

# **22nd ANNUAL REPORT**

**2003-2004**

report  junction.com

**PIX**  
**BELTS & HOSES**

**PIX TRANSMISSIONS LIMITED**

**J-7, M.I.D.C. HINGNA, NAGPUR - 440 016.**

**Pix Transmissions Limited**

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**PIX TRANSMISSIONS LIMITED**

**DIRECTORS :**

SHRI PRATIPAL SINGH SETHI (Chairman)  
SHRI AMARPAL SETHI (Managing Director)  
SHRI SONEPAL SETHI [Joint Managing Director]  
SHRI SUKHPAL SINGH SETHI  
SHRI JOSE JACOB  
SHRI HARESH EIDNANI  
SHRI JOE PAUL  
SHRI PRADEEP HAVNUR

**COMPANY SECRETARY**

SHRI SHYBU VARGHESE

**AUDITORS**

M/s. S. C. BANDI & CO.  
[Chartered Accountants, Mumbai]

**BANKERS**

1. STATE BANK OF INDIA
2. ANDHRA BANK
3. ING VYSYA BANK LTD.

**REGISTERED OFFICE & WORKS :**

**(UNIT NO. 1)**

J-7, MIDC, HINGNA,  
NAGPUR - 440 016

**(UNIT NO. 2)**

BAZARGAON, AMRAVATI ROAD,  
NAGPUR-440 023

**MUMBAI OFFICE :**

PALS BUILDING,  
1<sup>ST</sup> ROAD, TPS IV, BANDRA - [WEST]  
MUMBAI - 400 050

**Pix Transmissions Limited****NOTICE**

Notice is hereby given that the **TWENTY SECOND ANNUAL GENERAL MEETING** of the members of **PIX TRANSMISSIONS LIMITED** will be held at the Registered Office of the company at J-7, MIDC, Hingna, Nagpur at 9.30 A.M. on Wednesday the 29<sup>th</sup> September, 2004 to transact the following business:

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Profit and Loss Account for the Year ended 31st March, 2004 and the Balance Sheet as on that date together with Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Sukhpal Singh Sethi, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Sonopal Sethi who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Pradeep Havnur who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and to fix their Remuneration.
6. To consider and if thought fit to pass with or without modification the following resolution as an ordinary Resolution.

"Resolved that pursuant to Section 198, 269, 309 and Schedule XIII of the Companies Act, 1956 and further to the resolution passed at the Annual General Meeting held on 20<sup>th</sup> September 2000 that the approval be and is hereby accorded to the variation in the terms of appointment and remuneration of Mr. Joe Paul the Director with effect from 1<sup>st</sup> February, 2003 as contained in the draft Supplementary Agreement, a copy whereof initialed by the Chairman for the purpose of identification is placed before the meeting with liberty to the Board of Directors to vary, alter and modify such terms of remuneration so as to not exceed the limits specified in Schedule XIII of the Companies Act, 1956 or any statutory modification, substitutions or reenactments thereof, as may be agreed to by the Board of Directors and acceptable to Mr. Joe Paul.

RESOLVED FURTHER that where in any financial year during his term of office, the company makes no or inadequate profits, the company may pay him remuneration by way of salary and perquisites not exceeding the limits laid down in Section II Part II of Schedule XIII of the Companies Act, 1956 or any statutory modifications, substitutions or reenactments thereof, as may be agreed to by the Board of Directors and acceptable to Mr. Joe Paul.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to take such steps from time to time as may be necessary or desirable to give effect to this Resolution."

7. RESOLVED FURTHER that the consent of the Company be and is hereby accorded pursuant to section 293(1) (d) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company to borrow from time to time any sum of sums of money which together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary courses of business may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves i.e. to say reserves not set apart for any specific purpose, provided that the total amount of moneys borrowed by the Company shall not at any time exceed the limit of Rs.100 crores.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**PLACE : MUMBAI**

**PRATIPAL SINGH SETHI**

**DATE : 29.06.2004**

**[CHAIRMAN]**

**MUMBAI OFFICE :**

**PALS BUILDING**

**1<sup>ST</sup> ROAD, TPS IV**

**BANDRA - WEST**

**MUMBAI - 400 050.**

**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. Proxies in order to be effective must be received by the Company at the registered office not less than 48 hours before the time of Meeting.
2. Register of Members and the transfer books of the Company will remain closed from Tuesday the 28<sup>th</sup> September, 2004 to Wednesday the 29<sup>th</sup> September 2004. (Both days inclusive)
3. Members desiring any information on the Accounts are requested to write to the Company at least one week before the Meeting so as to enable the management to keep the information ready. Replies will be provided only at the meeting.
4. Information pursuant to Clause 49 of the Listing agreement for Re-appointment of Directors.

Name of Directors : Shri Sukhpal Singh Sethi  
 Date of Birth : 11.06.1942  
 Date of Appointment : 05.03.1992  
 Qualification : I.Sc.  
 Directorship In other Companies in-corporate in India : NO  
 Chairman / Member of other committees of Companies : NO

Name of Directors : Shri Sonopal Sethi  
 Date of Birth : 16.09.1966  
 Date of Appointment : 01.04.1989  
 Qualification : B.Sc.,Grand PRI [U.K.]  
 Directorship In other Companies in-corporate in India : NO  
 Chairman / Member of other committees of Companies : NO

Name of Directors : Shri Pradeep Havnur  
 Date of Birth : 05.10.1965  
 Date of Appointment : 29.10.2003  
 Qualification : B.A., LLB  
 Directorship In other Companies in-corporate in India : NO  
 Chairman / Member of other committees of Companies : NO

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**PLACE : MUMBAI**

**PRATIPAL SINGH SETHI**

**DATE : 29.06.2004**

**[CHAIRMAN]**

## Pix Transmissions Limited

Explanatory statement as required under Section 173(2) of the Companies Act.

### Item No.6

The payment and provision of remuneration to Mr. Joe Paul as Director of the Company was approved by the shareholders at the annual General Meeting of the Company held on 20<sup>th</sup> September, 2000.

Keeping in view the prevailing situation in the industry and commensurate with the job responsibilities the Board of Directors subject to the approval of the shareholders and within the limits under Schedule XIII of the Companies Act, 1956. The remuneration of Mr. Joe Paul is varied with effect from 1<sup>st</sup> February, 2003.

Accordingly, with effect from 1<sup>st</sup> February, 2003, Mr. Joe Paul is entitled to the remuneration detailed in the draft supplementary agreement.

The remuneration to be paid Rs.49,900.00 P.M. in the scale of Rs.49,900.00 to Rs.75,000.00 P.M. from 1<sup>st</sup> February, 2003 all other material terms are the same, which were approved by the share holders at the Annual General Meeting held on 20<sup>th</sup> September, 2000. Hence other material terms are not repeated.

Mr. Joe Paul may be deemed to be concerned or interested in the resolution. None of the other Directors of the Company are concerned or interested in the said resolution.

### Item No.7

#### Borrowing Power

Considering the expanding business activities and increase in the financial requirements of the Company, the Board of Directors may be required to resort to borrowing of funds from banks, financial institutions and such other parties as the Board may deem fit, from time to time subject to such borrowing not exceeding Rs:100.00 crores in aggregate. For borrowing funds beyond the aggregate of the paid-up share capital and free reserves of the Company, the Board is required to be empowered by way of passing of a resolution by the members of the Company under Section 293(1)(d) of the Companies Act, 1956.

Your Directors recommend the above resolution for your approval.

None of the Directors of the company is concerned or interested in the above resolution.

### DIRECTORS REPORT

To, The Members,

The Directors have pleasure in presenting the TWENTY SECOND ANNUAL REPORT together with Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2004.

Given below is the financial performance as reflected in the Audited Accounts for the year ended 31.03.2004

[Rs. in Lacs]  
As on 31.03.2004 As on 31.03.2003

Sales	7936.52	6753.75
Other Income	13.18	0.18
	7949.70	6753.92
Profit Before Depreciation	681.53	530.85
Depreciation	502.11	438.92
Profit before tax	179.42	91.93
Less : Provision for taxation		
a) Current	13.50	7.50
b) Deferred	48.84	47.41
	62.34	54.91
Less : Wealth Tax paid	0.06	—
	117.02	37.02
Balance of Profit Brought down	914.86	877.84
Amount available for appropriation & carried to Balance Sheet	1031.88	914.86

### SALES / BUSINESS PERFORMANCE / FINANCE :

Your company's performance has been satisfactory, sales turnover has increased by over 18% in the current year.

In recognition of its outstanding export performance your company has received from Capexil Export Award in "Vee Belt Segment" for the year 2002-2003. Your company has the distinction of receiving this award continuously for last several years.

### DIVIDEND :

In view of the funds required for expansion, the Directors do not recommend dividend for the year.

### DIRECTORS RESPONSIBILITY STATEMENT :

Pursuant to Section 217(2AA) of the Company's Act. 1956, your directors confirm that :

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
2. 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.
3. That the directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. That the directors have prepared the annual accounts on a going concern basis.

## Pix Transmissions Limited

### MANAGEMENT'S DISCUSSIONS AND ANALYSIS

The particulars as required by Clause 49 of the Listing Agreement is provided in the Annexure to this report.

#### CORPORATE GOVERNANCE :

The company has completed all mandatory provisions of corporate governance as prescribed by Clause 49 of the listing agreement of the Stock Exchange with which the Company is registered. A report on the Corporate Governance is included as part of the Annual Report along with the compliance certificate and statutory auditors certificate as per Clause 49 of the listing agreement.

**PUBLIC DEPOSITS :** The Company has not accepted deposit from the public.

#### PARTICULAR OF EMPLOYEES :

There are no employees drawing remuneration in excess of limits prescribed under the amended Section 217(2A) of the Companies Act 1956, read with the companies Particulars of employees 1 Rules 1975.

#### DIRECTORS :

To appoint a Director in place of Shri Sukhpal Singh Sethi, Shri Sonpal Sethi and Shri Pradeep Havnur who retire by rotation and being eligible offer themselves for re-appointment. Shri Krishna K.Bhat and Shri L. N. Gupta retired from the Board during the year. The Board placed on record its sincere appreciation of the valuable services rendered during their tenure of office.

#### AUDITORS :

M/s S. C. Bandi & Co. Chartered Accountants, Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

#### AUDITORS REPORT :

The notes forming part of the accounts are self-explanatory and do not call for any further clarifications under Section 217(3) of the Companies Act, 1956.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO.

Information pursuant to section 217 1 (e) of the companies act, 1956 read with the companies (disclosure of particulars in the report of Board of Directors) Rules 1988 relating to the matters contained therein is given by way of an annexure to this report.

The Company's subsidiary and consolidated Annual Reports as at 31st March 2004 will be sent to shareholders on request from them.

#### APPRECIATION :

The Directors take this opportunity to express their gratitude for the assistance and continued co-operation extended by Banks, Government Authorities, Clients and Suppliers. The directors also wish to place on record their sincere appreciation of the devotion, dedication and loyalty shown by employees at all levels towards sustained progress of the Company.

Your directors sincerely acknowledge the continued trust and confidence you have placed in this Company.

#### FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE : MUMBAI  
DATE : 29.06.2004

PRATIPAL SINGH SETHI  
[CHAIRMAN]

### MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

#### 1. Industry structure and developments :

Your Company is a manufacturer of Belts and Hoses. The Belts are used in various Industries, both Industrial, Agricultural and Automobiles. High Pressure Wire Braided Hoses will be ideally suited for dumpers, cranes, coal cutters, loaders, shovels, excavators, tractors, harvesters, hydraulic roof supporters, equipment used in surface and underground mining, steel and cement industry, aviation, earth moving equipments, oil exploration, agricultural, engineering and several other industries where safety and performance norms are of utmost importance.

#### 2. Opportunities and Threats

The Products manufactured are :

- a. Belts
- b. Hoses

The Company's products are well accepted in the market both in Domestic as well as Export market because of its superior quality. The Company's products are sold to various original equipment manufacturers as well as in the replacement market. The Company is gradually increasing its share in the domestic market.

#### 3. Outlook

The Company expects to utilize maximum production capacity in the Belting section as well as in the Hose section. The economy is now picking up both in the domestic market as well as in the international market, and the Company expects to do much higher turnover of sales in the current year compared to the year ending March, 2004,

#### 4. Risks and concerns :

There is acceptability of our products both in the local and export markets due to their superior quality and competitive prices.

Your company is in continuous process of cost control and has undertaken various cost reduction measures and steps to optimize productivity by improving the production processes and controlling wastage. This is expected to result in significant saving in costs.

#### 5. Internal control systems and their adequacy

The Company has introduced Enterprise Resource Planning (ERP) covering the entire supply chain. There are well laid down systems for all the functions. Furthermore, the company holds an ISO9002 & QS9000 Certification and all procedures relating to the operating functions of the company have been documented and are followed. The management is of the opinion that there are adequate internal control systems in the company commensurate with its size and the nature of business.



## Pix Transmissions Limited

### 6. Discussion on financial performance with respect to operational performance

Sale of manufactured products during the period 2003-2004 was Rs.7936.00 Lakhs compared to Rs.6753 Lakhs during 2002-2003, an increase of 18% in terms of value.

### 7. Material developments in human resources / industrial relations front, including number of people employed.

Exclusive specialized training is imparted according to the job requirement at the Supervisory/management level covering areas in quality, finance, costing, energy conservation, instrumentation etc., both by external and internal faculties. Development programs have been conducted for all employees including workmen on safety, fire fighting and environmental issues/awareness.

The industrial relations at the Company continued to be cordial.

### FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE : MUMBAI

PRATIPAL SINGH SETHI

DATE : 29.06.2004

[CHAIRMAN]

### ANNEXURE TO THE DIRECTORS REPORT

#### A. CONSERVATION OF ENERGY

Energy conservation needs to be looked at in a holier manner. Every step in the direction of conservation of energy is a step forward towards better environment and energy saving.

Main area of energy conservation can be from the following sources :

1. Water
2. Steam
3. Electricity

#### 1.0 Conservation of water

- 1.1 Installation of Reverse osmosis plant for purification of water required by various utilities in the plant is a classic case by which benefits achieved are as under :
- 1.2 Reduction of total dissolved solid [TDS] of Boiler feed water ensures fewer blow . Fewer blow down losses translate into saving of precious furnace oil which is fuel to Boiler. Reduction of blow down conserves precious WATER rescues, which is very scarce in this region.
- 1.3 Reverse osmosis water has reduced mean time between failure [MTBF] for water heaters of imported Extruder, inside water circulation are for Mills, Calender, and Banbury etc. Lower down time helps better utilization of machines.
- 1.4 R.O. Plant has also ensured good quality of water availability for drinking water purposes. This has amply

demonstrated the caring attitude of the company towards better health for all "PIXIANS".

- 1.5 The Company is also switching over to rainwater harvesting and for this one construction has already been made. This will help retain rainwater in our area only. This will conserve water.

#### 2.0 Conservation of Steam

- 2.1 Steam is generated by burning furnace oil. Waste heat of vulcanizing area and from steam traps are used to pre-heat Boiler feed water through heat exchanger for reduction of consumption of furnace oil.
- 2.2 Heat recovery from Flash steam of Boiler blow down is also used to pre-heat Boiler feed water through heat exchanger for reduction of consumption of furnace oil.

#### 3.0 Conservation of electricity

- 3.1 Monitoring and maintaining electrical power factor to near unity level has contributed to saving in electricity.
  - 3.2 Conventional lighting systems in plant and office area being replaced by energy efficient electronic lighting system. This will also reduce electrical energy
  - 3.3 Seasonal switching off of cooling tower fans, water chiller have significantly contributed to savings of electrical energy.
  - 4.0 Supply of better quality water and reduction of consumption of water steam / furnace oil and electricity have improved consumption ratio with respect to per ton of finished product, thereby conserving energy.
1. The Major sources of energy in the company are :
1. Furnace Oil
  2. Electricity

#### 1. Conservation of Furnace Oil :

- a. Waste heat recovery systems have been introduced in pot and press section. The waste heat is utilized for pre-heating of boiler feed water.
- b. Dual heating system for furnace oil has been incorporated in boiler firing system.

Above improvements incorporated in steam generation and distribution has resulted in improvement in steam to fuel ratio.

#### 2. Conservation of Electricity:

Monitoring and maintaining system power factor to near unity level has contributed to saving in electricity consumption.

Improvement in water circulation systems and seasonal switching off of cooling tower fans and water chiller have significantly contributed to savings in electrical energy.

Impact of measures on reduction of energy, consumption and consequent impact on the cost of production of goods.

## Pix Transmissions Limited

The consumption of furnace oil and electricity per ton of production has reduced considerably.

### B. RESEARCH AND DEVELOPMENT

1. Manufacturing process of Belts and Hoses meets the requirements of ISO-9002 and QS-9000 standard.
- A. Besides regular standard High Pressure Hydraulic Hoses company has developed also following special hoses.
  1. Compact Hose
  2. Rock-drill hose
2. Following new test equipments are installed in laboratory.
  - a. Hydraulic hose impulse test machine.
  - b. Hose outer cover abrasion test machine
  - c. Universal Tensile Testing machine upto 500 Kgf.
  - d. Densimeter to check Sp. Gr/Density of material.
3. Efforts are going on
  - a. to reduce rejections
  - b. to improve product quality
  - c. to reduce customer complaints
  - d. to improve aesthetic look of belts and hoses

### C. ECO-FRIEND COMPANY

Installed water treatment plant to avoid water pollution, the treated water in turn is used for developing green adjoining area to reduce air pollution.

The benefits derived as a result of the above R & D are :

- a. Reduction in the production cost and improvement in quality.
- b. Higher production and sales by introducing new products in domestic and foreign market.
- c. The eco-friendly aspect has also been taken into consideration.

### D. TECHNOLOGICAL ABSORPTION

Efforts made in technological absorption was carried out by the company. After total introduction of new products the same will be absorbed and maintained for higher productivity and better quality.

### E. FOREIGN EXCHANGE EARNING AND OUTGO

1. Activities relating to exports appears elsewhere in Directors Reports.
2. Foreign Exchange Earnings : 4657.00 Lakhs.
3. Foreign Exchange Outgo
  - i. CIF Value of imports : 16.67 Lakhs.
  - ii. Others : 0.77 Lakhs.

### FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE : MUMBAI

PRATIPAL SINGH SETHI

DATE : 29.06.2004

[CHAIRMAN]

## REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, a Report on Corporate Governance is given below :

### MANDATORY REQUIREMENTS

#### 1. Company's philosophy on code of Governance

The Company's philosophy on Corporate Governance is aimed at assisting the top management of the Company in the efficient conduct of its business and in meeting its obligations to shareholders. For several years, the Company has adopted a codified Corporate Governance charter, inter alia, to fulfil its corporate responsibilities and achieve its financial objectives.

#### 2. A. Composition of the Board :

Name of Director	Status
Mr. Pratipal Singh Sethi – Chairman	Promoter Director
Mr. Amarpal Sethi – Managing Director	Promoter Director
Mr. Sonopal Sethi – Jt. Managing Director	Promoter Director
Mr. Sukhpal Singh Sethi	Promoter Director
Mr. Joe Paul	Independent Non Executive Director
Mr. Jose Jacob	Independent Non Executive Director
Mr. Haresh Eidnani	Independent Non Executive Director
Mr. Pradeep Havnur	Independent Non Executive Director

Non-Executive Directors are eminent professional with experience in Management, Finance and Law, who bring in a wide range of skills and experience to the Board.

#### B. BOARD MEETINGS:

The meetings of the Board of Directors are scheduled well in advance and generally held at Mumbai. The notice convening the meeting and the detailed agenda is sent at least seven days in advance to all the Directors. The Board meets at least once a quarter to review the quarterly performance and financial results.

## Pix Transmissions Limited

### i) NUMBER OF BOARD MEETINGS:

During the year from 1<sup>st</sup> April, 2003 to 31<sup>st</sup> March, 2004 the Board of Directors met 7 times on the following days :

SR. NO.	DATE	BOARD STRENGTH	NO. OF DIRECTORS PRESENT
1	28.06.2003	9	7
2	29.07.2003	9	4
3	22.08.2003	9	6
4	29.10.2003	9	5
5	19.12.2003	8	4
6	29.01.2004	8	8
7	13.03.2004	8	4

### ii) ATTENDANCE OF DIRECTORS :

NAME OF THE DIRECTOR	NO. OF BOARD MEETINGS HELD	NO. OF BOARD MEETINGS ATTENDS	ATTENDANCE AT THE LAST ANNUAL GENERAL MEETING	NO. OF DIRECTORSHIPS IN OTHER BOARDS AS ON MARCH 31, 2004* (REFER NOTE BELOW) *	NO. OF MEMBERSHIPS IN OTHER BOARD COMMITTEES AS ON MARCH 31, 2004 (REFER NOTE BELOW) **
MR. PRATIPAL SINGH SEHTI – CHAIRMAN	7	7	YES	—	—
MR. SUKHPAL SINGH SETHI - WHOLE TIME DIRECTOR	7	6	YES	—	—
MR. AMARPAL SETHI – MANAGING DIRECTOR	7	6	YES	—	—
MR. SONEPAL SETHI – JT. MANAGING DIRECTOR	7	6	YES	—	—
MR. JOE PAUL	7	3	YES	—	—
MR. KRISHNA K. BHAT [Resigned on 29.10.2003]	4		NO	—	—
MR. JOSE JACOB	7	3	NO	—	—
MR. HARESH EIDNANI	7	5	NO	—	—
MR. L. N. GUPTA [Resigned on 29.01.2004]	6	2	NO	—	—
MR. PRADEEP HAVNUR [Appointed on 29.10.2003]	4	1	NO	—	—

\* Excludes Directorship in Indian Private Limited Companies membership of managing committee of various bodies.

\*\* Board Committees include chairmanship/membership of Audit committees, shareholder grievance committee and remuneration committee other than Pix Transmissions Limited..

\*\*\* Mr. Amarpal Sethi & Mr. Sonopal Sethi are directors on behalf of M/s. Pix Transmissions Limited in Pix Europe Limited which is a Joint Venture Company registered in U.K.



## Pix Transmissions Limited

### COMMITTEES OF DIRECTORS:

#### I] Audit committee :

- i] The Audit Committee comprises of the following executive and non-executive independent members of the Board:

1. Mr. Haresh Eidnani - Chairman
2. Mr. Amarpal Sethi - Managing Director
3. Mr. Jose Jacob
4. Mr. Pradeep Havnur

Mr. Haresh Eidnani is the Chairman of the Audit Committee. The Company Secretary acts as the secretary to the Audit Committee. The statutory Auditor and General Manager [Accounts] also attends the Audit Committee meeting. Mr. Krishna K. Bhat resigned from the Audit Committee and Mr. Pradeep Havnur is appointed in his place.

#### ii] Terms of reference of the Audit Committee :

The terms of reference of this committee covers the matters specified for Audit committee under Clause 49 of the listing agreement as well as in Section 292A of the Companies Act, 1956.

#### iii] During the year from 01.04.2003 to 31.03.2004 the Audit committee met three times on the following dates :

1. 29<sup>th</sup> July, 2003
2. 29<sup>th</sup> October, 2003
3. 29<sup>th</sup> January, 2004

#### iv] Attendance of the Directors in the Audit Committee meetings :

NAME OF DIRECTOR	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Mr. Haresh Eidnani	3	3
Mr. Amarpal Sethi – Managing Director	3	3
Mr. Krishna K. Bhat	2	2
Mr. Jose Jacob	3	3
Mr. Pradeep Havnur	1	1

#### a] Shareholders Grievances and Share Transfer Committee:

This Committee, comprises the following executive, non-executive, independent members of the Board, approves transfer of shares, splitting and consolidation of shares, issuance of duplicate shares and reviewing shareholders complaints and resolution thereof.

Mr. Pratipal Singh Sethi	Director
Mr. Sonopal Sethi	Joint Managing Director
Mr. Jose Jacob	Chairman [Non Executive Director]
Mr. Haresh Eidnani	Non Executive Director

The Company has large number of shareholders and it also has Share Transfer Committee, which meets regularly twice in a month to approve Share Transfer/ Split/Consolidation/Transmission which are placed at the Board meeting for rectification and approval.

Mr. A. C. Varma has been designated as the "Compliance Officer" of the Company.

During the year ended 31.03.2004, Eighty Two investors complaints/queries were received upto 31<sup>st</sup> March, 2004. There were no complaints / queries pending reply. There were no Share transfer pending for Registration for more than 30 days as on said date.

#### b] Remuneration Committee comprises of following non-executive independent members of the Board:

1. Mr. Pradeep Havnur
2. Mr. Jose Jacob
3. Mr. Haresh Eidnani

Mr. Krishna K. Bhat resigned from remuneration committee. Mr. Pradeep Havnur is appointed in his place.

#### II) Broad Terms of reference of the Remuneration Committee:

- To recommended and review remuneration package of Executive / Non-executive Directors.
- To present report to the Board on remuneration package of directors and others.

The remuneration committee met one time during the year ended March 31, 2004.

**Pix Transmissions Limited****III) Details of remuneration paid to the Directors during the financial year April 2003 to March 2004 :****a) Executive Directors :**

NAME OF DIRECTORS	SALARY	PERQUISITES	RETIREMENT BENEFITS/ LEAVE ENCASHMENT	PERFORMANCE LINKED INCENTIVE / BONUS
<b>PROMOTER DIRECTOR</b>				
Mr. Pratipal Singh Setthi	10,80,000.00	—	N.A.	N.A.
Mr. Sukhpal Singh Sethi	9,00,000.00	—	N.A.	N.A.
Mr. Amarpal Sethi	10,80,000.00	—	N.A.	N.A.
Mr. Sonopal Sethi	9,00,000.00	3,60,000	N.A.	N.A.
<b>[INDEPENDENT NON EXECUTIVE DIRECTOR]</b>				
Mr. Joe Paul	6,10,050.00	—	N.A.	N.A.

**b) Non Executive Directors:**

NAME OF DIRECTORS	COMMISSION (PROVIDED FOR)	SITTING FEES PAID
Mr. Jose Jacob	Nil	1,500.00
Mr. Haresh Eidhani	Nil	2,000.00
Mr. Pradeep Havnur	Nil	500.00

**IV] General Body Meetings :**

- a) The last three Annual General Meetings of the Company were held at J-7, MIDC, Hingna, Nagpur on the following dates and times :

AGM NO.	DATE	TIME	VENUE
1	19, September, 2001	9.30 A.M.	J-7, MIDC, Hingna, Nagpur – 440 016
2	25, September, 2002	9.30 A.M.	J-7, MIDC, Hingna, Nagpur – 440 016
3	24, September, 2003	9.30 A.M.	J-7, MIDC, Hingna, Nagpur – 440 016

All the resolutions as set out in the respective notices were passed by the shareholders. No special resolutions were required to be put through the postal ballot.

**b) Notes on Directors appointment / reappointment :**

Please refer Explanatory Statement to the Notice of the Annual General Meeting.

**V] DISCLOSURES:**

- a) There was no non-compliance during the last three years by the Company on any matter related to capital market. Consequently, there were no penalties imposed nor strictures passed on the Company by Stock Exchanges, SEBI or any statutory authority.
- b) There are certain transactions with the related parties viz, promoter Director, the management and their relatives that are not conflicting with the company's interest and has been disclosed by way of note in the annual accounts.

**VI] Means of Communication:**

- a) Quarterly/Half Yearly Financial Results of the Company are forwarded to the Mumbai Stock Exchange and Delhi Stock Exchange with whom the company has listing agreement as soon as they are approved and taken on record by Board of Directors of the company. Further the results are published in the local newspapers in compliance with the listing agreement. Half yearly report is not sent to each shareholder as the results of the Company are published in the newspapers.

All items required to be covered in the Management discussion & Analysis have been included in the Directors' Report to Members.

- b) Company has its own web site and all the vital information relating to the Company and its products is displayed on the web site. Address of the web site is [www.pixtrans.com](http://www.pixtrans.com).