chairman
2. Mr. Anil Mistry – Member
3. Mr. Niyant Parikh – Member.

During the year there were in total 4 (Four) Audit Committee Meetings were held i.e. on 31st May, 2008, 31st July, 2008, 31st October, 2008 and 31st January, 2009. The time gap between the two meetings was not more than 4 months.

THE ATTENDANCE AT THE AUDIT COMMITTEE MEETING WAS AS UNDER:

Director	No. of Committee meetings held	No. of Committee meetings attend.
Mr. Rajiv Datta – Chairman	4	4
Mr. Ralph X. Pinto – Member	4	4
Mr. Bali D. Yadav – Member	4	4
Mr. Shankar Bhagat – Chairman	Nil	Nil
Mr. Anil Mistry – Member	Nil	Nil
Mr. Niyant Parikh – Member	Nil	Nil
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 is 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, performance of statutory and internal auditors, adequacy of the 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 3 (Three) Independent Non Executive Directors accordingly the Company constituted the Remuneration Committee. Except Mr. Niyant Parikh, other 2 (Two) members of the committee are Independent Non Executive Directors.

Due to resignation of Mr. Bali Yadav, Mr. Rajiv Datta and Mr. Ralph X. Pinto the Remuneration Committee of the Board of Directors of the Company was reconstituted w.e.f. 26th February, 2009.

Following are the members of the Committee w.e.f. 26th February, 2009.

1. Mr. Shankar Bhagat - Chairman
2. Mr. Anil Mistry - Member
3. Mr. Niyant Parikh - Member

PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED

During the year there were in total 1 (One) Remuneration Committee Meetings was held on 31st May, 2008.

THE ATTENDANCE AT THE REMUNERATION COMMITTEE MEETING WAS AS UNDER:

Director	No. of Committee meetings held	No. of Committee meetings attend.
Mr. Bali D. Yadav – Chairman	1	1
Mr. Rajiv Datta – Member	1	1
Mr. Ralph X. Pinto – Member	1	1
Mr. Shankar Bhagat – Chairman	Nil	Nil
Mr. Anil Mistry – Member	Nil	Nil
Mr. Niyant Parikh – Member	Nil	Nil

Disclosure on Remuneration of Directors

- 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.19,93,652/- in the year ended 31st March, 2009 as Managing Director and Whole time Director respectively.
- Details of fixed component and performance linked incentives, along with the performance criteria - NIL
- Service contracts, notice period, severance fees – NIL
- 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 31st March, 2009.

Executive Directors				(Amount In Rupees)
Name	Salary	Commission	Perquisites	Retirement Benefits
Mr. Raj Prehar	546608	—	—	592628
Mr. Suresh Prehar	409956	—	—	444460

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. R. X. Pinto	200	NIL	NIL
4.	Mr. Anil Mistry	NIL	NIL	NIL
5.	Mr. Vipul P.Pathak	NIL	NIL	NIL
6.	Mr. Niyant R. Parikh	NIL	NIL	NIL
7.	Mr. Vipul S. Trivedi	NIL	NIL	NIL
8.	Mr. Shankar Bhagat	NIL	NIL	NIL

5. Shareholders/Investors Grievance Committee

Due to resignation of Mr. Bali Yadav, Mr. Rajiv Datta and Mr. Ralph X. Pinto, the Shareholders/Investor Grievance Committee was reconstituted w.e.f 26th February, 2009. The committee consists of 2 (Three) Independent Non Executive Director and 1 (One) Non Executive Director of the Company as members of the committee.

Following are the members of the Committee w.e.f 26th February, 2009.

- Mr. Shankar Bhagat – Chairman
- Mr. Anil Mistry – Member
- Mr. Niyant Parikh – Member
- Mr. Vipul Pathak – Compliance Officer

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During the year there were in total 4 (Four) Shareholders/Investors Grievance Committee Meetings were held on 31st May, 2008, 31st July, 2008, 31st October, 2008 and 31st January, 2009.

THE ATTENDANCE AT THE SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE MEETING WAS AS UNDER:

Director	No. of Committee meetings held	No. of Committee meetings 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
Mr. Shankar Bhagat – Chairman	Nil	Nil
Mr. Anil Mistry – Member	Nil	Nil
Mr. Niyant Parikh – Member	Nil	Nil
Mr. Vipul Pathak – Compliance Officer	Nil	Nil

The Company received NIL Complaints from the shareholders during the year, out of which only NIL remained pending at the end of the year for want of necessary details from the shareholder. Further, during the year, requests for transfer of NIL Shares in physical form were received and processed for transfer.

6. General Body Meetings:

Details of last 3 (Three) Annual General Meetings (AGM) are given below:

Financial Year	Date of AGM	Time	Venue	Special Resolution(s)
2005-06	27.09.2006	11.00 a.m.	Regd. Office	N.A.
2006-07	27.09.2007	11.00 a.m.	Regd. Office	N.A.
2007-08	21.08.2008	11.00 a.m.	Regd. Office	N.A.

Details of last 3 (Three) years Extra-ordinary General Meetings (EGM) is given below:

Sr. No.	Date of EGM	Time	Venue	Special Resolution(s)
1.	30.04.2008	11.00 a.m.	Pen Khopoli, Pimpalgaon, Road, Pen, Dist, Raigad – 402 107.	1. Alteration in Clause V of Memorandum of Association of the Company for increase in Authorised Share Capital of the Company from Rs. 7,00,00,000/- (Seven Crore only) to Rs. 15,50,00,000/- (Fifteen Crores Fifty Lacs only); 2. Alteration in Articles of Association of the Company; 3. Issue of 85,00,000 Convertible Warrants u/s 81(1A) of the Companies Act, 1956 on preferential basis; and 4. Alteration in object clause of the Company u/s 249(2A) of the Companies Act, 1956.

The following special resolutions were put through postal ballot:

- Change in Control of the Company under regulation 12 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997;
- Sale, transfer, lease or otherwise dispose of the whole of the land and other property of the Company u/s 293(1)(a) of the Companies Act, 1956; and
- Change in place of Registered Office of the Company outside the local limit as specified u/s 146(2) of the Companies Act, 1956.

PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED

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

8. Means of Communication:

Since the company's registered office is situated at Ghatkopar (West) the Quarterly/ yearly results are normally published in the local News Paper.

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 22nd Annual **General Meeting** is scheduled to be held on Wednesday the **30th September, 2009** 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

Upto 31st January, 2009

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

w.e.f. 1st February, 2009 1st Floor, Neelkanth Shopping Centre, Corner Cama, M.G. Road, Ghatkopar (West), Mumbai - 400086.

Registrar & Transfer System

Upto 31st January, 2009

Link Intime India Pvt. Ltd. (Formerly Known as Intime Spectrum Registry Limited) C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W.), Mumbai - 400 078.

w.e.f. 1st February, 2009

Purva Sharegistry India Pvt. Ltd. 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel (East), Mumbai - 400 011

iii. Book Closure dates are from Wednesday the **23rd September, 2009** to Wednesday the **30th September, 2009 (both days inclusive)**

iv. The Board of Directors has 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 2009-10 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. INE891E01016

Scrip Name: Pressure Sensitive Systems (I) Ltd.

The Stock Exchange, Ahmedabad.

Security in Physical Form No. ASE

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

Months	Price			Volume (No. Of Shares)
	High	Low	Close	
April-08	5.61	3.30	4.35	30841
May-08	5.25	3.69	3.82	21939
June-08	4.30	2.95	2.95	10296
July-08	4.55	2.85	3.92	7794
August-08	3.73	3.10	3.25	4250
September-08	3.25	2.67	2.70	8372
October-08	2.57	2.25	2.25	37967
November-08	2.30	2.10	2.10	9720
December-08	2.31	2.00	2.31	4856
January-09	2.92	2.30	2.50	10319
February-09	2.52	2.20	2.20	4876
March-09	2.31	1.82	1.82	3265

viii. Share Transfer Agent.

Purva Sharegistry India Pvt. Ltd.
9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel (East),
Mumbai - 400 011

ix. Share Transfer System.

The Share transfer of Securities in Physical form are registered, duly transferred and dispatched 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, 2009.

Share holding of Rs.	Nominal Value of Rs.	Shareholders No.	% of Total	Share Amt. Rs.	% of Total
1	5000	5607	82.72	14276300	22.53
5001	10000	686	10.12	5850790	9.23
10001	20000	258	3.81	4123560	6.51
20001	30000	90	1.33	2359710	3.72
30001	40000	19	0.28	673820	1.06
40001	50000	35	0.52	1716990	2.71
50001	100000	45	0.6550	3253530	5.13
100001	*****	38	0.5670	31107300	49.09
Total:		6778	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, 2009, 34,27,200 Equity Shares representing 54.09% were held in Demat form & the balance 29,09,000 Equity Shares representing 45.91% were in physical form.

xii. Company has issue 85,00,000 convertible warrants at a price of Rs.10/- per share after complying with SEBI guidelines of preferential allotments of securities. The Company has not issued ESOP or any GDRs/ADRs instrument

xiii. The Company's Plant is located as under.

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

xiv. 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
1st Floor, Neelkanth Shopping Center, Corner Cama Lane, M.G.Road, Ghatkopar (W), Mumbai-086

PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED

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 over heads 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 interest 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

1st Floor, Neelkanth Shopping Centre, Corner Cama Lane,

M.G. Road, Ghatkopar (West), Mumbai-400086.

We have reviewed the implementation of Corporate Governance produced by the company during the year ended 31st March, 2009 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/-

31st July, 2009
Mumbai

Hemant Shetye Partner
FCS - 2827COP - 1483

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

To,
The Board of Directors,
PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED
1st Floor, Neelkanth Shopping Centre,
Corner Cama Lane, M.G. Road,
Ghatkopar (West), Mumbai-400086.

We hereby certify that for the financial year, ending 31st March, 2009 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 statements 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.

Date : 31st July, 2009
Place : Mumbai.

Sd/-
Vipul Pathak
CFO

Sd/-
Vipul Trivedi
CEO

DECLARATION

I, Mr. Vipul Trivedi, 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

Date : 31st July, 2009.
Place : Mumbai.

Sd/-
VIPUL TRIVEDY
(CEO)

PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED

AUDITOR'S REPORT

To,
The Members of,
Pressure Sensitive Systems (India) Limited.

1. I have audited the attached Balance Sheet of Pressure Sensitive Systems(India) Limited; as at March 31,2009 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.
2. 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.
3. 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 227of the Companies Act.,1956, I enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
4. 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 of 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 compliance of Accounting Standard -28 for non assessment of impairment in the value of cash generating units (see Note no. 6 to Schedule -18) as at balance sheet date**, 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 31,2009, and taken on record by the Board Of Directors , I report that none of the directors is disqualified as on March 31,2009 from being appointed as a director in terms of clause section 274 (1)(g) of Companies Act. 1956 ;
 - f) **I am unable to form an opinion about realisability or otherwise of Inter- Corporate Deposits of Rs. 18,50,000/- (see Note no. 2(a) to Schedule -18) and non provision of interest thereon (see Note no. 2(b) to Schedule-18) and non provision of doubtful debts in respect of Sundry Debtors of Rs,18,64,199/ (see Note no.5 to Schedule -18) as no payment was received since long time and the confirmation of balance is not obtained for the same . The effect of the same on Loss, Reserves and Assets could not be quantified.**
 - g) In my opinion and to the best of my information and according to the explanation given to me the said accounts **subject to notes** 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 March31, 2009;

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- (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.

For **DULANI & CO.**
Chartered Accountants

Mr P.T. Dulani
[*Proprietor*]
(M. No.31405)

Navi Mumbai
31ST , JULY ,2009.

ANNEXTURE TO THE AUDITORS' REPORT

The Annexure referred to in auditors' report to the members of Pressure Sensitive Systems (India) Limited , for the year ended March , 31, 2009. 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 discrepancies noticed on physical verification were not material and have been properly dealt in the books of accounts.
- 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. 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
- VI) The company has not accepted any deposits from the public .Accordingly paragraph 4(vi)of the order is not applicable.
- VII) In my opinion, the company has an internal audit systems commensurate with the size and the nature of its business.
- 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 4(viii)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

PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED

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 state 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 where outstanding at march 31, 2009 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 31st March 2009 are 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.**
- XI) According to the information and explanation given to me, the company has not defaulted in repayment of dues to bank. The company 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 is not a chit fund or nidhi / mutual benefit fund / society. Accordingly paragraph 4(xiii) of the order 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 paragraph 4(xvii) of 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

Mr P.T. Dulani
[Proprietor]
(M. No.31405)

Navi Mumbai
31ST, JULY, 2009.

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BALANCE SHEET AS AT 31ST MARCH , 2009

Particulars	Schedule No.	As At 31.03.09 Rs	As At 31.03.08 Rs
I SOURCES OF FUNDS			
1 Share Holders Fund :			
A) Share Capital	1	63327000	63327000
B) Preferential Convertible Warrants		8500000	0
C) Reserve & Surplus	2	750000	750000
Total Funds Employed .		72577000	64077000
II APPLICATION OF FUNDS			
1 Fixed Assets :	3		
A) Gross Block		28982686	28959686
B) Less : Depreciation		13963722	12709030
C) Net Block		15018964	16250656
2 Current Assets , Loans And Advances :			
A) Inventories	4	570391	3742603
B) Sundry Debtors	5	1864199	1855811
C) Cash And Bank Balances	6	3252536	8212030
D) Loans And Advances	7	18426666	7950082
		24113792	21760526
Less:Current Laibilities & Provisions :	8		
A) Current Laibilities		1003446	1487781
B) Provisions		124520	860711
		1127966	2348492
Net Current Assets		22985826	19412034
3 Miscellaneous Expendure	9		
[To The Extent Not Written Off Or Adjusted]		0	14388
Profit And Loss Account		34572210	28399922
		34572210	28414310
Inter Branch Balances		0	0
Total Funds Utilised		72577000	64077000
Significant Accounting Policies	17		
Notes To Accounts	18		

As per my Report of even date
FOR Dulani & Co,
CHARTERED ACCOUNTANTS

(Mr. P. T. Dulani)
Proprietor

PLACE : Navi Mumabi
DATE : 31st July, 2009

FOR AND ON BEHALF OF BOARD
PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED

Mr. Vipul Pathak *Chairman*
Mr. Niyant Parikh *Director*
Mr. Anil Mistry *Director*

PLACE : Mumabi
DATE : 31st July, 2009

PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH , 2009

Particulars	Schedule No.	2008-2009	2007-2008
I. INCOME			
Sales And Other Incomes	10	2893132	1134025
Variation In Stocks	11	(2842545)	(1046501)
		<u>50587</u>	<u>87524</u>
II. EXPENDITURE			
Consumption Of Raw Materials	12	322617	282467
Power & Fuel		223454	296506
Excise Duty Paid		16282	10637
Other Manufacturing Expenses	13	8900	42699
Payment To And Provisions For Employees	14	2077540	2080068
Other Expenses	15	2219435	1810062
Interest	16	0	3278
Prior Period Adjustments		19225	12374
		<u>4887453</u>	<u>4538091</u>
III. Profit / (Loss) Before Depreciation		<u>(4836866)</u>	<u>(4450567)</u>
IV Depreciation For The Year		1254692	1105031
V Transfer From Revaluation Reserve		0	100982
VI Profit / (Loss) Before Tax		<u>(6091558)</u>	<u>(5454616)</u>
VII Provision For Taxation			
Short Provision For Earlier Year			
Income Tax		35673	0
Fringe Benefit Tax		10467	0
Provison For Current Year Fringe Benefit Tax		34590	32930
VIII Net Profit (Loss) For The Year		<u>(6172288)</u>	<u>(5487546)</u>
IX Balance Brought From Previpous Year		<u>(28399922)</u>	<u>(22912376)</u>
X Balance Carried Over To Balance Sheet .		<u>(34572210)</u>	<u>(28399922)</u>
Earning Per Share (Rs. 0 - Basic & Diluted)		<u>(0.97)</u>	<u>(0.87)</u>
Significant Accounting Policies	17		
Notes To Accounts	18		
As per my Report of even date FOR Dulani & Co, CHARTERED ACCOUNTANTS		FOR AND ON BEHALF OF BOARD PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED	
(Mr. P. T. Dulani) Proprietor		Mr. Vipul Pathak	Chairman
		Mr. Niyant Parikh	Director
		Mr. Anil Mistry	Director
PLACE : Navi Mumabi		PLACE : Mumabi	
DATE : 31st July, 2009		DATE : 31st July, 2009	

**SCHEDULE ANNEXED TO AND FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH, 2009.**

Particulars	As At 31.03.09 [Rs.]	As At 31.03.08 [Rs.]
SCHEDULE -1 : SHARE CAPITAL AUTHORISED		
1,55,00,000 (P.Y. 7000000) Equity Shares Of Rs. 10 Each	155000000	70000000
	<u>155000000</u>	<u>70000000</u>
6,336,200 Equity Shares Of Rs 10 Each Fully Paid Up	63362000	63362000
Less: Calls In Arrears On 3500 Equity Shares Ofrs.10/- Each	35000	35000
	<u>63327000</u>	<u>63327000</u>

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 Arraers 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	0	100982
Less: Transferred To Profit And Loss Account	0	100982
	<u>750000</u>	<u>750000</u>

PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED

SCHEDULE - 3 : FIXED ASSETS

Sr No.	Particulars	Gross Block At Cost				Depreciation				Net Block	
		As At 01.04.08	Additions	Sale / Adjustment	As At 31.03.09	Up To 01.04.08	For The Period	Sale / Adjustment	Up To 31.03.09	As At 31.03.09	As At 31.03.08
1	Freehold Land (Mum)	494146	0.00	0.00	494146	0.00	0.00	0.00	0.00	494146	494146
	(Baddi)	267050	0.00	0.00	267050	0.00	0.00	0.00	0.00	267050	267050
	Total == > @ Nil	761196	0.00	0.00	761196	0.00	0.00	0.00	0.00	761196	761196
2	Building (Mum)	6571846	0.00	0.00	6571846	2996829	219500	0.00	3216329	3355517	3575017
	(Baddi)	2698140	0.00	0.00	2698140	122706	90116	0.00	212822	2485318	2575434
	Total == > @ 3.34	9269986	0.00	0.00	9269986	3119535	309616	0.00	3429151	5840835	6150451
3	Plant & Machinery(Mum)	11685024	0.00	0	11685024	7374718	555039	0.00	7929757	3755267	4310306
	(Baddi)	3400242	0.00	0.00	3400242	219474	161512	0.00	380986	3019256	3180768
	Total=> @ 4.75	15085266	0.00	0.00	15085266	7594192	716551	0.00	8310743	6774523	7491074
4	Elec. Instalation (Mum)	1573093	0.00	0.00	1573093	1182734	74722	0.00	1257456	315637	390359
	(Baddi)	190868	0.00	0.00	190868	12113	9068	0.00	21181	169687	178755
	Total=> @ 4.75	1763961	0.00	0.00	1763961	1194847	83790	0.00	1278637	485324	569114
5	Furniture/ Fixtures(Mum)	151130	0.00	0.00	151130	90493	9567	0.00	100060	51070	60637
	(Baddi)	69470	0.00	0.00	69470	9540	4396	0.00	13936	55534	59930
	Total=> @ 6.33	220600	0.00	0.00	220600	100033	13963	0.00	113996	106604	120567
6	Labrotory Equipment(Mum)	342934	0.00	0.00	342934	155380	16289	0.00	171669	171265	187554
	(Baddi)	0	0.00	0.00	0	0	0	0.00	0	0	0
	Total=> @ 4.75	342934	0.00	0.00	342934	155380	16289	0.00	171669	171265	187554
7	Weighing Scale (Mum)	61212	0.00	0.00	61212	41277	2908	0.00	44185	17027	19935
	(Baddi)	12014	0.00	0.00	12014	1349	572	0.00	1921	10093	10665
	Total=> @ 4.75	73226	0.00	0.00	73226	42626	3480	0.00	46106	27120	30600
8	Fire Fitting Equipment(Mum)	62313	0.00	0.00	62313	42762	2960	0.00	45722	16591	19551
	(Baddi)	4712	0.00	0.00	4712	529	224	0.00	753	3959	4183
	Total=> @ 4.75	67025	0.00	0.00	67025	43291	3184	0.00	46475	20550	23734
9	Office Equipment (Mum)	118388	0.00	0.00	118388	55904	5623	0.00	61527	56861	62484
	(Baddi)	80630	0.00	0.00	80630	7641	3828	0.00	11469	69161	72989
	Total=> @ 4.75	199018	0.00	0.00	199018	63545	9451	0.00	72996	126022	135473
10	Computers (Mum)	167679	23000.00	0.00	190679	167679	2536	0.00	170215	20464	0
	(Baddi)	0	0.00	0.00	0	0	0	0.00	0	0	0
	Total=> @ 16.21	167679	0.00	0.00	190679	167679	2536	0.00	170215	20464	0
11	Vehicle (Mum)	0	0.00	0.00	0	0	0	0.00	0	0	0
	(Baddi)	1008795	0.00	0.00	1008795	227902	95832	0.00	323734	685061	780893
	Total=> @ 9.5	1008795	0.00	0.00	1008795	227902	95832	0.00	323734	685061	780893
	Total Of Schedule { 1 To 11 }Mum	21227765	23000.00	0.00	21250765	12107776	889144	0.00	12996920	8253845	9119989
	Total Of Schedule { 1 To 11 }Badi	7731921	0.00	0.00	7731921	601254	365548	0.00	966802	6765119	7130667
	Grand Total	28959686	23000.00	0.00	28982686	12709030	1254692	0.00	13963722	15018963	16250656
	Previous Year	31034226	0	2074540	28959686	12228847	1105031	624848	12709030	16250656	

Note: Depreciation For The Year Includes Rs. 3,21,904/- On Account Of Revalued Assets.

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Particulars	As At 31.03.09 [Rs.]	As At 31.03.08 [Rs.]
SCHEDULE - 4 : INVENTORIES		
(As Per Inventories Taken , Valued And Certified By The Management)		
Stores And Spare Parts	600	650
Raw Materials	384226	706843
Packing Materials	21705	28705
Finished Goods	47169	33439
Work In Progress	115677	2972966
Scrap	1014	0
	<u>570391</u>	<u>3742603</u>
SCHEDULE - 5 : SUNDRY DEBTORS (Unsecured Considered Good)		
Exceeding Six Months	1864199	1749393
Others	0	106418
	<u>1864199</u>	<u>1855811</u>
Schedule - 6 : Cash And Bank Balances		
Cash On Hand	247186	303784
In PLA A/C With Excise	0	491
With Scheduled Bank		
In Current Account	2780350	3465698
In Fixed Deposit Account	225000	4442057
	<u>3252536</u>	<u>8212030</u>
Schedule - 7 : Loans And Advances (Unsecured , Considered Good)		
Advance To Suppliers	0	245000
Advance Recoverable In Cash Or In Kind For Value To Be Received	12996336	4756177
Loans To Staff	0	2500
Intercorporate Deposits	5350000	1850000
Deposits With		
Public Bodies	80330	91845
Others	0	1004560
	<u>18426666</u>	<u>7950082</u>
SCHEDULE - 8 : CURRENT LAIBILITIES AND PROVISIONS		
A) Current Laibities		
Sundry Creditors	0	1126124
Other Laibities	1003446	361657
	<u>1003446</u>	<u>1487781</u>
B) Provisions		
Fringe Benefit Tax	124520	121930
Provision For Gratuity	0	676715
Provision For Leave Encashment	0	62066
	<u>124520</u>	<u>860711</u>
Total (A +B)	<u>1127966</u>	<u>2348492</u>

PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED

Particulars	As At 31.03.09 [Rs.]	As At 31.03.08 [Rs.]
SCHEDULE - 9 : MISCELLANEOUS EXPENDITURES (To The Extent Not Written Off Or Adjusted)		
Voluntary Retirement Scheme	0	14388
	<u>0</u>	<u>14388</u>

**SCHEDULE 10 TO 16 ANNEXED TO AND FORMING PART OF
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH , 2009**

	2008-2009 [Rs]	2007 - 2008 [Rs]
SCHEDULE -10 : SALES AND OTHER INCOME		
Sale Of Goods Manufactured	2525236	305276
Interest Received (TDS Rs 15,888/-)	367896	517273
Sundry Balances Written Off (Net)	0	1
Other Income	0	3000
Profit On Sale Of Assets	0	308475
	<u>2893132</u>	<u>1134025</u>
SCHEDULE -11 : VARIATION IN STOCKS		
Opening Stock		
Work In Progress	2972966	3923033
Finished Goods	33439	129873
	<u>3006405</u>	<u>4052906</u>
Less: Closing Stocks		
Work In Progress	115677	2972966
Finished Goods	47169	33439
Scrap	1014	0
	<u>163860</u>	<u>3006405</u>
Net Increase /(Decrease)	<u>(2842545)</u>	<u>(1046501)</u>
SCHEDULE -12 ; CONSUMPTION OF RAW MATERIALS		
Opening Stocks	706843	950106
Add: Purchases	0	39204
	<u>706843</u>	<u>989310</u>
Less: Closing Stocks	384226	706843
	<u>322617</u>	<u>282467</u>
SCHEDULE -13 : OTHER MANUFACTURING EXPENSES		
Processing and Printing Charges	8850	37927
Consumption of Stores and Spares	50	4772
	<u>8900</u>	<u>42699</u>

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	2008-2009 [Rs]	2007 - 2008 [Rs]
SCHEDULE -14 : PAYMENT TO AND PROVISION FOR EMPLOYEES		
Salaries And Wages	1526894	1803078
Staff Welfare Expenses	37044	54379
Staff Quarters Rent	0	0
Contribution To Provident Fund & Other Funds	109805	135243
Gratuity	307624	45265
Leave Encashment	81785	(47066)
Compensation To Workers On Voluntary Retirement	14388	89169
	<u>2077540</u>	<u>2080068</u>
SCHEDULE -15 : OTHER EXPENSES		
Travelling And Conveyance	221417	112845
Insurance	52943	52045
Rent Rates And Taxes	85125	96102
Repairs To Buildings	1500	0
Repairs To Plant And Machinery	190	5908
Repairs To Others	14186	13821
Legal And Professional Charges	364401	174269
Payment To Auditors	169265	185394
Printing And Stationery	40850	55347
Postage, Telegrams , And Telephones	113148	131427
Freight , Ocri, And Carriage	13317	44771
Business Promotion Espenses	24076	48194
Vehicle Maintenace	134753	135332
Packing Material Consumed	7000	44099
Bank Guarantee Commission And Charges	12415	7155
Sundry Balances W/O	120702	0
Miscellaneous Expenses	844147	189463
Brokerage And Commission	0	30000
Loss On Sale Of Assets	0	483890
	<u>2219435</u>	<u>1810062</u>
SCHEDULE -16 : INTEREST		
On Fixed Loans	0	0
Others	0	3278
	<u>0</u>	<u>3278</u>

PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED

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 31st March, 1993, are stated at the value determined 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 pro-rata time basis with reference to the month of additions, depreciation on revalued assets is also provided on the same basis.

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 determined 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.

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 recognized on a time proportion basis 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. RETIRMENT BENEFITS

- i) Provident Fund and Family Pension Contribution to provident fund and family pension fund are provided for and payments in respect their of 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 realised against future taxable profits.

12. MISCELLANIOUSE EXPENDITURE

Compansation paid under voluntary retirement scheme are amortized over a period of sixty months.

13. CONTINGENT LIABILITY

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

SCHEDULE 18 : NOTES ON ACCOUNTS

- 1. Fixed Deposits of Rs 2,25,000/- (P. Y. Rs 2,25,000/-) are with the Central Excise and Sales tax Department Nalagarh as deposit for the Sales Tax Registration .
- 2. a) The other Inter -Corporate Deposit outstanding amounting to Rs. 18,50,000/- (Previous Year Rs. 18,50,000/-) , 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, 2009 amounts to Rs.30,30,437/- (Previous Rs. 30,30,437/-). 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. The company has issued 85,00,000 Preferential Convertible Warrants (exercise price Rs. 10 /- each) on preferential basis to various investors, against which it has received Rs. 85,00,000 /- till march, 31, 2009 . Each warrant carries right to convert the same into one equity share of Rs. 10/- each. (as per the formula prescribed under the SEBI (DIP) Guidelines 2000) over a period of 18 months from the date of allotment.

PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED

The Preferential Convertible Warrants proceeds of Rs. 85,00,000/- has been utilized for advance payment to one M/S-Rushil International, a partnership firm as per Memorandum of Understanding with them for purchase of their running business of Decorative Laminated Sheets for a total consideration of Rs. 200 lacs.

4. The shareholders of the company accorded their consent by postal ballot for change in Control in promoters in pursuance of regulation 12 of the Securities and Exchange Board of India. (Substantial acquisition of shares and takeovers) Resolution, 1997.

Further the shareholders of the company have accorded their consent to board to sell, transfer, lease or otherwise dispose of the whole or substantially the whole of land, Building along with Plant & Machinery situated at Pimpalgaon & Kishanipur.

5. Sundry Debtors Rs 18,64,199 /- are outstanding for a period exceeding six months for which no provision for doubtful debts have been made as Directors are hopeful for receiving the same.

6. **IMPAIRMENT:**

The company has not assessed Impairment in the value of its Plant and Machinery, and other cash generating units as at March, 31, 2009. The company is in the process of getting into new business areas and to exit from the existing loss making activities and accordingly the management has decided to account for the loss in value if any only on actual basis on sell of the assets .

7. **EARNING PER SHARE:**

(The numerator and denominator used to calculate Basic and Diluted Earning Per Share)

	<u>31.03.2009</u>	<u>31.3.2008</u>
A Loss attributable to the Equity Share Holders Rs.	(6172288)	(5487547)
B Basic / Weighted Average number of Equity Shares Outstanding during the year	6336200	6336200
Nominal value of Equity Shares Rs.	10.00	10.00
A/B Basic / Diluted Earning Per Share Rs.	(0.97)	(0.87)

8. 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 .

- 9 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.

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

	<u>2008-2009</u>	<u>2007-2008</u>
	Rs.	Rs.
EXPENDITURE		
1) Telephone Charges	1327.00	-
2) Rent ,Rates & Taxes	-	12,374.00
3) Printing & Stationery	16538.00	-
4) Security Charges	900.00	-
5) Office expenses	460.00	-
TOTAL EXPENDITURE	<u>19225.00</u>	<u>12374.00</u>

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11. Details of payment to Auditors	2008-2009 Rs.	2007-2008 Rs.
Statutory Audit Fees & Limited Review	65,000/-	95,000/-
Taxation Matters/Certifications	90,000/-	70,000/-
Service Tax	14,265/-	20,394/-
	1,69,265/-	1,85,394/-

12. The outstanding balance of Debtors, Creditors, Deposit and Loans & Advances are subject to confirmation.
13. 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.1,00,000/-outstanding as at 31st March,2009 for more than 30 days are Rs. NIL.
14. 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
15. 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.
16. 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.
17. 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>2008-2009</u>	<u>2007-2008</u>
i) Purchase of Raw Materials (free Samples)	Rs. Nil	Rs. 1,81,231/-
ii) Compensation for use of office premises (Society Maintenance & Electricity)	Rs. 92,334/-	Rs. 1,01,303/-
iii) Sale of Materials	Rs. Nil	Rs. 7,275/-
iv) Sale of Assets	Rs. Nil	Rs. 1,03,000/-
v) Outstanding Liability as at year end.	Rs. 10,11,300/-	Rs.16,64,390/-

C. Transactions with key management personal :

Details of managerial remuneration are disclosed in Notes No.18.

PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED

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

	Managing Director		Whole Time Director	
	2008-2009	2007-2008	2008-2009	2007-2008
Remuneration	5,46,608/-	5,59,968/-	4,09,956/-	4,19,976/-
Provident Fund	48,000/-	57,600/-	36,000/-	43,200/-
Leave Encashment	60,000/-	-	45,000/-	-
Gratuity	4,84,628/-	-	3,63,460/-	-
	11,39,236/-	6,17,568/-	8,54,416/-	4,63,176/-

19 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 10,00,000 SQ.MTRS)

(b) REGISTERED MICRO SLITTINGS 60,000 KGS (or 15,00,000 kms.) [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 Quantity	Opening stock		Turn Over		Closing Stock		
					Qty	Rupees	Qty	Rupees	Qty	Rupees	
A) GOODS MANUFACTURED											
1	Electrical insulations	2008-2009	Roll	2677	1169	33439	*2677	100891	1219	47169	
	Industrial Tapes	2007-2008	Roll	7190	1169	35520	7190	328685	1169	33439	
2	Metalised Thread	2008-2009	Kgs	0	0	0	0	0	0	0	
		2007-2008	Kgs	3025	25	94353	25	85451	0	0	
3	Magnetic Thread	2008-2009	Kgs	123.565	0	0	123.565	2424345	0	0	
		2007-2008	kms.	768.62	0	0	**768.62	-108860	0	0	
TOTAL					2008-2009		33439		2525236		47169
					2007-2008		129873		305276		33439

Notes:

Sales are net of returns

* Includes 50 rolls obsolete quantity (previous year Nil rolls)

** Replacement against rejection

ANNUAL REPORT 2008-2009

B) Statement of consumption of Raw materials :

Sr. No.	Name of the Raw materials	Units of Measurement	2008-2009		2007-2008			
			Consumption Quantity	Consumption value	*Absolute Quantity	*Absolute value	Consumption Quantity	Consumption value
1	Ruber	KG	99.95	11662	0	0	380	44219
2	Cloth	MTR	750	14669	0	0	3175	62099
3	Chemicals	KG	160.73	19068	321.7	105506	615	83209
4	Resins	KG	36	4135	0	0	133	16344
5	Release paper	KG	0	0	696.2	151933	226	23871
6	Tolvene	LTR	80	5760	0	0	400	18596
7	Solvents	KG	89	5901	0	0	619	35129
		LTR	80	3983	0	0		
TOTAL				65178		257439		282467

* In the opinion of the management various items which are not in use for long time has become absolute and has been written off during the year . The said absolute items have no realisable value.

C) Value of imports calculated on CIF basis

	<u>2008-2009</u>	<u>2007-2008</u>
Stores & Spares	NIL	9274

D) Value of imported and indigeneous Raw materials , spare parts & components consumed

	<u>2008-2009</u>		<u>2007-2008</u>	
1 Raw materials				
Imoprted	—	—	—	—
Indigeneous	100%	65178	100%	282467
TOTAL	100%	65178	100%	282467
2 Stores & spares consumed :				
Imoprted	0%	NIL	0%	NIL
Indigeneous	100%	NIL	100%	4772
TOTAL	100%	NIL	100%	4772

E) Expenditure in foreign currency

	<u>2008-2009</u>	<u>2007-2008</u>
1 Traveling Expenses	NIL	NIL
2 Seminar Expenses	NIL	NIL

F) Earning in foreign Exchange

Exports (FOB)	NIL	NIL
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SIGNATURE TO SCHEDULE 1 TO 18

As per my Report of even date
FOR **Dulani & Co,**
CHARTERED ACCOUNTANTS

(**Mr. P. T. Dulani**)
Proprietor

PLACE : Navi Mumabi
DATE : 31st July, 2009

FOR AND ON BEHALF OF BOARD
PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED

Mr. Vipul Pathak *Chairman*
Mr. Niyant Parikh *Director*
Mr. Anil Mistry *Director*

PLACE : Mumabi
DATE : 31st July, 2009

PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

Particulars	2008-2009 Rupees	2007-2008 Rupees
A) Cash Flow From Operating Activities		
Net Profit Before Tax And Exceptional Items Adjustment to Reconcile Net Profit Before Tax To Cash Provided		
By Operating Activities	(6091558)	(5454617)
Depreciation	1254692	1004049
Interest Income	(367896)	(517273)
Other Income	0	(3000)
Miscellaneous Expenditure Written Off	14388	89169
Interest Paid	0	3278
Profit On Sale Of Assets	0	(308475)
Extra Ordinary Items	596000	0
Net Cash Flow Generated By Operating Activities	(4594374)	(5186869)
Operating Profit Before Working Capital Changes		
Adjustment For :		
Inventories	3172212	1919414
Sundry Debtors	(8388)	(126088)
Loans & Advances	(10476584)	(523955)
Current Liabilities & Provisions	(1220526)	(692579)
Increase/(Decrease) In Current Assets	(8533286)	576792
Cash Generated From Operations	(13127660)	(4610077)
Less : Taxes Paid	80730	32930
Net Cash Provided By Operating Activities	(13208390)	(4643007)
Extraordinary Items:	(596000)	0
Other Income	0	3000
	(596000)	3000
Net Cash From Operating Activities	(13804390)	(4640007)

ANNUAL REPORT 2008-2009

Particulars	2008-2009 Rupees	2007-2008 Rupees
B) Cash Flow From Investing Activities		
Purchase Of Fixed Assets	(23000)	0
Proceeds From Sale Of Fixed Assets	0	1758168
Interest Received	367896	517273
Net Cash From Investing Activities	344896	2275441
C) Cash Flow From Financing Activities		
Secured Loans	0	0
Preferential Convertible Warrants	8500000	0
Interest Paid	0	(3278)
Net Cash Used For Financing Activities	8500000	(3278)
Net Increase In Cash And Cash Equivalents	(4959494)	(2367844)
Cash And Cash Equivalents On Opening Date	8212030	10579874
Cash And Cash Equivalents On Closing Date	3252536	8212030

This Is The Cash Flow Statement Referred to in Our Reports Of Even Date

As per my Report of even date
FOR **Dulani & Co,**
CHARTERED ACCOUNTANTS

(**Mr. P. T. Dulani**)
Proprietor

PLACE : Navi Mumabi
DATE : 31st July, 2009

FOR AND ON BEHALF OF BOARD
PRESSURE SENSITIVE SYSTEMS (INDIA) LIMITED

Mr. Vipul Pathak *Chairman*

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PLACE : Mumabi
DATE : 31st July, 2009