

23rd
ANNUAL REPORT
2004-2005

Report  junction.com

PIX
BELTS & HOSES

PIX TRANSMISSIONS LIMITED

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

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 RISHIPAL SETHI
SHRI DARSHAN SINGH CHADHA
SHRI JOSE JACOB
SHRI HARESH EIDNANI
SHRI JOE PAUL
SHRI KRISHNA K. BHAT
SHRI PRADEEP HAVNUR
SHRI NARINDAR KUMAR

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)

K-36, K-37, K-38, MIDC HINGNA,
NAGPUR - 440 016

(UNIT NO. 3)

BAZARGAON, AMRAVATI ROAD,
NAGPUR-440 023

MUMBAI OFFICE :

PALS BUILDING,
1ST ROAD, TPS IV, BANDRA – [WEST]
MUMBAI – 400 050

Pix Transmissions Limited**NOTICE**

Notice is hereby given that the **TWENTY THIRD 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 Road, Nagpur at 9.30 A.M. on Wednesday the 21st September, 2005 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, 2005 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 Pratipal Singh Sethi, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Jose Jacob who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their Remuneration.

SPECIAL BUSINESS:

5. To appoint Shri Rishipal Sethi (who was appointed as an Additional Director by the Board of Directors of the Company under Article 91 of the Articles of Association of the Company and who holds office under the said Article and Section 260 of the Companies Act, 1956 upto the date of this Annual General Meeting), as a Director of the Company, and in respect of whom the Company has received a Notice in writing pursuant to the provisions of Section 257 of the Companies Act, 1956 from a member signifying his intention to propose Shri Rishipal Sethi as a candidate for the office of Director and in that behalf to consider and, if thought fit, to pass, with or without modification, the following resolution which will be proposed as an Ordinary Resolution:

"RESOLVED THAT pursuant to the relevant provisions of the Companies Act, 1956 including Section 257, Shri Rishipal Sethi be and is hereby elected and appointed as a Director of the Company liable to retire by rotation "

6. To appoint Shri Darshan Singh Chadha (who was appointed as an Additional Director by the Board of Directors of the Company under Article 91 of the Articles of Association of the Company and who holds office

under the said Article and Section 260 of the Companies Act, 1956 upto the date of this Annual General Meeting), as a Director of the Company, and in respect of whom the Company has received a Notice in writing pursuant to the provisions of Section 257 of the Companies Act, 1956 from a member signifying his intention to propose Shri Darshan Singh Chadha as a candidate for the office of Director and in that behalf to consider and, if thought fit, to pass, with or without modification, the following resolution which will be proposed as an Ordinary Resolution:

"RESOLVED THAT pursuant to the relevant provisions of the Companies Act, 1956 including Section 257, Shri Darshan Singh Chadha be and is hereby elected and appointed as a Director of the Company liable to retire by rotation "

7. To appoint Shri Krishna K Bhat (who was appointed as an Additional Director by the Board of Directors of the Company under Article 91 of the Articles of Association of the Company and who holds office under the said Article and Section 260 of the Companies Act, 1956 upto the date of this Annual General Meeting), as a Director of the Company, and in respect of whom the Company has received a Notice in writing pursuant to the provisions of Section 257 of the Companies Act, 1956 from a member signifying his intention to propose Shri Krishna K Bhat as a candidate for the office of Director and in that behalf to consider and, if thought fit, to pass, with or without modification, the following resolution which will be proposed as an Ordinary Resolution:

"RESOLVED THAT pursuant to the relevant provisions of the Companies Act, 1956 including Section 257, Shri Krishna K Bhat be and is hereby elected and appointed as a Director of the Company liable to retire by rotation "

8. To consider and, if thought fit, to pass with or without modifications, 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 to borrow such or sums of moneys in any manner, as the Board of Directors may think fit, from time to time with or without security and upon such terms and conditions as they may think fit, notwithstanding that the moneys borrowed together with the moneys already borrowed by the Company (apart from temporary

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loans and short term loans obtained from its Bankers and Financial Institutions in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs. 125 crores (Rupees One hundred twenty five Crores only)."

9. To consider and, if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 293 (1) (a) and all other applicable provisions of the Companies Act, 1956, the consent of the company be and is hereby accorded to the Board of Directors of the Company for mortgaging and/or charging on such terms and conditions for borrowings up to Rs. 125 crores at such time or times and from time to time and in such form or manner, as they may think fit, the whole or substantially the whole of the company's any one or more of the undertakings including the present and/or future properties, whether movable or immovable comprised in any existing or new undertaking or undertakings of the Company, as the case may be, in favour of Financial institutions, Corporations, Banks, Government/other Agencies or any other person(s), entities which give, provide or extend loans to the Company or in favour of Trustees if any, of such lenders to secure the said amount of loans together with interest thereon, commitment charges, liquidated damages, premium on redemption, trustees remuneration, Costs, Charges, expenses expedient by the Board of Directors and in such manner as may be agreed to between the Board of Directors and the party or parties concerned."

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE : MUMBAI
DATE : 29.06.2005

PRATIPAL SINGH SETHI
[CHAIRMAN]

MUMBAI OFFICE:
PALS BUILDING
1ST 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 Monday the 19th September, 2005 to Wednesday the 21st September 2005. (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 Director : **Shri Pratipal Singh Sethi**
Date of Birth : 10.08.1934
Date of Appointment : 22.07.1981
Qualification : B.Sc.
Directorship in other Companies in-corporate in India : NO
Chairman / Member of other committees of Companies.

Name of Director : **Shri Jose Jacob**
Date of Birth : 11.06.1949
Date of Appointment : 23.03.1998
Qualification : B.Sc.
Directorship in other Companies in-corporate in India : NO
Chairman / Member of other committees of Companies.

Name of Director : **Shri Rishipal Singh Sethi**
Date of Birth : 15.06.1973
Date of Appointment : 29.12.2004
Qualification : B.Sc. (Elect. Eng.)
Directorship in other Companies in-corporate in India : NO
Chairman / Member of other committees of Companies.

Name of Director : **Shri Darshan Singh Chadha**
Date of Birth : 28.02.1942
Date of Appointment : 29.12.2004
Qualification : B.Com
Directorship in other Companies in-corporate in India : NO
Chairman / Member of other committees of Companies.

Name of Director : **Shri Krishna K. Bhat**
Date of Birth : 25.03.1953
Date of Appointment : 29.12.2004
Qualification : CA, LLB
Directorship in other Companies in-corporate in India : NO
Chairman / Member of other committees of Companies.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE : MUMBAI
DATE : 29.06.2005

PRATIPAL SINGH SETHI
[CHAIRMAN]

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Explanatory Statement as required under section 173(2) of the Companies Act, 1956

ITEM NO.5:

Shri Rishipal Sethi was appointed as an Additional Director by the Board of Directors of the Company at the meeting of the Board held on 29/12/2004. Pursuant to Section 260 of the Companies Act, 1956 read with Article 91 of Articles of Association of the Company, he holds office as a Director only until the forthcoming Annual General Meeting of the Company. A Notice alongwith requisite deposit of Rs.500/- has been received from a member pursuant to Section 257 of the Companies Act 1956 signifying his intention to propose Shri Rishipal Sethi, for the office of Director.

Shri Rishipal Sethi, aged around 32 years, is an engineer having vast experience in various aspects of business and marketing operations. The Board of Directors, therefore, considers it desirable that the Company should avail the benefit of his vast experience. Accordingly, the resolution in item no. 5 of this Notice is commended for your approval.

Shri Pratipal Singh Sethi, Shri Amarpal Sethi, Shri Sukhpal Singh Sethi and Shri Sonopal Sethi, Directors of the Company, are related to Shri Rishipal Sethi, and as such are interested in this resolution.

ITEM NO.6:

Shri Darshan Singh Chadha was appointed as an Additional Director by the Board of Directors of the Company at the meeting of the Board held on 29/12/2004. Pursuant to Section 260 of the Companies Act, 1956 read with Article 91 of Articles of Association of the Company, he holds office as a Director only until the forthcoming Annual General Meeting of the Company. A Notice alongwith requisite deposit of Rs.500/- has been received from a member pursuant to Section 257 of the Companies Act 1956 signifying his intention to propose Shri Darshan Singh Chadha, for the office of Director.

Shri Darshan Singh Chadha, aged around 63 years, is a B.Com having more than 30 years experience in various aspects of business and commercial operations. The Board of Directors, therefore, considers it desirable that the Company should avail the benefit of his vast experience. Accordingly, the resolution in item no. 6 of this Notice is commended for your approval.

None of the Directors are concerned or interested in this resolution.

ITEM NO.7:

Shri Krishna K Bhat was appointed as an Additional Director by the Board of Directors of the Company at the meeting of the Board held on 29/12/2004. Pursuant to Section 260 of the Companies Act, 1956 read with Article 91 of Articles of Association of the Company, he holds office as a Director only until the forthcoming Annual General Meeting of the Company. A Notice alongwith requisite deposit of Rs.500/- has been received from a member pursuant to Section 257 of the Companies Act 1956 signifying his intention to propose Shri Krishna K Bhat, for the office of Director.

Shri Krishna K Bhat aged around 55 years, is a C.A. and LLB having vast experience in various aspects of financial and legal operations. The Board of Directors, therefore, considers it desirable that the Company should avail the benefit of his vast experience. Accordingly, the resolution in item no. 7 of this Notice is commended for your approval. None of the Directors are concerned or interested in this resolution.

ITEM NO. 8 & 9:

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. 125 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.

In view of the proposed borrowings, the company would be required to mortgage and/or charge the properties of the company in favour of Bankers, Term Lending institutions or such other agencies and bodies for securing the loans sanctioned to the company.

Since mortgage and/or charging of the assets, properties and/or undertaking(s) of the company may be regarded as disposal thereof, consent of the members of the company is necessary under section 293 (1) (a) of the Companies Act, 1956. Hence these Resolutions.

Your Directors recommend the above resolutions for your approval.

None of the Directors are concerned or interested in the above resolutions.

Pix Transmissions Limited**DIRECTORS REPORT**

To,
The Members,

The Directors have pleasure in presenting the TWENTY THIRD ANNUAL REPORT together with Audited Statement of Accounts for the year ended 31st March, 2005.

Given below is the financial performance as reflected in the Audited Accounts for the year ended 31.03.2005

	[Rs. in Lacs]	
	As on 31.03.2005	As on 31.03.2004
Sales	9991.34	7936.52
Other Income	14.77	13.18
	10006.11	7949.70
Profit Before Depreciation	812.26	681.53
Depreciation	584.26	502.11
Profit before tax	228.00	179.42
Less : Provision for taxation		
a) Current	16.50	13.50
b) Deferred	48.19	48.84
	64.69	62.34
Less : Wealth Tax Paid	0.15	0.06
Income Tax Paid	65.26	-
	65.41	0.06
	97.90	117.02
Balance of Profit Brought down	1031.88	914.86
Amount available for appropriation & carried to Balance Sheet	1129.78	1031.88

SALES / BUSINESS PERFORMANCE / FINANCE :

Your company's performance has been satisfactory, sales turnover has increased by over 25% 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 2003-2004. Your company has the distinction of bagging 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.

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) Rules 1975.

DIRECTORS :

To appoint a Director in place of Shri Pratipal Singh Sethi, Shri Jose Jacob who retire by rotation and being eligible offer themselves for re-appointment.

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Shri Rishipal Sethi, Shri Darshan Singh Chadha and Shri Krishna K. Bhat were appointed additional Directors of the Company during the year to hold office upto the date of ensuing Annual General Meeting and are eligible for appointment in pursuance of Section 257 of the Companies Act, 1956.

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.

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

PRATIPAL SINGH SETHI
[CHAIRMAN]

PLACE : MUMBAI

DATE : 29.06.2005

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, 2005.

4. Risks and concerns :

There is acceptability of your 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 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.

6. Discussion on financial performance with respect to operational performance

Sale of manufactured products during the period 2004-2005 was Rs.9,991.00 Lakhs compared to Rs.7,936.00 Lakhs during 2003-2004, an increase of 26% in terms of value.

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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 : 29.06.2005

[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.

- 2.3 Rectification of the Boiler hardware has minimised seal steam Leakages in Boiler.

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.

- I. 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.

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/TS/16949:2002 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.

Pix Transmissions Limited

- 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-FRIENDLY 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 : 5,934.06 Lakhs.
(4,657.00)
- 3. Foreign Exchange Outgo
 - i. CIF Value of imports : 2,137.01 Lakhs.
(1,667.93)
 - ii. Others : 141.46 Lakhs.
(77.86)

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE : MUMBAI
DATE : 29.06.2005

PRATIPAL SINGH SETHI
[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 Directors	Status
Mr. Pratipal Singh Sethi – Chairman	Promoter Director
Mr. Sukhpal Singh Sethi	Promoter Director
Mr. Amarpal Sethi – Managing Director	Promoter Director
Mr. Sonopal Sethi – Jt. Managing Director	Promoter Director
Mr. Rishipal 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
Mr. Darshan Singh Chadha	Independent Non Executive Director
Mr. Krishna K. Bhat	Independent Non Executive Director
Mr. Narindar Kumar	Nominee 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 1st April, 2004 to 31st March, 2005 the Board of Directors met 10 times on the following days :

SR. NO.	DATE	BOARD STRENGTH	NO. OF DIRECTORS PRESENT.
1	05.04.2004	8	5
2	12.04.2004	8	6
3	20.05.2004	8	5
4	25.06.2004	8	7
5	30.07.2004	9	4
6	29.09.2004	9	5
7	29.10.2004	9	5
8	29.12.2004	9	7
9	28.01.2005	11	7
10	29.01.2005	11	5

ii) ATTENDANCE OF DIRECTORS :

NAME OF THE DIRECTORS	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, 2005* (REFER NOTE BELOW) *	NO. OF MEMBERSHIPS IN OTHER BOARD COMMITTEES AS ON MARCH 31, 2005 (REFER NOTE BELOW) **
MR. PRATIPAL SINGH SEHTI – CHAIRMAN	10	10	YES	—	—
MR. SUKHPAL SINGH SETHI - WHOLE TIME DIRECTOR	10	8	YES	—	—
MR. AMARPAL SETHI – MANAGING DIRECTOR	10	8	YES	—	—
MR. SONEPAL SETHI – JT. MANAGING DIRECTOR	10	8	YES	—	—
MR. JOE PAUL	10	4	YES	—	—
MR. KRISHNA K. BHAT [Appointed on 29.12.2004]	10	1	NO	—	—
MR. JOSE JACOB	10	2	NO	—	—
MR. HARESH EIDNANI	10	7	Yes	—	—
MR. NARINDER KUMAR [Appointed on 29.06.2004]	10	1	NO	—	—
MR. PRADEEP HAVNUR	10	5	NO	—	—
MR. RISHIPAL SETHI [Appointed on 29.12.2004]	10	-	No	—	—
MR. DARSHAN SINGH CHADHA [Appointed on 29.12.2004]	10	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.