

PIX TRANSMISSIONS LIMITED

BOARD OF DIRECTORS : Mr. AMARPAL SETHI (Chairman & Managing Director)
Mr. SONEPAL SETHI (Joint Managing Director)
Mr. SUKHPAL SINGH SETHI
Mr. RISHIPAL SETHI
Mr. KARANPAL SETHI
Mr. JOE PAUL
Mr. DARSHAN SINGH CHADHA
Mr. JOSE JACOB
Mr. HARESH EIDNANI
Mr. PRADEEP HAVNUR
Mr. AQUEEL A. MULLA
Mr. OM PRAKASH ARORA

COMPANY SECRETARY Mr. SHYBU VARGHESE

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

BANKERS

1. STATE BANK OF HYDERABAD
2. STATE BANK OF INDIA
3. IDBI BANK LTD.

REGISTERED OFFICE & WORKS :

(UNIT NO. 1) J-7, MIDC, HINGNA ROAD, NAGPUR - 440 016
Tel. : (07104) 236501-504 Fax : (07104) 236505/506
Website : <http://www.pixtrans.com>

(UNIT NO. 2) K-36, K-37 & K-38, MIDC, HINGNA ROAD, NAGPUR-440 016

(UNIT NO. 3) BAZARGAON, AMRAVATI ROAD, NAGPUR-440 023

(UNIT NO. 4) KHASRA NO.57, MOUZA NAGALWADI,
TEHSIL – HINGNA NAGPUR- 440016

MUMBAI OFFICE : PALS BUILDING, 1ST ROAD, TPS IV,
BANDRA – [WEST], MUMBAI – 400 050
TEL. : (022) 26404556 / 26402229
FAX : (022) 26402225

SHARE TRANSFER AGENT LINK INTIMEINDIA PVT. LTD.
C-13, PANNALAL SILK MILLS COMPOUND,
L.B.S. MARG, BHANDUP (WEST), MUMBAI - 400 078.
TEL. : (022) 25963838, FAX : 25946969
E-MAIL : isrl@linkintime.co.in

Pix Transmissions Limited

NOTICE

Notice is hereby given that the TWENTY EIGHTH ANNUAL GENERAL MEETING 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 22nd September 2010 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, 2010 and the Balance Sheet as on that date together with Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rishipal Sethi who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Jose Jacob who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Pradeep Havnur who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. Aqueel A. Mulla who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Auditors and to fix their Remuneration.

For and on behalf of the Board of Directors

Amarpal Sethi
Chairman & Managing Director

Place : Mumbai

Dated : 31.05.2010

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 the Meeting.
2. Register of Members and the transfer books of the Company will remain closed from Monday 20th day the September 2010 to Wednesday 22nd day the September 2010 (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.

Names of the Directors	Date of Birth	Date of Appointment	Qualification	Directorship In other Companies incorporate in India	Chairman / Member of other committees of Companies
MR. RISHIPAL S. SETHI	15.06.1973	29.12.2004	B.SC. , ELEC. ENG.	No	No
MR. JOSE JACOB	11.06.1949	23.03.1998	B.SC.	No	No
MR. PRADEEP HAVNUR	05.10.1965	29.10.2003	BA., LLB	No	No
MR. AQUEELA. MULLA	01.03.1963	07.11.2006	B.COM, LLM, FCSAICS (UK), DIT	No	No

For and on behalf of the Board of Directors

Amarpal Sethi
Chairman & Managing Director

Place : Mumbai

Dated : 31.05.2010

Power Innovation Excellence

Pix will strive to become a World Leader in Power and Fluid Transmission and Allied business with group Revenues in excess of US \$ 200 mn. in the next 5 years.

Pix will create delighted customers through rapid development and delivery of innovative high quality and cost effective solutions to meet end-to-end Power Transmission requirements backed with customer care of the highest standards.

Pix shall continually attain a high level of customer satisfaction through its passionate endeavor to provide world-class products and services through people participation.

The quality management system shall be the foundation and the effective implementation of the organizational goals shall determine its continuing suitability.

Pix is committed to follow a systematic approach to achieve continual improvement in environment performance by strengthening the greening of supply chain, occupational health & safety while complying with all applicable legal , safety legislation and other requirements.

Organizational Mantra : Quality in everything we do

Our Motto : A Delighted Customer

Chairman's Letter

Dear Shareholders,

My greetings to all of you.

I would like to take this opportunity to thank you for all your support and share my thoughts on some of the developments at PIX in gearing for the challenges that lie ahead.

Financial performance

Although the year 2009-10 has been yet another challenging year for the global markets, your company has been able to retain our overall market share. The exports were lower as compared to previous year. However, the domestic revenues saw a growth of 20%. The PAT changed to positive during the year resulting in EPS to 0.65 for the year.

On a consolidated basis, our associates have been a laggard in terms of profits which I expect to get corrected from this year onwards with the recovery seen from the international markets from April 2010 onwards.

The future outlook is positive, as Infrastructure, Market and Order Book position are comfortable and the company expects to achieve robust growth in revenues and profits.

Organizational, operational growth & Strategy

While most of the companies worldwide either dropped or suspended their expansion programmes, we soldiered on with our largest ever investment phase last year, successfully completing two projects involving a capital expenditure close to Rs.1 billion

The Rigid-Mandrel Hoses facility at Bazargoan with a capacity of 2 million metres boasts of 6 ply hoses upto 62 metres in length and upto 4" Dia. The company is one of the few in the world to manufacture such product and only in India for the same. We have also added many other products to our Hydraulics range and re-christened a few to suit varied application needs.

The Assembly Plant is now equipped with Higher Duty Crimping Machines to facilitate crimping of Higher Dia Hoses which find application in Infrastructure, mining, Oil & Gas and Marine applications.

The Belt section boasts of high end Timing Belts which add better margins to the profitability. Several new Belt products have also been added for various stringent applications, especially in the Agricultural and Industrial segments.

The fully Automated Carbon Mixing Plant at Nagalwadi is a Centralized Plant with Single Point Quality Control and has better operational efficiency. This will take away the present carbon mixing facilities in Hingna and Bazargaon and provides additional space for manufacturing and storage in the units.

Our growth strategy has been consistent through this period. We continue leveraging our industrial consumer insights and strong portfolio of brands to derive penetration and increase local and global market capitalization. At the same time, we are building new capabilities and expanding our products, customers and geographical market segments in future.

Design and Development/Testing Laboratory

The Design and Development/ Testing Laboratory at Pix are State of the Art facilities capable for validating and verifying the entire product range of Hoses, Belts and Assemblies that the organization has in its range and proposes to innovate.

Some of the Government Agencies are sending their products for testing to our Laboratory. Pix is moving towards accreditation of our Testing Centre from the Department of Science and Technology to achieve it as a Profit Centre.

Dividend Policy

The company has so far deemed it prudent to conserve the resources as our focus has been to create World Class Infrastructure to reap long term benefits. After two years of economic slow down, recovery is limping back to normalcy from the current year onwards. Your Directors are contemplating to declare dividend to the shareholders from this year onwards.

Finally on behalf of the Board of Directors I would like to thank our employees who have contributed to the excellent performance during the year. I also take this opportunity to express my gratitude to all the stake holders and bankers, who have reposed trust in us and extended their constant support.

With best wishes,

Amarpal Sethi

Chairman & Managing Director

31st May, 2010



Pix Transmissions Limited

DIRECTORS' REPORT

To
The members of Pix Transmissions Ltd.,

The directors are pleased to present the TWENTY EIGHTH ANNUAL REPORT and the Audited Statement of Accounts for the year ended 31st March 2010, together with notice of Annual General Meeting.

Financial Results

Given below is the financial performance as reflected in the Audited Accounts for the year ended 31st March 2010:

Particulars	Rs. In Lacs	
	As on 31.03.2010	As on 31.03.2009
Sales	17898.72	18708.76
Other income	20.00	—
	17918.72	18708.76
Profit before Depreciation	1824.41	1349.06
Depreciation	1466.69	1253.35
Profit before tax after depreciation	357.72	95.71
Extra ordinary item (Foreign Exchange Loss)	-	(473.24)
Profit/(Loss) for the year after extra Ordinary item (Foreign Exchange Loss)	357.72	(377.53)
Less : Provision for taxation		
a) Current year	61.00	—
b) Fringe Benefit Tax	—	22.00
c) Deferred Tax (Assets)/Liability	227.09	(0.87)
	69.63	(398.66)
Less : Wealth Tax paid	0.36	—
Total	69.27	(398.66)
Balance of Profit Brought down	1103.42	1502.09
Amount available for appropriation & carried to Balance Sheet	1172.69	1103.42

The Company's Sales & Income during the Financial Year 2009-10 computed of the following:

S.No.	Particulars	Rs. in Lacs	
		Current Year	Previous Year
1.	Belts	13,114.10	12,952.08
2.	Hoses	3,413.82	5,156.64
3.	End Fittings	93.71	72.26
4.	Other items	1,277.09	527.78
		17898.72	18708.76

Dividend

Your Directors have deemed it prudent, in order to conserve the resources for the business, have not declared dividend on Equity and Preference shares during the year.

Increase in Share Capital

The Directors and Promoters were allotted convertible warrants during the year under review, consequent to the above, the issued, subscribed and paid up share capital of the company has increased from 10540200 Equity Shares of Rs.10/- each aggregating to Rs.10,54,02,000/- to 11685200 Equity Shares of Rs.10/- each aggregating to Rs.11,68,52,000/- as on 31.03.2010.

Proceeds of Preferential Issue of warrants

The company issued shares and warrants on preferential basis to Promoters and Promoters group. The company has mobilised total funds to the extent of Rs.343.50 Lacs (Previous year Rs.112.05 Lacs), were deployed towards expansion manufacturing facilities and for working capital.

Joint ventures

1. Pix Europe Limited, U.K. - Joint Venture
Pix Europe Limited to promot the business of Pix Products and other products in the markets of European Countries, Germany and China.
2. Pix QCS Limited, Ireland - Joint Venture
Pix QCS Limited promot the business of Pix Products and other products in the market of Ireland.

Subsidiaries

1. Pix South America Importacao E Exportacao De Correias E Mangueiras Ltda, Brazil

Pix South America Importacao E Exportacao De Correias E Mangueiras Ltda promote the business of Pix Products in the market of Latin American Countries such as Brazil Argentina, Chile, & Peru etc.
2. Pix Middle East FZC, UAE.
Pix Middle East FZC promoted to carrying on business of Pix Products in the market of Middle East Countries.

Corporate Governance:

Pursuant to clause 49 of the Listing Agreement with the Stock Exchange, Management Discussion and Analysis Report, Corporate Governance Report and Certificate on Corporate Governance are annexed to this report.

Pix Transmissions Limited

Directors' Responsibility Statement

Pursuant to section 217(2AA) of the Companies Act, 1956, The Board of Directors report that:

- i) In the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures, and there are no any material departures.
- ii) Accounting Policies have been selected and applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the statement of affairs of the company at the end of the financial year and of the Profit or Loss of the company for that period.
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for the preventing and detecting fraud and other regulation.
- iv) The Annual Accounts have been prepared on a going concern basis.

Public Deposits

The Company has not invited and accepted deposits from the public during the financial year ended 31st March 2010.

Insurance

The assets of the Company are adequately insured against the risk of fire and other risks.

Particular of Employees

Under the provision of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of employees are set out in the Annexure to the Directors' Report.

Directors

To appoint Directors in place of Mr. Rishipal Sethi, Mr. Jose Jacob, Mr. Aqueel A. Mulla and Mr. Pradeep Havnur Directors of the Company who retire by rotation and being eligible offer themselves for re-appointment.

Auditor

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. Members are requested to re-appoint statutory auditor and fix their remuneration.

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 AND TECHNOLOGY ABSORPTION

A. Conservation of Energy

Company is always looking towards every step in the direction of conservation of energy, mainly from following major energy sources:

- 1.0 Water
- 2.0 Steam
- 3.0 Electricity

1.0 Conservation of water

- 1.1. By setting up a new sewage treatment plant & upgrading the effluent treatment plant, treated water is used for gardening, floor washing, toilets etc which resulted in reduction of fresh water consumption.
- 1.2. Installation of cooling towers for recirculation of water used for machines cooling, conserves the ample quantity of fresh water.
- 1.3. Use of reverse osmosis plant & water softening plant for treating of raw water, helps to reduce feed water consumption in boiler, increases the life of process machineries and provides good quality of drinking water.
- 1.4. Collection of maximum amount of steam condensate, reduces the feed water consumption in Boilers.
- 1.5. Company is introducing rain water harvesting systems which will help to retain the rainwater in our area and conserve the water.

2.0 Conservation of Steam

- 2.1 Reuse of condensate has reduced the consumption of furnace oil.
- 2.2 Heating of water by using flash steam in process area has reduced the steam consumption.
- 2.3 Reduction in furnace oil consumption by use of good quality water for boiler feed & regular cleaning & maintenance of boilers.
- 2.4 Optimum utilization of steam, control on wastage & leakages of steam and maintaining proper insulation has contributed to saving of steam consumption.

3.0 Conservation of electricity

- 3.1 Optimum utilization of compressed air & chilled water, has contributed to saving of electricity.
- 3.2 Conversion of electric heating to steam heating has reduced the electricity consumption.
- 3.3 A conventional lighting system in plant and offices replaced by energy efficient electronic lighting system has reduced significant electricity consumption.

Pix Transmissions Limited

- 3.4 Maintaining the power factor to near unity level by continuous monitoring & proper maintenance resulting in conservation of electricity.
- 3.5 Seasonal switching off of cooling tower fans, water chillers & air conditioners, controlling the wastages and misuse helps to conservation of electricity.
- 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 have resulted in improvement in steam to fuel ratio.

2. Conservation of Electricity:

- a. Monitoring and maintaining system power factor to near unity level has contributed to saving in electricity consumption.
- b. Improvement in water circulation systems and seasonal switching off of cooling tower fans and water chiller have significantly contributed to savings in electrical energy.
- c. Impact of measures on reduction of energy, consumption and consequent impact on the cost of production of goods.
- d. The consumption of furnace oil and electricity per ton of production has reduced considerably.

B. Technology absorption

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

C. Foreign Exchange Earnings & Outgo

Particulars regarding foreign exchange earnings are presented in schedule 16 Notes to Account and outgo are presented in schedule 16 Notes to Account of the Audited Account. The Company has retained its status as a net forex earner.

Corporate Social Responsibilities:

Initiatives:

The company adopted a physically disabled school for children at village Jiatala. The mid day meal and the school operation budget is sponsored by Pix Transmissions Ltd.

The Company created a fund for treating terminal sickness for the families of the nereby village which houses most of our workmen.

The Company provides ambulance to two adjacent villages for transferring sick patient to the hospital. Both villages do possess Primary Health Centers but are about 40 kms from the city centre where a fully equipped hospital exists.

The Company organizes Blood Donation Camp twice a year.

Environmental Policy

Pix is committed to follow systematic approach to achieve continual improvement in environmental performance by strengthening the greening of supply chain, occupational health & safety while complying with all applicable legal, safety legislation and other requirements.

Design & Development/Testing Laboratory

The strength of Pix lies in the introduction of new products through robust Design , Development, Testing and introduction .The Design and Development activity at Pix is carried out using the best resources and facilities .

Pix has at its disposal a rich talent pool of technical manpower from Rubber Technology, Mechanical Engineering, Computer engineering and Material Procurement who design and develop the product and process.

Pix has State of the Art facilities capable for validating and verifying the entire product range of Hoses, Belts and Assemblies that the organization has in its range and proposes to innovate.

Pix has foot prints in the global market place by setting the pace for reduced innovation cycle time for turning around a product. All Design and Development outputs are reviewed at regular intervals by the Top Management

Some of the Government Agencies are sending their products for testing to our Laboratory. Pix is moving towards accreditation of our Testing Centre from the Department of Science and Technology which will then function as a Profit Centre.

Acknowledgements

The Directors wish to place on record their appreciation towards all associates including Customers, Collaborators, Government Agencies, Financial Institutions, Bankers, Suppliers, Shareholders, Employees and others who have reposed their confidence in the Company.

For and on behalf of the Board of Directors

**Amarpal Sethi
Chairman & Managing Director**

**Place: Mumbai
Date : 31.05.2010**

Management Discussion and Analysis

Overview of the Economy

The global economic crisis did impact the economic growth story in India, albeit temporarily. The economy slowed down considerably in fourth quarter of 2008 and first quarter of 2009. However, backed by the stimulus offered by the Government of India, the economy recovered quite quickly in third and fourth quarters of 2009. In the first quarter of 2010 the economy shows positive growth. In the long run we will continue to see significant investments in the infrastructure segment to cover existing gaps and new ones that arise with growth in other sectors.

Retention of talent remains a big challenge especially in view of the growth momentum of the Indian economy and alternate avenues that may open up. We have rich talent pool of the technical manpower, skilled workers who have grown with Pix.

Review of operations

Total income for the year under review Rs.17898.72 Lacs. The profit before interest and depreciation and tax Rs.3607.33 Lacs

The profit before tax Rs.357.72 Lacs after providing Rs.1782.91 Lacs for Interest, Rs. 1466.69 Lacs for depreciation.

With the real rate of interest still high compared to the global standard, there is a further scope to reduce the interest rate and the growth of the corporate sector will depend much upon the availability of credit at the right time and right price. Though it is expected that softening commodity prices and stimulus packages would have a positive impact on the industrial production in the months ahead, the economic recovery on a sustainable basis requires a revival of the global economy.

CORPORATE GOVERNANCE

Corporate Governance sets forth guidelines for maintaining and sustaining a transparent, information oriented culture wherein authority and responsibilities are co-existent and co-extensive. It also provides guidelines on accountability of various positions within the organization. These values govern not only the Board of Directors, but also the management and the employees of the Company. This Governance protects and balances the interests of all stakeholders thereby enhancing shareholder value.

For and on behalf of the Board of Directors

**Amarpal Sethi
Chairman & Managing Director**

Place: Mumbai

Date : 31.05.2010

REPORT ON CORPORATE GOVERNANCE

In compliance with the Corporate Governance requirements as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges, the company has incorporated for the last few years a separate section on Corporate Governance in the Annual Report. The Share holders and investors of the Company would have found the information informative and useful.

The company is committed to good Corporate Governance practices aimed at increasing value for all shareholders and investors.

The Company's policies on the Corporate and due compliance report on specific areas wherever applicable for the year ended 31st March 2010 are given hereunder divided into the following areas.

Shareholders

The company is committed to enhancing long-term shareholder value and delivering speedy and efficient services to the shareholders.

Customers

Customers are the primary focus of our business activity, Quality, cost and delivery are the key driving forces for achieving customer benefit. The company is constantly taking initiative in achieving world class quality, innovation and continues investment to enhance customer satisfaction.

MANDATORY REQUIREMENTS**1. Company's philosophy on Corporate 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 fulfill its corporate responsibilities and achieve its financial objectives.

2. Board of Directors

The strength of the Board was twelve Directors as on 31st March 2010, comprising of four Whole-Time Promoter Directors, two Executive Directors and six non-executive independent Directors.

Sr. No.	Name of the Director	Category / Status	No. of Directorship in other boards as on 31.03.2010 [Refer note below]*	No. of memberships in other board committee as on 31.03.2010 [Refer note below]**
1	Amarpal Sethi [Chairman & Managing Director]	Executive Promoter Director	—	—
2	Sonepal Sethi [Joint Managing Director]	Executive Promoter Director	—	—
3	Sukhpal Singh Sethi	Executive Promoter Director	—	—
4	Rishipal Sethi	Executive Promoter Director	—	—
5	Karanpal Sethi	Executive Director	—	—
6	Joe Paul	Executive Director	—	—
7	Darshan Singh Chadha	Independent Non-Executive Director	—	—
8	Jose Jacob	Independent Non-Executive Director	—	—
9	Haresh Edinani	Independent Non-Executive Director	—	—
10	Pradeep Havnur	Independent Non-Executive Director	—	—
11	Aqueel A. Mulla	Independent Non-Executive Director	—	—
12	Om Prakash Arora	Independent Non-Executive Director	—	—

* 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. Sonepal Sethi and Mr. Rishipal 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.

*** Mr. Amarpal Sethi, Mr. Sonepal Sethi and Mr. Rishipal Sethi are Directors on behalf of M/s. Pix Transmissions Limited in Pix QCS Limited, Ireland which is a Joint Venture Company, registered in U.K.

Pix Transmissions Limited

*** Mr. Amarpal Sethi & Mr. Sonopal Sethi are Directors on behalf of M/s. Pix Transmissions Limited in M/s. Pix South America Importacao E Exportacao De Correias Mangueiras Ltda a subsidiary company of M/s. Pix Transmissions Limited.

*** Mr. Amarpal Sethi, Mr. Sonopal Sethi and Mr. Rishipal Sethi are Directors on behalf of M/s. Pix Transmissions Limited in M/s. Pix Middle East FZC, UAE. a subsidiary company of M/s. Pix Transmissions Limited.

Non-Executive Directors are eminent professionals with experience in management, finance and law, who bring a wide range of skills and experience to the Board.

A. Board meetings and attendance of Directors;

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.

B. Number of Board meetings:

During the year from 1st April, 2009 to 31st March, 2010 the Board of Directors met fifteen times on the following days:

SR. NO.	DATE	BOARD STRENGTH	NO. OF DIRECTORS PRESENT
1	08.04.2009	12	04
2	02.05.2009	12	05
3	20.05.2009	12	04
4	26.05.2009	12	04
5	08.06.2009	12	04
6	26.06.2009	12	09
7	30.07.2009	12	04
8	12.08.2009	12	04
9	27.08.2009	12	04
10	09.09.2009	12	04
11	30.09.2009	12	04
12	30.10.2009	12	08
13	15.12.2009	12	04
14	20.01.2010	12	10
15	17.02.2010	12	04

C. ATTENDANCE OF DIRECTORS :

Name of Directors	No. of Board Meetings held	No. of Board Meeting attended	Attendance at the last Annual General Meeting
1. Amarpal Sethi [Chairman & Managing Director]	15	13	Yes
2. Sonopal Sethi [Joint Managing Director]	15	14	Yes
3. Sukhpal Singh Sethi	15	15	Yes
4. Rishipal Sethi	15	00	No
5. Karanpal Sethi	15	01	No
6. Darshan Singh Chadha	15	03	No
7. Jose Jacob	15	05	No
8. Haresh Edinani	15	04	Yes
9. Joe Paul	15	11	Yes
10. Pradeep Havnur	15	04	No
11. Aqueel A. Mulla	15	04	No
12. Om Prakash Arora	15	02	Yes

3. Code of Conduct :

The Company has formulated and implemented a code of conduct for Board Members and senior management of the Company, requisite annual affirmations of compliance with the respective code have been made by the directors and senior management of the Company.

Pix Transmissions Limited

4. COMMITTEES OF DIRECTORS:

i) **Audit committee :**

ij] 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 - Non Executive Director
4. Mr. Pradeep Havnur - Non Executive Director

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 attend the Audit Committee meetings.

ii] Terms of reference of the Audit Committee :

The terms of reference of this committee cover 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 01.04.2009 to 31.03.2010 the Audit committee met four times on the following dates :

1. 26.06.2009
2. 30.07.2009
3. 30.10.2009
4. 20.01.2010

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

Name of Directors	No. of Meeting held	No. of meeting attended
Mr. Haresh Eidnani	4	4
Mr. Amarpal Sethi – Chairman & Managing Director	4	3
Mr. Jose Jacob	4	4
Mr. Pradeep Havnur	4	4

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. Jose Jacob	Chairman [Non-Executive Independent Director]
Mr. Sukhpal Singh Sethi	Whole-time Director
Mr. Sonopal Sethi	Joint Managing Director
Mr. Haresh Eidnani	Non Executive Independent Director

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

Mr. M. H. Azad has been designated as the "Compliance Officer" of the Company.

During the year ended 31.03.2010, 35 complaints/queries were received upto 31st March, 2010. There were no complaints / queries pending reply. There were no Share transfers pending for Registration for more than 30 days as on the 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

ii) **Broad Terms of reference of the Remuneration Committee:**

- To recommend 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 once during the year ended March 31, 2010.

iii) **Remuneration to Directors**

Details of Directors' meeting fees, commission and remuneration paid / payable to directors during the financial year April 2009 to March 2010:

Pix Transmissions Limited

a) Promoter Directors :

NAME OF DIRECTORS	SALARY	PERQUISITES	RETIREMENT BENEFITS / LEAVE ENCASHMENT	PERFORMANCE LINKED INCENTIVE / BONUS
Mr. Amarpal Sethi	48,00,000.00	—	N.A.	N.A.
Mr. Sonopal Sethi	45,00,000.00	—	N.A.	N.A.
Mr. Sukhpal Singh Sethi	45,00,000.00	—	N.A.	N.A.
Mr. Karanpal Sethi	32,50,000.00	—	N.A.	N.A.

b) Executive Director :

NAME OF DIRECTORS	SALARY	PERQUISITES	RETIREMENT BENEFITS / LEAVE ENCASHMENT	PERFORMANCE LINKED INCENTIVE / BONUS
Mr. Joe Paul	34,88,600.00	—	N.A.	N.A.

c) Independent Non-Executive Directors :

NAME OF DIRECTORS	COMMISSION [PROVIDED FOR]	SITTING FEES PAID
Mr. Jose Jacob	Nil	15,500
Mr. Haresh Eidnani	Nil	15,500
Mr. Pradeep Havnur	Nil	15,500
Mr. Darshan Singh Chadha	Nil	15,000
Mr. Aqueel A. Mulla	Nil	15,000
Mr. Om Prakash Arora	Nil	10,000

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
25	26 th September 2007	9.30 A.M.	J-7, MIDC, Hingna, Nagpur – 440 016
26	24 th September 2008	9.30 A.M.	J-7, MIDC, Hingna, Nagpur – 440 016
27	30 th September 2009	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.

AUDIT COMMITTEE

The Audit Committee complies with the relevant provisions of the Companies Act, 1956.

The present terms of the Audit Committee includes the powers as laid out in Clause 49 (II) (C) and role as stipulated in clause 49 (II) (D) of the Listing Agreement with the Stock Exchanges. The Audit Committee also reviews information as per the requirements of clause 49 (II) (E) of the Listing Agreement.

The Audit Committee performs the following functions:

- a) Overseeing the company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending appointment, remuneration and removal of external auditor.
- c) Reviewing with management the quarterly and annual financial statements before submission to the Board focusing primarily on.
 - I. Any Change in the accounting policies & practices.

Pix Transmissions Limited

- II. Major accounting entries based on exercise of judgment by management
- III. Significant adjustments arising out of audit.
- IV. Compliance with listing and other legal requirements relating to financial statements.
- V. Any related party transaction.
- VI. To obtain external legal or other professional advice.
- VII. Approval of payment to statutory auditors for any other services rendered by statutory auditors.
- VIII. Reviewing the adequacy of the internal audit function.
- IX. Carrying out any other function as per direction from the Board from time to time.

INVESTOR SERVICES

a) Share Transfer Process

The Company's shares, which are in compulsory dematerialized (demat) list, are transferable through the depository system. Shares in physical form are processed by Registrar and Transfer Agent, M/s. Link Intime India Pvt. Ltd. The share transfers are processed within a period of 15 days from the date of receipt of the transfer documents by M/s Link Intime India Pvt. Ltd.

b) Investor Help Desk

Share transfers and all other investors related activities are attended to and processed at the office of our Registrar and Transfer Agents, viz., M/s Link Intime India Pvt. Ltd., address ; C-13. Pannalal Silk Mill Compound, L.B.S. Marg, Bhandup – West, Mumbai – 400078.

DISCLOSURES

a) There has been no non-compliance of any legal requirements nor have there been any strictures imposed by any Stock Exchange or SEBI or any other statutory authorities on any matters relating to Capital market over the last three years.

b) Listing Agreement Compliance

The Company complies with all the requirements of the listing Agreement including the mandatory requirements of clause 49 of the Agreement.

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

As per the requirement of clause 49 of the listing Agreement, a certificate duly signed by CEO and CFO of the company was placed at the Board Meeting of the Company.

General Body Meeting

Details of the last three Annual General Meetings (AGMs) are given in table below:

Financial Year (ended)	Date	Time	Venue
31.03.2007	26 th September 2007	9.30 a.m.	J-7, MIDC, Hingna, Nagpur – 440 016
31.03.2008	24 th September 2008	9.30 a.m.	J-7, MIDC, Hingna, Nagpur – 440 016
31.03.2009	30 th September 2009	9.30 a.m.	J-7, MIDC, Hingna, Nagpur – 440 016

Details of Extra –ordinary General Meetings for the last three years are given in table below:

S.No.	Date	Time	Venue	Purpose
1.	17.10.2007	9.30 a.m.	J-7, MIDC, Hingna, Nagpur – 440016	Authorization to the Board of Directors to issue and allot convertible warrants on preferential placement basis, alteration of Authorized Share Capital of the Company, alteration of Article of Association of the Company.
2.	11.02.2009	9.30 a.m.	J-7, MIDC, Hingna, Nagpur – 440016	Issue of Share Warrants to Promoters and Promoters Group Issue of Redeemable Preference Shares Increase in Authorized Share Capital Alteration of Article of Association of the Company consequent to increase in Authorized Share Capital of the Company.

Shareholders Rights

The financial results are published in August 2010, and are also displayed on the company's website and therefore, have not been separately circulated to the shareholders.

Annual General Meeting

Date & Time : 22nd September 2010 at 9.30 a.m.
Venue : J-7, MIDC, Hingna Road, Nagpur - 440016
Financial Calendar : 1st April 2009 to 31st March 2010.

Pix Transmissions Limited

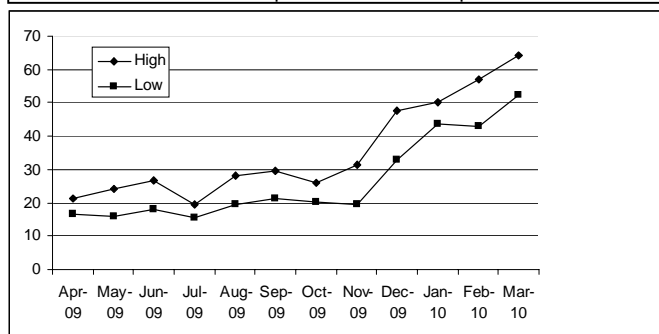
Listing on Stock Exchange

The Company's shares are listed on Bombay Stock Exchange Ltd., Mumbai., The Annual Listing Fees for 2009-2010 has been paid to the Stock Exchange. The ISIN Number allotted to Company's Equity shares is INE751B01018.

Stock Market Data

Monthly / high / low during the year 2008-2009 on Bombay Stock Exchange.

Month	High	Low
APR 2009	21.20	16.70
MAY 2009	24.30	15.75
JUNE 2009	26.70	18.10
JULY 2009	19.60	15.50
AUG. 2009	28.15	19.50
SEPT. 2009	29.55	21.45
OCT. 2009	25.95	20.15
NOV. 2009	31.50	19.35
DEC. 2009	47.45	32.70
JAN. 2010	50.00	43.55
FEB. 2010	56.95	43.00
MAR 2010	64.05	52.30



Distribution of Share Holding as on 31st March, 2010

Share Holding of Nominal value of	No. of Share holders	% of Share holders	No. of Share Held	% of Share held
UPTO 500	16264	95.15	1665785	14.26
501 TO 1000	435	2.54	361683	3.10
1001 TO 2000	187	1.09	289434	2.48
2001 TO 3000	64	0.37	170467	1.46
3001 TO 4000	17	0.10	61708	0.53
4001 TO 5000	29	0.17	142119	1.22
5001 TO 10000	38	0.22	298230	2.55
10001 AND ABOVE	61	0.36	8695774	74.40
TOTAL	17095	100	11685200	100.00

Distribution of shareholding by ownership as on 31st March, 2010

Category	No. of Shares of Rs.10/- each	% of holding
Promoters (Indian Promoters including directors and their relatives)	6422952	54.97
Mutual Funds, UTI, Banks, Financial Institutions,		

Insurance Companies (Central/ State Government/ Non-Governments) Institutions	4100	0.04
Bodies corporate	194792	1.66
Indian Public	5026518	43.02
NRI/OCB's	22754	0.19
Clearing Members	14084	0.12
TOTAL	11685200	100.00

Dematerialisation of shares and Liquidity

The Company has arrangement with National Securities Depository Ltd. (NSDL) and Central Depository Services [India] Ltd. (CDSL) for demat facility as on 31st March, 2010, 89.01% of the total equity capital is held in the demat form with NSDL and CDSL. The Company's Equity shares are in the compulsory demat mode w.e.f. 27th November 2000.

Physical and Demat Shares

	As on 31-03-2010	Percentage [%]
No. of Shares held by NSDL	9418261	80.60
No. of Shares held by CDSL	982854	8.41
Physical Shares	1284085	10.99
Total	11685200	100.00

Investor Services

The Share transfer for electronic shares and physical shares is handled by M/s. Link Intime India Pvt. Ltd., Mumbai. Address C-13, Pannalal Silk Mill Compound, L.B.S. Marg, Bhandup-West, Mumbai – 400 078. The Company has constituted Investor Grievance Committee for redressing shareholders and investors complaints Mr. M. H. Azad is the Compliance Officer.

Shares held in Electronic Form

The members holding shares in electronic mode should address their correspondence to their respective Depository Participant regarding change of address, change of bank account mandate and nomination.

Declaration for compliance with code of conduct

Pursuant to clause 49 (1) (D) (ii) of the listing Agreement, I hereby declare that all Board members and senior management personnel are aware of the provisions of the Code of Conduct laid down by the Board and made effective from 31st May 2010. All Board members and senior management personnel have affirmed compliance with the Code of Conduct.

For and on behalf of the Board of Directors

Amarpal Sethi
Chairman & Managing Director

Place : Mumbai
Date: 31.05.2010

Pix Transmissions Limited

DECLARATION REGARDING CODE OF CONDUCT

I, Amarpal Sethi, Chairman & Managing Director of Pix Transmissions Limited declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct for Board and Senior Management Personnel for the year ended 31st March, 2010.

Amarpal Sethi
Chairman & Managing Director

CFO CERTIFICATION

I, Amarpal Sethi, Chairman & Managing Director, of Pix Transmissions Limited, to the best of my knowledge and belief, certify that:-

1. I have reviewed the Balance Sheet and Profit and Loss account (both consolidated and unconsolidated), and all its schedules and notes on accounts, as well as the Cash Flow Statements and the Directors' Report and annexure thereto.
2. Based on my knowledge and information, these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
3. Based on my knowledge and information, these statements together present true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
4. To the best of my knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct.
5. The Company's other certifying officers and I, are responsible for establishing and maintaining disclosure controls and procedures for the Company, and we have:-
 - a) designed such disclosure controls and procedures to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; and
 - b) evaluated the effectiveness of the Company's disclosure, controls and procedure.
6. The Company's other certifying officers and I, have disclosed based on our most recent evaluation, wherever applicable, to the Company's auditors and audit committee of the Company's Board of Directors (and persons performing the equivalent functions):
 - a) all significant deficiencies in the design or operation of internal controls;
 - b) all significant changes in internal control during the year;

- c) all significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
- d) instances of significant fraud, if any, of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

7. I further declare that all Board members and senior management personnel have affirmed Compliance with the Code of Conduct for Board and Senior Management Personnel for the current year.

Amarpal Sethi
Chairman & Managing Director

Place: Mumbai
Date: 31.05.2010

AUDITORS CERTIFICATE

To the Members of M/s. Pix Transmissions Limited,

We have examined the compliance of conditions of Corporate Governance by M/s. Pix Transmissions Limited for the year ended on 31st March, 2010, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the directors and management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2010, no investor grievances are pending against the company as per the records maintained by the company and presented to the Shareholders/Investors Grievance Committee of the company.

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

For S. C. Bandi & Co.
Chartered Accountants

S. C. Bandi
Proprietor
M.No.16932

Place : Mumbai
Dated : 31.05.2010

S. C. Bandi & Co.
Chartered Accountants
812, Maker Chamber V
Nariman Point
Mumbai – 400 021

AUDITORS REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of M/s. Pix Transmissions Limited as at 31st March, 2010 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies [Auditors' Report] Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 (hereinafter referred to as the Act), we enclose in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said order.
3. Further to our comments in the Annexure referred to above, we report that :
 - i] We have obtained all the informations and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii] In our opinion, proper books of account as required by Law have been kept by the company so far as appears from our examination of those books.
 - iii] The Balance Sheet, Profit & Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account.

- iv] In our opinion, the Balance Sheet, Profit & Loss account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act. 1956;
- v] On the basis of written representations received from the directors, as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act; 1956.
- vi] In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with significant accounting policies and note on accounts in Schedule "16" and those appearing elsewhere in the accounts give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010 and
 - b) in the case of the Profit and Loss account, of the Profit for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For S. C. Bandi & Co.
Chartered Accountants

S. C. Bandi
Proprietor
M.No.16932

Place : Mumbai
Dated : 31.05.2010

S. C. Bandi & Co.
Chartered Accountant
812, Maker Chamber V
Nariman Point
Mumbai – 400 021

Companies Act, 1956 are, not prima facie, prejudicial to the interest of the Company.

ANNEXURE TO THE AUDITOR'S REPORT

1.
 - a. The Company has maintained proper records to show full particulars including quantitative details and situation of Fixed Assets.
 - b. The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification
 - c. During the year the company has not disposed off a substantial part of its fixed assets.
 2.
 - a. The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
 3.
 - a. The Company has taken loans from Promoters/ relatives which are covered in the register maintained under Section 301 of the Companies Act. The Company has not granted any loans secured or unsecured to firms or other parties covered in the register maintained U/s. 301 of the Companies Act, 1956.
 - b. In our opinion, the rate of interest and other terms and conditions on which loans have been taken from the Companies, Firms or other parties listed in the register maintained under section 301 of the
 4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods.
 5. In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956 ;
 - a. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any part during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
 6. In our opinion and according to the information and explanation given to us company has not accepted any deposit from the public.
 7. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business.
- c. The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
 - d. There is no overdue amount of payments of principal and interest.

Pix Transmissions Limited

8. According to the information, the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.
9. According to the information and explanations given to us in respect of statutory and other dues:
 - a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including income tax, sales tax, wealth tax, custom duty, excise duty, cess and other statutory dues applicable to it except that there were some delays in payment of monthly provident fund and ESIC. The Company has paid all the dues of Provident fund and ESIC as on 31st March, 2010.
 - b. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty, excise duty and cess were in arrears, as at 31.03.2010 or a period of more than six months from the date they became payable.
10. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. In our opinion and according to the information and explanation given to us there was no outstanding installment due to financial institutions as on 31st March, 2010.
12. According to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures or other investments.
15. According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company has not raised any new term loans during the year.
17. According to the information and explanation given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment. No long term funds have been used to finance short term assets except working capital.
18. The Company has made preferential allotment of Equity Shares Warrants to promoter directors and their relatives covered in the register maintained under Section 301 of the Act, during the year. In our opinion and according to the information and explanations given to us, the price at which such warrants/shares have been issued is not prejudicial to the interest of the Company (Read with note no.3 of Notes to Accounts)
19. The Company has not issued any Debentures during the financial year covered by our audit.
20. The company has not raised any money through a public issue during the period.
21. According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**For S. C. Bandi & Co.
Chartered Accountants**

**S. C. Bandi
Proprietor
M.No.16932**

Place : Mumbai
Dated : 31.05.2010

Pix Transmissions Limited

**PIX TRANSMISSIONS LIMITED
BALANCE SHEET AS AT 31.03.2010**

PARTICULARS			01.04.2009 TO 31.03.2010	01.04.2008 TO 31.03.2009
SOURCES OF FUNDS				
SHARE HOLDERS FUNDS				
Capital	1	228,552,000		162,891,000
Equity Share Warrants	1	3,720,000		7,155,000
Reserves & Surplus	2	242,472,917		212,645,766
			474,744,917	382,691,766
LOAN FUNDS				
Secured Loans	3	1,624,167,557		1,519,796,478
Unsecured Loan	4	397,830,299		459,617,073
			2,021,997,855	1,979,413,551
Deferred Tax Liability			98,077,354	75,368,063
TOTAL :			2,594,820,126	2,437,473,380
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	5	2,692,582,484		1,882,053,037
Less: Depreciation		844,983,452		699,258,654
Net Block		1,847,599,032		1,182,794,383
ADD: WORK IN PROGRESS		-		408,891,033
			1,847,599,032	1,591,685,416
INVESTMENTS	6		17,531,092	17,231,092
CURRENT ASSETS LOANS AND ADVANCES				
Inventories	7	565,891,213		505,074,326
Sundry Debtors	8	354,001,935		284,141,475
Cash & Bank Balances	9	58,021,544		75,155,869
Loans & Advances	10	164,710,815		181,317,401
		1,142,625,507		1,045,689,070
Less : CURRENT LIABILITIES AND PROVISION				
Current liabilities & Provisions	11	414,900,522		219,413,440
Net Current Assets			727,724,985	826,275,630
			2,592,855,109	2,435,192,138
MISCELLANEOUS EXPENDITURE				
(To the Extent not written off or adjusted)				
Preliminary Expenses			1,965,017	2,281,242
TOTAL :			2,594,820,126	2,437,473,380

AS PER ATTACHED REPORT & EVEN DATE

NOTES TO ACCOUNTS
FOR : S. C. BANDI & COMPANY
CHARTERED ACCOUNTANTS
S. C. BANDI
PROPRIETOR
PLACE : MUMBAI
DATE : 31.05.2010

16

SHRI AMARPAL SETHI
[CHAIRMAN & MANAGING DIRECTOR

DIRECTORS :
SHRI SUKHPAL SINGH SETHI
SHRI DARSHAN SINGH CHADHA
SHRI JOE PAUL
SHRI HARESH EIDNANI
SHRI JOSE JACOB
SHRI PRADEEP HAVNUR
SHRI AQUEEL A. MULLA
SHRI OM PRAKASH ARORA

Pix Transmissions Limited

**PIX TRANSMISSIONS LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

PARTICULARS			01.04.2009 TO 31.03.2010	01.04.2008 TO 31.03.2009
INCOME				
Sales (Gross)			1,789,871,662	1,870,876,094
Less Excise Duty			96,459,972	82,507,431
			1,693,411,690	1,788,368,663
Other Income	12		1,999,528	-
			1,695,411,218	1,788,368,663
EXPENDITURE				
Consumption of Materials	13		766,698,245	980,681,453
Manufacturing and other expenses	14		567,980,038	540,600,627
Interest	15		178,291,326	132,179,962
			1,512,969,609	1,653,462,042
Profit before Depreciation			182,441,609	134,906,621
Depreciation			146,669,167	125,335,238
Profit for the year after Depreciation			35,772,442	9,571,383
Less : Extra ordinary item				
Foreign Exchange loss			-	47,324,419
(Loss)/Profit for the year after extra ordinary item			35,772,442	(37,753,036)
Less : Provision for taxation				
1) Current Year		6,100,000.00		-
2) Fringe Benefit Tax		-		2,200,000
3) Deferred Tax		22,709,291.00		(86,862)
			28,809,291	2,113,138
(Loss) / Profit for the year			6,963,151	(39,866,174)
Adjustment relating to previous year				
Income / Wealth Tax for earlier year			36,000	-
			6,927,151	(39,866,174)
Add: Balance Profit as per last Balance Sheet			110,342,394	150,208,568
Balance Carried over to Balance Sheet			117,269,546	110,342,394
Basic & Diluted Earning per Share of face value Rs. 10/- each (in Rupees)			0.65	(3.92)

AS PER ATTACHED REPORT & EVEN DATE

NOTES TO ACCOUNTS
FOR : S. C. BANDI & COMPANY
CHARTERED ACCOUNTANTS
S. C. BANDI
PROPRIETOR
PLACE : MUMBAI
DATE : 31.05.2010

16

SHRI AMARPAL SETHI
[CHAIRMAN & MANAGING DIRECTOR

DIRECTORS :
SHRI SUKHPAL SINGH SETHI
SHRI DARSHAN SINGH CHADHA
SHRI JOE PAUL
SHRI HARESH EIDNANI
SHRI JOSE JACOB
SHRI PRADEEP HAVNUR
SHRI AQUEEL A. MULLA
SHRI OM PRAKASH ARORA

Pix Transmissions Limited

PIX TRANSMISSIONS LIMITED

PARTICULARS		01.04.2009 TO 31.03.2010	01.04.2008 TO 31.03.2009
SCHEDULE - 1			
SHARE CAPITAL			
AUTHORIZED			
20500000 (PREVIOUS YEAR 20500000) EQUITY SHARES OF RS. 10/- EACH	205,000,000		205,000,000
2950000 (450000) NON-CONVERTIBLE 6 % CUMULATIVE REDEEMABLE PREFERENCE SHARES OF RS.100/- EACH	295,000,000		295,000,000
		500,000,000	500,000,000
ISSUED AND PAID UP CAPITAL SUBSCRIBED			
EQUITY SHARES			
10540200 AS PER LAST BALANCE SHEET (PREVIOUS YEAR 10125200)	105,402,000		101,252,000
ADDITION DURING THE YEAR AFTER CONVERSION OF 1145000 (415000) WARRANT IN EQUITY RS. 10/- EACH	11,450,000		4,150,000
11685200 (PREVIOUS YEAR 10540200) EQUITY SHARES OF RS. 10/- EACH FULLY PAID UP LESS: ALLOTMENT MONEY IN ARREARS FROM PUBLIC OTHER THAN DIRECTORS	116,852,000 11,000		105,402,000 11,000
		116,841,000	105,391,000
NON-CONVERTIBLE 6% CUMULATIVE REDEEMABLE PREFERENCE SHARES			
AS PER LAST BALANCE SHEET (PREF. 575000)	57,500,000		43,500,000
ADD : 542110 PREF. SHARE RS.100/- EACH	54,211,000		14,000,000
1117110 (PREVIOUS YEAR 575000) NON-CONVERTIBLE 6% CUMULATIVE REDEEMABLE PREF. SHARES OF RS.100/- EACH		111,711,000	57,500,000
		228,552,000	162,891,000
APPLICATION MONEY OF WARRANTS			
2385000 (2800000) WARRANTS AT RS.30.00 EACH APPL. MONEY AT RS.3.00 (10%) RECEIVED	7,155,000		8,400,000
LESS: 1145000 (415000) WARRANTS CONVERTED INTO EQUITY SHARES	3,435,000		1,245,000
1240000 BALANCE WARRANTS		3,720,000	7,155,000
TOTAL		232,272,000	170,046,000

NOTE:-During the year the company has converted 1145000 Equity Warrants of Rs. 30/- each into equity shares of Rs.10/- each. The premium on conversion of warrant at Rs.20/- each transferred to Share Premium account.

Pix Transmissions Limited

PIX TRANSMISSIONS LIMITED

PARTICULARS		01.04.2009 TO 31.03.2010	01.04.2008 TO 31.03.2009
SCHEDULE - 2			
RESERVES AND SURPLUS			
I) CAPITAL REDEMPTION RESERVE AS PER LAST BALANCE SHEET		702,000	702,000
II) CAPITAL RESERVE AS PER LAST BALANCE SHEET ADD:FORFEITURE OF APPLICATION MONEY FOR ISSUE OF WARRANTS.	9,407,880 -		29,000 9,378,880
III) GENERAL RESERVE AS PER LAST BALANCE SHEET		9,407,880 25,192,608	9,407,880 25,192,608
IV) SHARE PREMIUM ACCOUNT AS PER LAST BALANCE SHEET ADDITION ON CONVERSION OF EQUITY SHARE WARRANTS DURING THE YEAR	33,259,200 22,900,000		24,959,200 8,300,000
V) AMALGAMATION RESERVE BALANCE AS PER LAST BALANCE SHEET		56,159,200 33,741,683	33,259,200 33,741,683
VI) PROFIT & LOSS ACCOUNT BALANCE AS PER PROFIT & LOSS ACCOUNT.		117,269,546	110,342,394
TOTAL		242,472,917	212,645,766
SCHEDULE - 3			
SECURED LOANS:			
TERM LOANS			
TERM LOANS FROM BANKS		718,503,702	667,162,924
CORP. LOAN FROM BANKS		175,045,425	160,667,361
WORKING CAPITAL			
CASH CREDIT / PACKING CREDIT FROM BANKS		699,462,215	672,137,162
FROM PARTIES AGAINST HYPN. OF CARS		12,123,646	9,954,030
FROM PARTIES AGAINST BILL DISCOUNTING		19,032,569	9,875,000
TOTAL		1,624,167,557	1,519,796,478

*** NOTE :**

1. TERM LOAN FROM BANKS ARE SECURED BY FIRST PARI PASSU CHARGE ON ALL FIXED ASSETS AND SECOND CHARGE ON CURRENT ASSETS OF THE COMPANY
2. CORPORATE LOAN AND WORKING CAPITAL FROM BANKS ARE SECURED BY FIRST PARI PASSU CHARGE ON CURRENT ASSETS AND SECOND CHARGE ON ALL FIXED ASSETS
3. TERM/CORP LOAN AND WORKING CAPITAL FACILITIES ARE FURTHER SECURED BY PERSONAL GUARANTEE OF THREE PROMOTERS DIRECTORS

PARTICULARS		01.04.2009 TO 31.03.2010	01.04.2008 TO 31.03.2009
SCHEDULE - 4			
UN-SECURED LOANS:			
FROM BANK DUE TO EXCESS ISSUE OF CHEQUES BANK		10,850,833 -	1,684,914 119,543,464
PROMOTERS / RELATIVES		225,338,264	191,527,202
LOANS UNDER SALES TAX DEFERRAL SCHEME OF SICOM		161,641,202	146,861,493
TOTAL		397,830,299	459,617,073

Pix Transmissions Limited

**PIX TRANSMISSIONS LIMITED
FIXED ASSETS FOR THE YEAR 01.04.2009 TO 31.03.2010**

SCHEDULE - 5

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Gross Value As on 01.04.2009	Additions During the Year	Sold/Trf. During the Year	Total Gross Value as on 31.03.2010	As on 01.04.2009	For the Year	Less Written Off	GROSS TOTAL	Net Value As on 31.03.2010	Net Value As on 31.03.2009
PLOT	18160247	20285500	-	38445747	-	-	-	-	38445747	18160247
FACTORY PREMISES	373043243	241405638	-	614448881	73681002	14423106	-	88104108	526344772	299362241
PLANT & MACHINERY	1308879550	478608668	765169	1786723049	567408989	118941600	729017	685621572	1101101477	741470561
ELECTRICAL INST.	72723364	51816158	-	124539522	12355820	4373117	-	16728937	107810585	60367544
FURNITURES & FIXTURES	38855540	13779727	-	52635267	13238052	2810147	-	16048199	36587068	25617488
OFFICE EQUIPMENTS	45227733	5097158	-	50324891	28376000	3750804	-	32126805	18198086	16851732
VEHICLES	25163360	856919	555152	25465127	4198791	2370392	215352	6353831	19111296	20964569
TOTAL	1882053037	811849768	1320321	2692582484	699258654	146669167	944369	844983452	1847599032	1182794383
PREVIOUS YEAR	1614176289	274205070	6328322	1882053037	575772025	125335238	1848609	699258654	1182794383	1038404264

PARTICULARS	01.04.2009 TO 31.03.2010	01.04.2008 TO 31.03.2009
SCHEDULE - 6		
LONG TERM INVESTMENT [AT COST]		
SUBSIDIARY COMPANY		
INEQUITY SHARES		
UN-QUOTED Fully Paid up		
1. Pix South America Importacao E Exportacao De Correias E Mangueiras Ltda [180000 SHARES OF 1 REAL PER SHARE]	2,754,400	2,754,400
INEQUITY SHARES		
UN-QUOTED Fully Paid up		
2. Pix Middle East FZC, UAE [80 SHARES OF 1000 DIRHAM PER SHARE]	1,080,000	1,080,000
JOINT-VENTURE COMPANY		
INEQUITY SHARES		
UN-QUOTED Fully Paid up		
1. PIXEUROPELIMITED [125000 SHARES OF 1 £ PER SHARE]	8,525,592	8,525,592
INEQUITY SHARES		
UN-QUOTED Fully Paid up		
2. PIX QCS LIMITED, IRELAND (50000 SHARES OF 1 • PER SHARE)	3,156,000	2,856,000
INVESTMENT IN MUTUAL FUNDS		
UN-QUOTED Fully Paid up		
SBI - MUTUAL FUND 200000 AT RS. 10.00 PER UNIT	2,000,000	2,000,000
INEQUITY SHARES		
UN-QUOTED Fully Paid up		
CO-OPERATIVE BANKS		
1. FOUR (4) EQUITY SHARES OF SANGLI CO-OP BANK LTD. [FULLY PAID-UP]	100	100
2. EQUITY SHARES OF SAMASTANAGAR CO-OP BANK LTD. [FULLY PAID UP]	15,000	15,000
TOTAL	17,531,092	17,231,092

NOTE : AGREEGATE VALUE OF QUOTED INVESTMENT NIL PREVIOUS YEAR NIL.
UNQUOTED INVESTMENT RS. 17,531,092/- PREVIOUS YEAR RS. 17,231,092/-

Pix Transmissions Limited

PIX TRANSMISSIONS LIMITED

PARTICULARS		01.04.2009 TO 31.03.2010	01.04.2008 TO 31.03.2009
SCHEDULE - 7			
CURRENT ASSETS			
LOAN & ADVANCES			
CURRENT ASSETS			
INVENTORIES AS TAKEN VALUED AND CERTIFIED BY THE MANAGEMENT			
[AT COST OR NET REALISABLE VALUE WHICH EVER IS LESS]			
RAW MATERIALS		200,993,649	236,685,699
FINISHED GOODS		211,185,682	173,096,179
STOCK IN PROCESS		41,078,000	29,500,000
TRADING GOODS		456,182	1,135,448
OTHERS[STORES SPARES & PACKING MATERIALS]		112,177,700	64,657,000
TOTAL		565,891,213	505,074,326
SCHEDULE - 8			
SUNDRY DEBTORS			
[UNSECURED CONSIDERED GOOD]			
DEBTS OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS		20,020,057	20,109,865
OTHER DEBTS [Less than six month]		333,981,878	264,031,609
TOTAL		354,001,935	284,141,475
SCHEDULE - 9			
CASH & BANK BALANCE			
CASH ON HAND		476,091	393,479
BALANCE WITH BANKS			
IN CURRENT ACCOUNTS :			
WITH SCHEDULED BANKS		26,784,434	35,100,926
IN FIXED DEPOSIT ACCOUNTS :			
WITH SCHEDULED BANKS		30,761,020	39,661,464
TOTAL		58,021,544	75,155,869

Pix Transmissions Limited

PIX TRANSMISSIONS LIMITED

PARTICULARS		01.04.2009 TO 31.03.2010	01.04.2008 TO 31.03.2009
SCHEDULE - 10			
LOANS & ADVANCES			
UN-SECURED CONSIDERED GOOD			
SUBSIDIARIES COMPANY		36,582,584	36,582,584
ADVANCE RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED [SUNDRY ADVANCE]		86,833,569	99,661,512
BALANCE WITH CENTRAL EXCISE		11,812,989	22,751,278
STAFF ADVANCE		8,289,149	11,126,351
PRE-PAID EXPENSES		3,035,726	1,472,570
DISCOUNT PREPAID		-	35,604
INTEREST RECEIVABLE		12,160,000	-
ADVANCE TAX INCLUDING FRINGE BENEFIT TAX (NET OF PROVISION FOR TAXATION)		5,996,798	9,687,502
TOTAL		164,710,815	181,317,401

NOTE:- INTEREST RECEIVABLE INCLUDES DUES FROM SUBSIDIARY COMPANIES AND JOINT VENTURE COMPANIES RS. 86,60,000/
-(MAXIMUM BALANCE RS. 86,60,6000/-)

PARTICULARS		01.04.2009 TO 31.03.2010	01.04.2008 TO 31.03.2009
SCHEDULE - 11			
CURRENT LIABILITIES AND PROVISIONS			
CURRENT LIABILITIES			
SUNDRY CREDITORS (MICRO,SMALL & MEDIUM ENTERPRISES)		-	-
SUNDRY CREDITORS (OTHERS)		365,376,463	185,801,081
CUSTOMER CREDIT BALANCE		15,131,653	6,203,630
		380,508,116	192,004,711
PROVISIONS			
PROVISION FOR GRATUITY	32,491,767		27,408,729
PROVISION FOR LEAVE ENCASHMENT	1,900,639		-
		34,392,406	27,408,729
TOTAL		414,900,522	219,413,440

Pix Transmissions Limited

PIX TRANSMISSIONS LIMITED

PARTICULARS		01.04.2009 TO 31.03.2010	01.04.2008 TO 31.03.2009
SCHEDULE - 12			
OTHER INCOME			
DIVIDEND		1,510,680	-
PROFIT ON SALE OF MACHINE		488,848	-
TOTALS		1,999,528	-
SCHEDULE - 13			
CONSUMPTION OF RAW MATERIAL			
OPENING STOCK			
RAW MATERIALS	236685699		138640577
FINISHED GOODS	173096179		126104554
WORK IN PROGRESS	29500000		28500000
	439281878		293245131
ADD: PURCHASE			
RAW MATERIALS	729741827		1076036201
		1169023705	1369281332
LESS : CLOSING STOCK			
RAW MATERIALS	200993649		236685699
FINISHED GOODS	211185682		173096179
WORK IN PROGRESS	41078000		29500000
		453257331	439281878
		715766374	929999454
PACKING MATERIAL			
OPENING STOCK	5514000		4650331
ADD: PURCHASES	23330400		24234681
	28844400		28885012
LESS: CLOSING STOCK	13050200		5514000
		15794200	23371012
STORES & SPARES			
OPENING STOCK	59143000		67316180
ADD: PURCHASES	48659150		16809140
	107802150		84125320
LESS: CLOSING STOCK	99127500		59143000
		8674650	24982320
TRADING GOODS			
OPENING STOCK	1135448		1210690
ADD: PURCHASES	25783755		2253425
	26919203		3464115
LESS: CLOSING STOCK	456182		1135448
		26463021	2328667
TOTAL		766698245	980681453

Pix Transmissions Limited

PIX TRANSMISSIONS LIMITED

PARTICULARS		01.04.2009 TO 31.03.2010	01.04.2008 TO 31.03.2009
SCHEDULE - 14			
ADVERTISEMENT		2,929,411	5,039,497
AUDIT FEES		220,600	159,935
BANK COMMISSION		9,589,328	8,418,514
CESS		837,023	808,613
COMMISSION & BROKERAGE		6,868,744	5,996,286
TURNOVER DISCOUNT		3,221,362	26,010,308
DIRECTOR'S REMUNERATION		18,188,600	10,115,340
TRAVELLING EXPENSES		22,181,881	15,988,998
DISCOUNT		32,944,199	33,451,815
E.S.I.C		2,498,473	2,274,609
POWER EXPENSES		57,780,761	46,462,154
EXPORT EXPENSES		2,281,352	3,080,566
FREIGHT & TRANSPORTATION		63,282,684	81,476,775
INSURANCE		11,360,080	12,476,402
LEGAL & PROFESSIONAL FEES		5,260,090	6,894,445
PROVIDEND FUND		9,984,707	9,029,790
RENT		3,037,170	4,655,840
RESEARCH & DEVELOPMENT		6,062,053	3,978,084
PRINTING & STATIONERY		3,242,255	2,749,115
SALARY		76,401,213	61,185,855
STAFF WELFARE		8,271,002	7,010,821
REPAIR AND MAINTENANCE		7,982,285	8,684,941
GRATUITY		5,968,886	6,739,972
WAGES		144,940,172	121,711,801
CAR AND SCOOTER EXPENSES		1,876,890	1,904,703
MISCELLANEOUS EXPENSES		35,806,562	30,333,691
TELEPHONE TELEX AND POSTAGE		3,595,133	3,820,404
C.S.T & S.T		21,050,897	19,825,128
PRELIMINARY EXPENSES WRITTEN OFF		316,225	316,225
TOTAL		567,980,038	540,600,627
SCHEDULE - 15			
INTEREST			
OTHER INTEREST		178,291,326	132,179,962
TOTAL		178,291,326	132,179,962

NOTES TO ACCOUNTS

SCHEDULE 16

NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010:

1. Significant Accounting Policies

A. Basis of Accounting :

The financial statements are prepared under the historical cost convention on the accrual basis of accounting in accordance with the generally accepted accounting principles, the applicable mandatory Accounting Standards and the relevant provisions of the Companies Act, 1956.

B. Use of Estimates :

The preparation of financial statements in conformity with generally accepted accounting principles requires that the management to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities disclosure of contingent liabilities as on the date of the financial statements .Differences between actual results and estimates are recognized in the period in which the results are known/ materialized.

C. Revenue Reorganization :

- i) The company recognizes sales at the point of dispatch of goods to the customers.
- ii) Dividend income recognized when the right to receive the same is established.
- iii) Interest income is recognized on the time proportion basis.

D. Fixed Assets :

- I. Fixed Assets are stated at cost of acquisition / Revaluation and pre-operative expenses capitalized forms part of the value of assets less accumulated Depreciation.
- II. Own Fabricated Plant & Machinery are capitalized at cost including an appropriate share of overheads.
- III. Gross Block of Fixed Assets includes assets purchased under hire purchase agreements.

E. Depreciation :

Depreciation is provided under the straight line method at the rates specified in schedule XIV of the Companies Act 1956. Lease hold Lands are not depreciated.

F. Investments :

Investments are classified into current and long-term investments. Long-term investments are carried at cost. Cost of acquisition includes all costs directly incurred on the acquisition of the investment after providing for diminution in value, if such diminution is of permanent nature.

G Inventories :

- I. Raw Materials valued at cost or net realized value, which ever is lower.
- II. Work in progress valued at cost or net realized value, which ever is lower.
- III. Finished goods are valued at cost [including Excise Duty Payable].
- IV. Stores and Spares and packing materials are stated at cost or net realized value, which ever is lower.

H. Debtors & Advances :

Debtors & Advances are stated at book value and no provision is made for Doubtful Debts.

I. Foreign Currency Transactions :

- a. Transactions in foreign currencies are converted in Rupees at rate prevailing on the date of transaction. Monetary assets and liabilities denomination in foreign currency are translated at the year end exchange rates.. Gains / losses arising on account of realisation / settlement of foreign exchange transactions and on translation of foreign currency assets and liabilities are recognised in the Profit and Loss Account.
- b. All Foreign Currency liabilities and monetary assets are stated at the exchange rate prevailing as at the date of Balance Sheet and the difference taken to Profit & Loss account as Exchange Fluctuation loss or gain.

J. Employee Benefits

i) Post-employment Benefits

a) Defined Contribution Plans:

The Company has Defined Contribution Plan for Post employment benefit in the form of Provident Fund for all employees which are administrated by Regional Provident Fund Commissioner.

b) Defined Benefit Plans:

Funded Plan: The Company has defined benefit plan for Post-employment benefit in the form of Gratuity and Leave Encashment for all employees. Liability for above defined benefit plan is provided on the basis of valuation, as at the Balance Sheet date, The actuarial method used for measuring the liability is the Projected Unit Credit method.

ii) Gratuity:

The Provision has been made in the accounts for the present liability for future payment of gratuity to employees of the company in terms of Payment of Gratuity act, 1972.

iii) Leave Encashment:

The Provision has been made in the accounts for the present liability for future payment of Leave Encashment to employees of the company.

- iv) The actuarial gains and losses arising during the year are recognized in the Profit & Loss Account of the year.

Pix Transmissions Limited

K. Borrowing Costs:

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset is charged to Profit & Loss Account

L. Impairment of Assets

At Balance Sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the company's fixed assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to profit and loss account in the year in which an asset is identified as impaired.

M. Taxes on Income :

Income tax expense comprises current tax and deferred tax charge or release. Deferred tax is recognized on timing differences, subject to consideration of prudence, being the differences between taxable income and accounting income that originates in one period and capable of reversal in one or more subsequent periods.

N. Contingencies:

The company creates a provision for loss, contingencies arising from claims, litigations, assessment, fines, penalties etc when there is a present obligation as a result of past events that probably requires outflow of resources and a reliable estimate can be made of the amount of obligation.

2. Contingent liability not provided in respect of :-

- i) Letters of Credit opened by Banks Rs.1282.34 Lacs (Previous year Rs.900.75 Lacs)
 - ii) Foreign bills discounted by Banks Rs. 1569.84 lacs (Previous year Rs. 1585.55)
 - iii) Dividend Payable on 6% non convertible cumulative redeemable preference shares of Rs.127, 77,385 (Previous year 78, 30,000)
3. In terms of the approval of the Shareholders obtained at the Extra-ordinary General Meeting of the Company held on 11th February 2009, the Company has issued and allotted 28,00,000 warrants (face value Rs.30/- each) and amount paid-up of Rs.30/- each on 27th February 2009 to Promoters and Promoters Group on preferential basis to finance the long term corporate fund. The holders of each warrant will be entitled to apply for and be allotted one equity share of Rs.10/- each of the Company, at a price of Rs.30/- (including Rs.20/- on account of premium), any time after the date of allotment but on or before the expiry of 18 months from the date of allotment, in one or more tranches, of the above, the holders of 15,60,000 warrants have exercised the option and were allotted one equity share per warrant. Total amount received of Rs.468.00 Lacs has been utilized towards financing of Long Term corporate fund including capital expenditure for ongoing expansion of company project.

4. Depreciation

- (a) Depreciation has been calculated on straight Line Method at the rates given in Schedule XIV of the Companies Act, 1956.
 - (b) Depreciation on the Assets added / deduction during the year has been provided on pro-rata basis with reference to the months of addition/deduction
5. The Company has received loans from Promoters / Directors and their relatives. The same has been grouped under unsecured loans.
 6. The provision has made in the accounts for the present liability for future payment of Gratuity to employees of the Company in terms of Gratuity Act, 1972.
 7. The Accounting Standard 15 (Revised 2005) on "Employee Benefits" issued by the Institute of chartered Accountants of India has been adopted by the Company as under:
 - A) Defined Contribution Plans – The Company has recognized the following amounts in the Profit and Loss Account for the year

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
Contribution to Employees Provident Fund	9,984,707	9,029,790

- B.) Defined Benefit Plan – The following figures as per actuarial valuation as at the Balance Sheet date have been debited to Profit and Loss Account:

Particular	2009-10 (Rs.)
Actuarial value of Projected Benefit Obligations (PBO) (31.03.2009)	2,74,08,729
Interest cost	20,55,655
Service Cost	28,34,233
Benefits paid	8,85,848
Actuarial Gain / (Loss) on obligations	(10,78,998)
PBO at the end (31.03.2010)	3,24,91,767

Balance Sheet statement

Present value of the obligation at 31.03.10	3,24,91,767
Fair value of plan assets 31.03.10	NIL
Un-funded liability 31.03.10	3,24,91,767
Un-recognized gains / losses in opening balance	NIL
Un-funded liability recognized in Balance sheet	3,24,91,767

Pix Transmissions Limited

Profit & Loss account statement	
Interest cost	20,55,655
Service cost	28,34,233
Actual return on plan assets	NIL
Gain / (Loss) recognized upto 31.03.10	(10,78,998)
Net cost to be provided as expenses in Profit & Loss a/c.	59,68,886

- C. The Company has recognized as Leave Encashment Rs. 19,00,639/- the Profit and Loss Accounts as per actuarial Valuation as on Balance Sheet date.
8. The Value of Stocks are as per inventory taken, prepared, valued and certified by the Management.
9. The Company continues to follow Cash System of Accounting with regard to reimbursement of Bank Interest, Charges, Commission, and Fixed Deposit.
10. The Figures of Sales shown during the year includes the amount of Excise, VAT and Central Sales Tax wherever applicable.
11. Book Debts, Advances, Bank Deposits and Credit balances are taken subject to their respective confirmation.
12. In the opinion of the Board of Directors, the Current assets, Loans and Advances are approximately of the values stated, if realized in the ordinary course of business. The Provision for depreciation and all known liabilities are adequate and not in excess of the amount reasonably necessary.
13. a) Addition to fixed assets includes Pre-Operative expenses of Rs.2320.97 Lacs (Previous Year Rs.277.34 Lacs)
- b) During the year Work In Progress of Rs. 408,891,033/- as on 31st March, 2009 has been capitalized and transfer to the respective heads as project is completed.
- 14. CAPITAL COMMITMENT**
- Estimated value of contracts, remaining to be executed on capital account to the extent not provided for Rs.324.00 Lacs.
15. Sundry Advances includes deposit to the various government departments, amount receivable from Excise and Sales Tax departments, paid to subsidiaries companies and advance towards capital goods.
16. The Company is engaged in the business of Industrial Rubber Products and there is only secondary segmental reporting as per Accounting Standard (AS 17) 'Segment Reporting'.

Geographical Segment Report

The products of the company are sold both in the domestic & export markets, which are considered different geographical segments. Segment-wise revenues are ad under :

Revenue	2009-10 (Rs.)	2008-09 (Rs.)
Domestic	92,27,80,875	79,37,99,992
Export	86,70,90,787	1,07,70,79,102
Total	1,78,98,71,662	1,87,08,76,094

The company has manufacturing facility at Nagpur, India. It is not possible to directly attribute or allocate on a reasonable basis, the expenses, assets and liabilities to these geographical segments.

17. Joint Venture Companies

The Company's interest, as a venture, in a jointly controlled entity (Incorporated Joint Venture) is:

Name of the Joint Venture	Country of Incorporation	Percentage of Ownership interest as At 31 March, 2010	Percentage of Ownership interest as At 31 March, 2009
Pix Europe Ltd.	England	50 %	50 %
Pix QCS Ltd.	Ireland	50 %	50 %

The Company's share in the unaudited financial performance of Joint venture companies for the year ended 31 March 2010 are as follows:

Particulars	As at 31 March, 2010 (Un-Audited)	As at 31 March, 2009 (Audited)
ASSETS		
Fixed Assets	115,034,768	123,241,784
Capital Work-in-Progress	-	-
Investments	7,221,378	7,221,378
Current Assets, Loans and Advances:		
(a) Inventories	160,801,412	226,418,632
(b) Trade Debtors	175,149,374	229,533,815
(c) Cash and Bank Balances	2,027,822	4,611,287
(d) Loans and Advances and Other Current Assets	66,178,493	1,416,814
TOTAL ASSETS	526,413,247	592,443,710
LIABILITIES		
Capital & Reserve	32,229,611	35,210,998
Secured Loans	181,969,773	157,962,175
Current Liabilities and Provisions:		
(a) Liabilities	292,798,490	396,421,235
(b) Provisions	17,577,502	1,011,431
Deferred Tax Liability (Net)	1,837,871	1,837,871
TOTAL LIABILITIES	526,413,247	592,443,710

Pix Transmissions Limited

Particulars	Year ended 31 March, 2010 (Un-Audited)	Year ended 31 March, 2009 (Audited)
INCOME		
Sales (Net)	590,486,656	748,897,361
Other Income	-	67,655
EXPENSES		
other expenses	567,432,335	706,658,650
Depreciation	9,710,561	10,257,547
Interest	8,458,828	13,186,424
Provision for Taxation	75,158	951,885

18. The Company has foreign subsidiaries known as Pix South America Importacao E Exportacao De Correias E Mangueiras Ltda., Brazil and Pix Middle East FZC, UAE. The annual audited accounts from subsidiary companies attached herewith.

19. Directors' Remuneration:

Particulars	Current Year [Rs.]	Previous Year [Rs.]
Managing Director & Joint Managing Director Remuneration	93,00,000	81,00,000
Whole-Time Directors' Remuneration	1,12,38,600	59,87,273
Medical Expenses	22,402	1,55,751
Total :	2,05,61,002	1,42,43,024

20. Calculation of Earning per share:

Particulars	Current Year [Rs.]	Previous Year [Rs.]
A] Net Profit/(Loss) for the year	69.63 Lacs	(398.66) Lacs
B] Number of equity shares outstanding at the beginning and end of the year	106.83 Lacs	101.60 Lacs
C] Nominal value of the shares	Rs.10.00 per Share	Rs.10.00 per Share
D] Basic Earning per share (weighted)	0.65	(3.92)
E] Diluted Earning per share (weighted)	0.58	(3.53)

21. Deferred Tax

(a) Deferred tax has been provided in accordance with Accounting Standard 22- "Accounting for Taxes on income" issued by the Institute of Chartered Accountants of India.

(b) The major components of the net deferred tax liability as on 31st March, 2010 are as under:

	Balance as on 31.03.2009	Charge / Release during the year	Balance as on 31.03.2010
DEFERRED TAX LIABILITY			
Depreciation	84,883,969	25,932,793	110,816,762
DEFERRED TAX ASSETS			
Provision for Employees benefits	(9,515,906)	(3,223,502)	(12,739,408)
Net Deferred Tax Liability	75,368,063	22,709,291	98,077,354

Related parties disclosures ;

1. Names of Related parties with whom transactions have taken place during the year :

(a) Joint Venture Companies

- Pix Europe Limited
- Pix QCS Limited

Subsidiary Companies

- Pix South America Importacao E Exportacao De Correias E Mangueiras Ltda, Brazil
- Pix Middle East FZC, UAE

(b) Key Management Personnel:

- Mr. Sukhpal Singh Sethi
- Mr. Amarpal Sethi
- Mr. Sonopal Sethi
- Mr. Rishipal Sethi
- Mr. Joe Paul
- Mr. Karanpal Sethi

(c) Relatives of key management personnel

- Mrs. Nirmal Sethi
- Mrs. Davinder Sethi
- Mrs. Inderjeet Sethi
- Mrs. Kamalpreet Sethi
- Mrs. Saba Sethi
- Miss Shirley Paul

(d) Enterprises over which key Management personnel or relatives have influence

- Amit Beneficiary Trust
- K. S. Beneficiary Trust
- R. S. Beneficiary Trust

2. Transactions carried out with related parties referred in 1 above, in ordinary course of business :

Nature of Transactions	Related Parties				
	Refer- red in 1 (a) above	Refer- red in 1 (b) above	Refer- red in 1 (c) above	Refer- red in 1 (d) above	Total
Purchase					
Sales					
Sales of Goods	173406731				173406731
Expenses					
Rent			248,120	2340000	2588120
Interest		6803000	5346811		12149811
Remuneration/ Perquisites / Allowances		20538600			20538600
Hire Charges			156000		156000
Balance at the Year end					
Payable		38426836	186911428		225338264
Receivables	58792564				58792564

Pix Transmissions Limited

22. The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures relating to amounts un-paid as at yearly end together with interest paid / payable under this Act have not been given.

23 Additional information pursuant to the provision of paragraph 3 and 4 of Part II of the Schedule VI to the Companies Act, 1956.

Quantitative details of goods for the period ended 31st March, 2010. (As certified by Directors)

1. i) Licensed capacity

A) V-BELTS [In Nos.] (Figure in Lacs)

Current year 310 Lacs

Previous year (310 Lacs)

B) High Pressure Braided Hoses

Hoses [In Mtrs.] 250 Lacs

Previous year (250 Lacs)

C) End Fittings [In Tons]

700 Tons

Previous year (700 Tons)

ii) Installed Capacity (Figure in Lacs)

A) V-BELTS [In Nos.]

Current year 159 Lacs

Previous year (159 Lacs)

B) High Pressure Braided Hoses

Hoses [In Mtrs.] 172 Lacs

Previous year (152 Lacs)

C) End Fittings [In Tons]

103 Tons

Previous year (103 Tons)

2. Production in quantity

A) V Belts (In Nos.)

9930127

Previous year (10732793)

B) High Pressure Hoses

(In Mtrs.) 3345169

Previous year (4677790)

(In Nos.) 321779

Previous year (364915)

C) Hose Assemblies (In Nos.)

121751

Previous year (65328)

D) End Fittings (In Nos.)

772658

Previous year (1734224)

3. Turn Over

Items	Unit	Quantity	Value in Lacs
V-Belts	Nos.	10205755 (10463851)	13114 (12952)
High Pressure Hoses	Mtrs.	3441594 (4681976)	3414 (4596)
	Nos.	334872 (384021)	610 (560.)
Hose Assemblies	Nos.	125478 (49026)	253 (135)
End Fittings	Nos.	867037 (1601640)	94 (72)

4. Purchases for Trading (Export)

Sr. No.	Items	Unit	Quantity	Value
1	Flaps	Nos.	30440 (143652)	71281 (334251)
2	Others			923243 (1129303)
Total :				994524 (1463554)

5. Purchases for Trading (Domestic)

Sr. No.	Items	Unit	Quantity	Value (Rs.)
1	Textiles Fabrics	Kg	85917 (Nil)	24052851 (Nil)
2	Others			736380 (20066)
Total :				24789231

6) Trading Sales (Export)

Sr.	Items	Unit	Quantity	Value
1	Flaps	Nos	30440 (146352)	271247 (680949)
2	Others			1733807 (1643945)
Total :				20,05,054 (2613703)

7) Trading Sales (Domestic)

Sr.	Items	Unit	Quantity	Value
1	Textiles Fabrics	Kg	85916 (Nil)	30058300 (Nil)
2	Others			1055961 (11156)
Total :				31114261 (899676)

Pix Transmissions Limited

8) Opening and Closing Stock of Goods Produced.

Opening Stock :			Closing Stock :				
1]	V-Belts	Nos.	1006415 (737473)	1]	V-Belts	Nos.	730787 (1006415)
2]	High Pressure Hoses	Mtrs.	244596 (248782)	2]	High Pressure Hoses	Mtrs.	148171 (244596)
		Nos.	18481 (37587)			Nos.	5388 (18481)
3]	Hose Assemblies	Nos.	23109 (6807)	3]	Hose Assemblies	Nos.	19382 (23109)
4]	End Fittings	Nos.	245057 (112473)	4]	End Fittings	Nos.	150678 (245057)

9) Consumption of Raw Materials (As certified by Management)

Sr.No.	Item	Units	Current Year		Previous Year	
			Qty.	Value	Qty.	Value
1.	Rubber	Kgs	2054696	235716007	2045587	316247323
2.	Fabric	Mtrs	1344744	82559154	1284086	96460444
3	Rayon / Polyester	Mtrs	475324	90446595	266184	108919021
4.	Carbon Black	Kgs.	1474015	75798148	1619221	99652383
5.	Chemicals	Ltrs	1409231	74870603	1616925	78200180
6.	Others	—		206043370		278511729
	Total :			765433877		977991080

10) Value of Imported and indigenous Raw Materials Stores and Spare Parts consumed during the period (As certified by Management)

I. Raw Materials

Sr. No.	Items	Current Year		Previous Year	
		Value	%	Value	%
1	Indigenous	368059395	48.08	477972954	48.87
2.	Imported	397374482	51.92	500018125	51.13
	TOTAL :	765433877	100.00	977991079	100.00

II Stores and Spares

Sr. No.	Items	Current Year		Previous Year	
		Value	%	Value	%
1	Indigenous	5941536	68.49	21906104	87.69
2	Imported	2733114	31.51	3076216	12.31
	TOTAL :	8674650	100.00	24982320	100.00

Pix Transmissions Limited

11) (a) Value of Imports (R.M.) calculated on CIF Basis		Rs.	31,99,23,009
	Previous Year	Rs.	(44,11,60,026)
(b) Value of Capital Goods on CIF Basis		Rs.	1,04,35,415
	Previous Year	Rs.	(20,36,15,729)
12) Expenditure in foreign Currency			
(a) Traveling		Rs.	78,43,905
	Previous Year	Rs.	(60,68,630)
(b) Other matters		Rs.	5,91,501
	Previous Year	Rs.	(19,51,675)
13) Earning in foreign currency :			
(a) On export of Goods FOB Value		Rs.	86,70,90,787
	Previous Year	Rs.	(1,07,70,76,101)
(b) Dividend		Rs.	15,10,680
	Previous Year	Rs.	(NIL)

24. Balance Sheet Abstract and Company's General Business Profit pursuant to part IV of Schedule VI of the Companies Act, 1956 is attached.

25. Cash Flow Statement for the year ended 01.04.2009 to 31.03.2010 pursuant to listing agreement with Stock Exchange is attached.

26. The Previous year figures are regrouped and rearranged to compare with those of current year.

AS PER OUR REPORT OF EVEN DATE

FOR : S. C. BANDI & COMPANY
CHARTERED ACCOUNTANTS
S. C. BANDI
PROPRIETOR

PLACE : MUMBAI
DATE : 31.05.2010

MR AMARPAL SETHI
[CHAIRMAN & MANAGING DIRECTOR

DIRECTORS :
MR SUKHPAL SINGH SETHI
MR DARSHAN SINGH CHADHA
MR JOE PAUL
MR HARESH EIDNANI
MR JOSE JACOB
MR PRADEEP HAVNUR
MR AQUEEL A. MULLA
MR OM PRAKASH ARORA

Pix Transmissions Limited

Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies (Rs. In thousand except number of shares)

S No.	Particulars	Pix South America Importacao De Correias E Mangueiras Ltda, Brazil	Pix Middle East FZC,UAE
1	Financial Year of the Subsidiary Company ended on	31.03.2010	31.03.2010
2	Shares of the Subsidiary Company held on the above date and extent of holding		
	a) Equity Shares	180000	80000
	b) Extent of Holding	60%	80%
3	The net aggregate amount of the Subsidiaries profit/(loss) so far as it is concerned with the members of Pix Transmissions Limited		
	i) Not dealt within the holding company's accounts		
	(a) For the financial year of the Subsidiary	NIL	NIL
	(b) For the Previous Financial Years of the subsidiary /since became the Holding company's subsidiary	NIL	NIL
	ii) Dealt within the holding company's accounts		
	a) For the financial year of the Subsidiary	(7,967)	(5,238)
	b) For the previous financial years of the subsidiary /since it became the Holding company's subsidiary	(26,008)	186
4	Material changes, if any, between the end of the financial year of the subsidiary company and that of the Holding Company	NIL	NIL
5	Additional information on Subsidiary Companies Currency Exchange rate on last day of financial year		
	Share Capital	7,530	1,223
	Reserves	(33,975)	(5,052)
	Total Assets	(19,299)	16,553
	Total Liabilities	(19,299)	16,553
	Turnover	76,424	17,527
	Profit/ (loss) for the year	(7,967)	(5,238)

PIX TRANSMISSIONS LIMITED

Balance Sheet abstract and Companies General Business profile as per para (iv) of schedule VI of Companies Act, 1956

I. REGISTRATION DETAILS

Registration No.	:	24837 / TA
State Code	:	11
Balance Sheet date	:	31.03.2010

II. CAPITAL RAISED DURING THE YEAR

Public Issue	:	Nil
Right Issue	:	Nil
Bonus Issue	:	Nil
Private Placement	:	Yes

III. POSITIONS OF MOBILISATION AND DEPLOYMENT OF FUNDS*[Figure in Lacs]*

Total Liabilities	:	25,948.20
Total Assets	:	25,948.20

SOURCE OF FUNDS

Paid-up capital	:	2,322.72
Reserve & Surplus	:	2,424.73
Secured Loans	:	16,241.68
Un-Secured Loans	:	3,978.30
Deferred Tax Liabilities	:	980.77

APPLICATION OF FUNDS

Net Fixed Assets	:	18,475.99
Capital Works in progress	:	-
Investments	:	175.31
Net Current Assets	:	7,277.25
Miscellaneous Expenditure	:	19.65

IV. PERFORMANCE OF THE COMPANY

Total Income	:	17,918.72
Total Expenditure	:	16,094.30
Profit before Tax & Depreciation	:	1,824.42
Depreciation	:	1,466.69
Provision for Taxation	:	288.09
Profit after Tax & Depreciation	:	69.64
Extra ordinary item (Foreign exchange loss)	:	-
Profit / (Loss) for the year	:	69.64
Earnings per share [in Rs.]	:	0.65
Weighted Average	:	-
Dividend Rate (%)	:	-

V. GENERAL NAMES OF PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY [AS PER MONETARY TERMS]:

Item Code No.	:	40103999
Product Description	:	"V"- BELTS
Item Code No.	:	40092100
Product Description	:	HIGH PRESSURE HOSES

Pix Transmissions Limited

PIX TRANSMISSIONS LIMITED.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2010

Particulars	YEAR ENDED 31.03.2010		YEAR ENDED 31.03.2009	
	[Rs.]	[Rs.]	[Rs.]	[Rs.]
Cash flow arising from Operating Activities :				
Net profit before Taxation and Extraordinary Items adjustments for :		35,772,442		(37,753,036)
Add : Depreciation	146,669,167		125,335,238	
Capital Loss [Foreign exchange loss]	-		47,324,419	
Interest Income				
Dividend Income				
Interest Expenses	178,291,326		132,179,962	
Project / Defere Expenses	-		-	
		324,960,493		304,839,619
Operating Profit before working capital changes :		360,732,935		267,086,583
(Increase) / Decrease in sundry debtors	(69,860,460)		(200,636,839)	
(Increase) / Decrease in Inventories	(60,816,887)		(138,651,994)	
(Increase) / Decrease in other current assets	10,506,586		(46,894,746)	
Increase /(Decrease)in Sundry Creditors	195,487,079		10,890,225	
		75,316,318		(375,293,354)
Cash Generated from Operations :		436,049,253		(108,206,771)
Net Cash Flow from Operating Activities		436,049,253		(108,206,771)
Income Tax Paid		-		-
		436,049,253		(108,206,771)
Cash Flow arising from Investing Activities				
Purchase of Fixed Assets	(811,849,768)		(274,205,070)	
Purchase of Investments	(300,000)		(2,856,000)	
Proceeds from sale of assets	375,952		4,479,713	
Wealth Tax Paid	(36,000)		-	
Capital work in progress	408,891,033		(306,244,352)	
Preliminary Expenses	316,225		(1,433,775)	
Net Cash from Investing Activities		(402,602,558)		(580,259,484)

Pix Transmissions Limited

PIX TRANSMISSIONS LIMITED.
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2010

Particulars	YEAR ENDED 31.03.2010		YEAR ENDED 31.03.2009	
	[Rs.]	[Rs.]	[Rs.]	[Rs.]
Cash Flow arising from financing Activities :				
Proceeds from issuance of share capital / Working Capital loan from bank	62,226,000		15,926,120	
Premium on Shares	27,325,053		292,716,404	
Forfeiture of Application Money	22,900,000		8,300,000	
Increase / (Decrease) in Secured Loan	-		9,378,880	
Increase /(Decrease) in Un-Secured of Loan from Directors	77,046,027		492,063,769	
Increase /(Decrease) in Un-Secured of Loan from others.	33,811,062		(86,413,117)	
Capital Loss [Foreign exchange loss]	(95,597,836)		133,407,940	
Interest Paid	-		(47,324,419)	
	(178,291,326)		(132,179,962)	
Net Cash used in Financing Activities		(50,581,020)		685,875,615
Net Increase in Cash and Cash Equivalents		-17,134,325		-2,590,640
Cash and Cash Equivalents at beginning of year		75,155,869		77,746,509
Cash and Cash Equivalents at end of year		58,021,544		75,155,869

SHRI AMARPAL SETHI
[CHAIRMAN & MANAGING DIRECTOR]

DIRECTORS:

SHRI SUKHPAL SINGH SETHI
SHRI JOE PAUL
SHRI DARSHAN SINGH CHADHA
SHRI JOSE JACOB
SHRI HARESH EIDNANI
SHRI PRADEEP HAVNUR
SHRI AQUEEL A. MULLA

PLACE : MUMBAI
DATED : 31.05.2010

AUDITORS CERTIFICATE

To,
The Board of Directors,
Pix Transmissions Limited
Mumbai.

We have examined the attached Cash Flow statement of PIX TRANSMISSIONS LIMITED. for the year ended 31st March, 2010. The statement has been prepared by the Company in accordance with the requirements of Clause No. 32 of the Company's listing agreement with the Mumbai stock exchange. The statement is based on and is derived from the Profit & Loss A/c and the balance sheet of the Company for the year ended 31st March, 2010.

for **S. C. BANDI & CO.**
CHARTERED ACCOUNTANTS

S. C. BANDI
PROPRIETOR
[M.NO.16932]

PLACE : Mumbai
DATE : 31.05.2010

Pix Transmissions Limited and its subsidiaries

Consolidated Financial Statements

together with Auditors' Report

for the year ended 31 March 2010

Pix Transmissions Limited and its subsidiaries

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF PIX TRANSMISSIONS LIMITED ON CONSOLIDATED FINANCIAL STATEMENTS

We have audited the attached Consolidated Balance Sheet of PIX TRANSMISSIONS LIMITED (the 'Company'), its subsidiaries (collectively the 'Group') as at 31st March, 2010 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date annexed thereto. These Consolidated Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

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

We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements, notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

We did not audit the financial statements of the subsidiary companies. These financial statements and other financial information have been audited by other auditors, whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries are based solely on their reports.

Based on our audit and on consideration of reports of other auditors on separate financial statements and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2010;
- b) in the case of the Consolidated Profit and Loss Account, of the loss of the Group for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For S.C. BANDI & CO.
Chartered Accountants

S.C. BANDI
Proprietor
Membership No. 16932

Mumbai
Date : 31.05.2010

ANNEXURE TO THE AUDITOR'S REPORT

1. a. The Company has maintained proper records to show full particulars including quantitative details and situation of Fixed Assets.
b. The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification
a. During the year the company has not disposed off a substantial part of its fixed assets.
2. a. The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
c. The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. a. The Company has taken loans from Promoters/relatives which are covered in the register maintained under Section 301 of the Companies Act. The Company has not granted any loans secured or unsecured to firms or other parties covered in the register maintained U/s. 301 of the Companies Act, 1956.
b. In our opinion, the rate of interest and other terms and conditions on which loans have been taken from the Companies, Firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are, not prima facie, prejudicial to the interest of the Company.
c. The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
d. There is no overdue amount of payments of principal and interest.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods.
5. In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956 ;
a. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any part during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanation given to us company has not accepted any deposit from the public.
7. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business.
8. According to the information, the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.
9. According to the information and explanations given to us in respect of statutory and other dues:
a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including income tax, sales tax, wealth tax, custom duty, excise duty, cess and other statutory dues applicable to it except that there were some delays in payment of monthly provident fund and ESIC. The Company has paid all the dues of Provident fund and ESIC as on 31st March, 2010.

Pix Transmissions Limited

- b. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty, excise duty and cess were in arrears, as at 31.03.2010 or a period of more than six months from the date they became payable.
10. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. In our opinion and according to the information and explanation given to us there was no outstanding installment due to financial institutions as on 31st March, 2010.
12. According to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures or other investments.
15. According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company has not raised any new term loans during the year.
17. According to the information and explanation given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment. No long term funds have been used to finance short term assets except working capital.
18. The Company has made preferential allotment of Equity Shares Warrants to promoter directors and their relatives covered in the register maintained under Section 301 of the Act, during the year. In our opinion and according to the information and explanations given to us, the price at which such warrants/shares have been issued is not prejudicial to the interest of the Company (Read with note no.3 of Notes to Accounts)
19. The Company has not issued any Debentures during the financial year covered by our audit.
20. The company has not raised any money through a public issue during the period.
21. According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**For S. C. Bandi & Co.
Chartered Accountant**

**S. C. Bandi
Proprietor
M.No.16932**

Place : Mumbai
Dated : 31.05.2010

Pix Transmissions Limited and its subsidiaries

CONSOLIDATED BALANCE SHEET

AS AT 31.03.2010

(Currency: Rs. in thousands except share data)

PARTICULARS	Notes	2010	2009
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	3	232,272	170,046
Reserves and surplus	4	207,962	189,752
		440,234	359,798
Loan funds			
Secured loans	5	1,624,168	1,519,796
Unsecured Loans	6	404,977	482,047
Deferred tax liability		98,077	75,368
		2,567,456	2,437,009
APPLICATION OF FUNDS			
Fixed assets			
Gross block	7	2,701,601	1,887,834
Less: Accumulated depreciation		848,959	701,977
Net block		1,852,642	1,185,857
Capital work-in-progress and capital advances		-	408,891
		1,852,642	1,594,748
Investments			
	8	13,697	13,397
Current assets, loans and advances			
Inventories		586,935	528,095
Sundry debtors	9	375,817	296,552
Cash and bank balances	10	60,027	77,151
Loans and advances	11	145,628	173,336
		1,168,406	1,075,134
Less: Current liabilities and provisions			
Current liabilities	12	428,534	213,143
Provisions	13	40,721	35,407
		469,254	248,551
Net current assets		699,152	826,583
Preliminary Expenses		1,965	2,281
		2,567,456	2,437,009
The accompanying notes form an integral part of this consolidated balance sheet.			
As per attached report of even date.			

For S.C.Bandi & Co
Chartered Accountants

S.C.Bandi
Proprietor
Membership No: 16932

Place: Mumbai
Date: 31.05.2010

For and on behalf of the Board of Directors

Mr. Amarpal Sethi
Chairman & Managing Director

Mr. Sukhpal Singh Sethi
(Director)

Pix Transmissions Limited and its subsidiaries

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2010**

(Currency: Rs. in thousands except share data)

PARTICULARS	Notes	2010	2009
Income			
Sales (Gross) and service income	14	1,860,267	1,792,074
Less Excise Duty		96,460	82,507
		1,763,807	1,709,567
Other income	15	3,410	526
		1,767,217	1,710,093
Expenditure			
Consumption of material		815,822	898,402
Manufacturing & Other Expenses	16	594,874	548,897
Interest costs	17	182,018	132,286
		1,592,714	1,579,586
Profit for the year before Depreciation			
Depreciation	7	147,948	125,694
Profit for the year before taxation		26,555	4,813
Less: Foreign Exchange Loss		-	47,324
Provision for taxation		28,845	2,113
Loss for the year after taxation		(2,290)	(44,625)
Profit and loss account, brought forward		97,396	142,021
		95,106	97,396
Profit and loss account, carried forward		95,106	97,396
The accompanying notes form an integral part of this consolidated profit and loss account. As per attached report of even date.			

For S.C.Bandi & Co
Chartered Accountants

S.C.Bandi
Proprietor
Membership No: 16932

Place: Mumbai
Date: 31.05.2010

For and on behalf of the Board of Directors

Mr. Amarpal Sethi
Chairman & Managing Director

Mr. Sukhpal Singh Sethi
(Director)

Pix Transmissions Limited and its subsidiaries

Notes to the Consolidated financial statements

for the year ended 31 March 2010

(Currency: Rs. in thousands except share data)

1 Background

Pix Transmissions Limited (The company) was incorporated on 22nd July 1981 as a private limited company in the State of Maharashtra, India. The status of Pix Transmissions Limited changed from a Private Limited company to a Public Limited Company effective 27th September 1989. Pix Transmissions Limited completed its initial public offering of its equity shares in India in 4th December 1989. It is now listed on The Stock Exchange, Mumbai (BSE).

Pix Transmissions Limited owns 60% equity interest in Pix South America Importacao E Exportacao De Correias E Mangueiras Ltda, Brazil, a company incorporated in Brazil as on 1st July, 2003, and 80% equity interest in Pix Middle East FZC, UAE a company incorporated in UAE.

Pix Transmissions Limited entered in joint venture with Pix Europe Limited, U.K, a company incorporated in England, and Pix QCS Limited, Ireland a company incorporated in Ireland. The company has 50% interest in both of the companies.

2 Significant accounting policies

2.1 Basis of preparation of consolidated financial statements

The accompanying consolidated financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, guidelines issued by the Securities and Exchange Board of India ('SEBI') and Generally Accepted Accounting Principles ('GAAP') in India, under the historical cost convention on the accrual basis of accounting.

The preparation of financial statements in conformity with generally accepted accounting principles requires that the management to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities disclosure of contingent liabilities as on the date of the financial statements. Differences between actual results and estimates are recognized in the period in which the results are known/ materialized.

2.2 Basis of consolidation

These consolidated financial statements include the financial statements of Pix Transmissions Limited and its subsidiaries. The subsidiaries considered in the consolidated financial statements as at 31 March 2010 are summarized below:

Name of the subsidiary	Country of incorporation	Percentage
Pix South America Importacao E Exportacao De Correias E Mangueiras Ltda, Brazil	Brazil	60%
Pix Middle East FZC, UAE	UAE	80%

These consolidated financial statements are prepared in accordance with the principles and procedures prescribed by Accounting Standard 21-"Consolidated Financial Statements" ('AS-21') for the purpose of preparation and presentation of consolidated financial statements.

The financial statements of the Parent Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/ transactions and resulting unrealized profits in full. Unrealized losses resulting from intra-group transactions have also been eliminated unless cost cannot be recovered in full. The amounts shown in respect of accumulated reserves comprises the amount of the relevant reserves as per the balance sheet of the Parent Company and its share in the post acquisition increase/decrease in the relevant reserves/accumulated deficit of its subsidiaries.

Consolidated financial statements are prepared using uniform accounting policies across the Group.

The statements of the company and its subsidiaries have been combined on line by line basis by adding together the book value of like items of assets, liabilities, income and expenses after fully eliminating intra group balances and intra group transactions resulting in unrealised profits or losses.

Pix Transmissions Limited and its subsidiaries

2 Significant accounting policies (*Continued*)

2.3 Fixed assets and depreciation

Fixed Assets are stated at cost of acquisition / Revaluation and pre-operative expenses capitalized forms part of the value of assets less accumulated Depreciation and identified impairment loss, if any.

Own Fabricated Plant & Machinery are capitalized at cost including an appropriate share of overheads.:

Gross Block of Fixed Assets includes assets purchased under hire purchase agreements

Depreciation is provided under the straight line method at the rates specified in schedule XIV of the Companies Act 1956. Lease hold Lands are not depreciated.

Depreciation is provided by Pix South America Importacao E Exportacao De Correias Mangueiras Ltda. and Pix Middle East FZT using straight line method; over their eatimated useful economic lives as follows:

Pix South America Importacao E Exportacao De Correias Mangueiras Ltda.

	Years
Facilites	10
Equipments and office facilites	10
Right of use of software	10
Trademarks and patents	10
Vehicles	5

Pix Middle East FZT

Furniture, fixtures and equipment	3
Motor vehicle	3

2.4 Other Significant Accounting Policies

These are the set out in the notes to the accounts under "Significant Accounting Policies" of the financial statements of the Company and its subsidiaries.

Pix Transmissions Limited and its subsidiaries

Notes to the Consolidated Financial statements (Continued)

as at 31 March 2010

(Currency: Rs. in thousands except share data)

	2010	2009
3 Share capital		
Authorised		
20500000 equity shares of Rs. 10/- each	205,000,000	205,000,000
2950000 Non -Convertible 6% Cumulative Redeemable Preference Shares of Rs.100/-Each	295,000,000	295000000
	<u>500,000,000</u>	<u>500,000,000</u>
Issued, subscribed and paid - up		
116841000 Equity Share of 10/-Each Fully paid up	116,841	105,391
1117110 Non-Convertible 6% Cumulative Redeemable Preference Shares of Rs.100/-Each	111,711	57,500
Application Money Of Warrants	3,720	7,155
	<u>232,272</u>	<u>170,046</u>
NOTE:-During the year the company has converted 1145000 Equity Warrants of Rs. 30/- each into equity shares of Rs.10/- each.The premium on conversion of warrant at Rs.20/- each transferred to Share premium account.		
4 Reserves and surplus		
I) Capital Redemption Reserve as per Last Balance Sheet	702	702
II) Capital Reserve as per last Balance Sheet	9,408	29
Add: Forefeiture of Application Money For Issue of Warrant	-	9,379
III) General Reserve	25,193	25,193
IV) Share Premium account as per last Balance Sheet	33,259	24,959
Addition on conversion of equity share warrant during the year	22,900	8,300
	56,159	33,259
V) Amalgamation Reserve as per last Balance Sheet	33,742	33,742
VI) Foreign Currency Translation Reserve	(12,347)	(9,947)
VII) Profit & Loss Account Balance as per Profit & loss Account	95,106	97,396
	<u>207,962</u>	<u>189,752</u>
5 Secured loans		
Term Loans		
Term Loans from Banks	718,504	667,163
Corporate Loan from Banks	175,045	160,667
Working Capital		
Cash Credit/Packing Credit from Banks	699,462	672,137
From Parties Against Hypn. Of Cars	12,124	9,954
From Parties Against Bill Discounting	19,033	9,875
	<u>1,624,168</u>	<u>1,519,796</u>
1. TERM LOAN FROM BANKS ARE SECURED BY FIRST PARI PASSU CHARGE ON ALL FIXED ASSETS AND SECOND CHARGE ON CURRENT ASSETS OF THE COMPANY		
2. CORPORATE LOAN AND WORKING CAPITAL FROM BANKS ARE SECURED BY FIRST PARI PASSU CHARGE ON CURRENT ASSETS AND SECOND CHARGE ON ALL FIXED ASSETS		
3. TERM/CORP LOAN AND WORKING CAPITAL FACILITIES ARE FURTHER SECURED BY PERSONAL GUARANTEE OF THREE PROMOTERS DIRECTORS		
6 Unsecured Loans		
Banks	-	119,543
From Bank Due to Excess issue of cheques	10,851	1,685
Loans Under Sales Tax Deferral scheme of Sicom	161,641	146,861
Others	232,485	213,958
	<u>404,977</u>	<u>482,047</u>

Pix Transmissions Limited

Notes to the Consolidated Financial statements (Continued)

as at 31 March 2010

(Currency: Rs. in thousands except share data)

7 Fixed assets

PLOT	GROSS BLOCK			DEPRICIATION				NET BLOCK	
	Gross Value As on 01.04.2009	Additions During the Year	Total Gross Value as on 31.03.2010	As on 01.04.2009	For the Year	Less Written off	TOTAL	Net Value As on 31.03.2010	Net Value As on 31.03.2009
PLOT	18,160	20,286	38,446	-	-	-	-	38,446	18,160
FACTORY PREMISES	373,043	241,406	614,449	73,681	14,423		88,104	526,345	299,362
PLANT & MACHINERY	1,311,114	478,609	1,789,723	567,409	118,942	729	685,622	1,104,101	741,471
ELECTRICAL INST.	72,724	51,816	124,540	12,356	4,373		16,729	107,811	60,368
FURNITURES & FIXTURES	39,030	13,780	52,810	13,349	2,868		16,217	36,593	25,681
OFFICE EQUIPMENTS	45,228	5,097	50,325	28,376	3,751		32,127	18,198	17,100
VEHICLES	25,269	857	26,126	4,639	2,591	215	7,015	19,111	20,965
INTANGIBLE ASSETS	5,183	-	5,183	2,145	1,000		3,145	2,038	2,751
TOTAL	1,889,751	811,851	2,701,602	701,955	147,948	944	848,959	1,852,643	1,185,858

8 Investments

2010

2009

Long Term Investments (At cost)

Investments in Joint-Venture Comapany

In Equity Shares Un-Quoted Fully paid up

1.Pix Europe Ltd

(125000 Share of 1E Per Share)

8,526

8,526

8,526

8,526

In Equity Shares Un-Quoted Fully paid up

1.Pix QCS Limited, Ireland

(5000 Share of 1E Per Share)

3,156

2,856

3,156

2,856

Investment in Mutual Funds

Un-Quoted Fully paid up

SBI-Mutual Fund 200000 At Rs.10.00 per Unit

2,000

2,000

2,000

2,000

Un-Quoted Fully paid up

Co-Operative Banks

1.Equity Shares Of Samasta Nagar Co-op Bank Ltd (Fully Paid up)

15

15

15

15

13,697

13,397

NOTE : AGREEGATE VALUE OF QUOTED INVESTMENT NIL PREVIOUS YEAR NIL.

UNQUOTED INVESTMENT RS. 17,531,092/- PREVIOUS YEAR RS. 17,231,092/-

Pix Transmissions Limited and its subsidiaries

Notes to the Consolidated Financial statements (Continued)

as at 31 March 2010

(Currency: Rs. in thousands except share data)

	2010	2009
9 Sundry Debtors		
(Unsecured Considered Goods		
Debts outstanding for a period exceeding six months	20,858	20,110
Other debts(Less than Six Month)	354,959	276,442
	<u>375,817</u>	<u>296,552</u>
10 Cash and bank balances		
Cash on hand	476	393
Balances with scheduled banks	-	-
- in Current accounts	26,784	35,101
- in Deposit account	30,761	39,661
Unscheduled banks	2,005	1,995
	<u>60,027</u>	<u>77,151</u>
11 Loans and advances		
(Unsecured)		
Balance with Central Excise	11,813	22,751
Pre-paid Expenses	3,036	1,473
Interest Receivable	12,160	-
Advance tax including FBT (Net of Provision for taxation)	5,997	9,688
Others	112,622	139,425
	<u>145,628</u>	<u>173,336</u>
12 Current liabilities		
Sundry creditors		
(Micro,Small & Medium Enterprises)	-	-
Customer Credit Balance	44,843	26,171
Sundry creditors (Others)	383,691	186,973
	<u>428,534</u>	<u>213,143</u>
13 Provisions		
Provision for Gratuity	32,492	27,409
Provision for Leave Encashment	1,901	-
Provision for staff terminal benefit	135	49
Other Provisions	6,193	7,950
	<u>40,721</u>	<u>35,407</u>

Pix Transmissions Limited and its subsidiaries

Notes to the Consolidated financial statements (*Continued*)

for the year ended 31 March 2010

(Currency: Rs. in thousands except share data)

	2010	2009
14 Sales		
Sales	1,860,267	1,792,074
Less: Excise Duty	96,460	82,507
	<u>1,763,807</u>	<u>1,709,567</u>
15 Other Income		
Dividend	1,511	-
Profit on Sale of Fixed Assets	489	-
Interest Income	388	43
Other Income	1,023	483
	<u>3,410</u>	<u>526</u>
16 Expenditure		
Advertisemnt	2,929	5,039
Audit Fees	221	160
Bank Commision	9,589	8,419
Cess	837	809
Commision & Brokerage	6,869	5,996
Turnover Discount	3,221	26,010
Director Remuneration	18,189	10,115
Travelling Exp.	22,526	16,372
Discount	32,944	33,452
E.S.I.C.	2,498	2,275
Power Expenses	57,995	46,485
Export Expenses	2,281	3,081
Freight & Transporation	63,946	81,517
Insurance	11,508	12,487
Legal & Professional Fees	10,841	7,442
Provident Fund	9,985	9,030
Rent	8,976	7,096
Research & Development	6,062	3,978
Printing & Stationery	3,405	2,786
Salary	78,456	62,007
Staff Welfare	8,374	7,026
Repair & Maintainces	9,679	9,092
Grauity	5,969	6,740
Wages	152,548	122,411
Vehicle Expenses	2,596	1,977
Miscellancous Exp.	38,759	31,970
Telephone & Postage	5,066	4,047
C.S.T. & S.T.	21,051	19,825
Preliminary Expenses Written off	316	316
Wages (Management)	2,303	218
INSS	3,399	301
FGTS	975	67
Vacation	920	77
Water	25	10
Other taxes	302	24
Foreign Exchange Fluactuation-(Gain)/Loss	(10,687)	239
	<u>594,874</u>	<u>548,897</u>
17 Interest costs		
Interest Expenses	178,549	132,197
Discount	119	0.29
Bank Expenses	3,351	89.03
	<u>182,018</u>	<u>132,286</u>

Pix Transmissions Limited and its subsidiaries

NOTES TO ACCOUNTS

1. Contingent liability not provided in respect of :-

- i) Letters of Credit opened by Banks Rs.1282.34 Lacs (Previous year Rs.900.75 Lacs)
 - ii) Foreign bills discounted by Banks Rs. 1569.84 lacs (Previous year Rs. 1585.55)
 - iii) Dividend Payable on 6% non convertible cumulative redeemable preference shares of Rs.127, 77,385 (Previous year 78, 30,000)
2. In terms of the approval of the Shareholders obtained at the Extra-ordinary General Meeting of the Company held on 11th February 2009, the Company has issued and allotted 28,00,000 warrants (face value Rs.30/- each) and amount paid-up of Rs.30/- each on 27th February 2009 to Promoters and Promoters Group on preferential basis to finance the long term corporate fund. The holders of each warrant will be entitled to apply for and be allotted one equity share of Rs.10/- each of the Company, at a price of Rs.30/- (including Rs.20/- on account of premium), any time after the date of allotment but on or before the expiry of 18 months from the date of allotment, in one or more tranches, of the above, the holders of 15,60,000 warrants have exercised the option and were allotted one equity share per warrant. Total amount received of Rs.468.00 Lacs has been utilized towards financing of Long Term corporate fund including capital expenditure for ongoing expansion of company project.
3. The Company has received loans from Promoters / Directors and their relatives. The same has been grouped under unsecured loans.
4. The Value of Stocks are as per inventory taken, prepared, valued and certified by the Management.
5. The Company continues to follow Cash System of Accounting with regard to reimbursement of Bank Interest, Charges, Commission, and Fixed Deposit.
6. The Figures of Sales shown during the year includes the amount of Excise, VAT and Central Sales Tax wherever applicable.
7. Book Debts, Advances, Bank Deposits and Credit balances are taken subject to their respective confirmation.
8. In the opinion of the Board of Directors, the Current assets, Loans and Advances are approximately of the values stated, if realized in the ordinary course of business. The Provision for depreciation and all known liabilities are adequate and not in excess of the amount reasonably necessary.
9. CAPITAL COMMITMENT
- Estimated value of contracts, remaining to be executed on capital account to the extent not provided for Rs.324.00 Lacs.
10. The Company is engaged in the business of Industrial Rubber Products and there is no reportable segment as per Accounting Standard (AS 17) 'Segment Reporting'.

Geographical Segment Report

The products of the company are sold both in the domestic & export markets , which are considered different geographical segments. Segment-wise revenues are ad under :

Revenue	2009-10 (Rs.)	2008-09 (Rs.)
Domestic	92,27,80,875	79,37,99,992
Export	86,70,90,787	1,07,70,79,102
Total	1,78,98,71,662	1,87,08,76,094

The company has manufacturing facility at Nagpur , India. It is not possible to directly attribute or allocate on a reasonable basis, the expenses, assets and liabilities to these geographical segments.

11. Joint Venture Companies

The Company's interest, as a venture, in a jointly controlled entity (Incorporated Joint Venture) is:

Name of the Joint Venture	Country of Incorporation	Percentage of Ownership interest as At 31 March , 2010	Percentage of Ownership interest As at 31 March,2009
Pix Europe Limited	England	50 %	50 %
Pix QCS Limited	Ireland	50 %	50 %

Pix Transmissions Limited and its subsidiaries

The Company's share in the unaudited financial performance of Joint venture companies for the year ended 31 March 2010 are as follows:

Particulars	As at 31 March, 2010 (Un-Audited)	As at 31 March, 2009 (Audited)
ASSETS		
Fixed Assets	115,034,768	123,241,784
Capital Work-in-Progress	-	-
Investments	7,221,378	7,221,378
Current Assets, Loans and Advances:		
(a) Inventories	160,801,412	226,418,632
(b) Trade Debtors	175,149,374	229,533,815
(c) Cash and Bank Balances	2,027,822	4,611,287
(d) Loans and Advances and Other Current Assets	66,178,493	1,416,814
TOTAL ASSETS	526,413,247	592,443,710
LIABILITIES		
Capital & Reserve	32,229,611	35,210,998
Secured Loans	181,969,773	157,962,175
Current Liabilities and Provisions:		
(a) Liabilities	292,798,490	396,421,235
(b) Provisions	17,577,502	1,011,431
Deferred Tax Liability (Net)	1,837,871	1,837,871
TOTAL LIABILITIES	526,413,247	592,443,710

Particulars	Year ended 31 March, 2010 (Un-Audited)	Year ended 31 March, 2009 (Audited)
INCOME		
Sales (Net)	590,486,656	748,897,361
Other Income	-	67,655
EXPENSES		
other expenses	567,432,335	706,658,650
Depreciation	9,710,561	10,257,547
Interest	8,458,828	13,186,424
Provision for Taxation	75,158	951,885

12. Deferred Tax

- (a) Deferred tax has been provided in accordance with Accounting Standard 22- "Accounting for Taxes on income" issued by the Institute of Chartered Accountants of India.
- (b) The major components of the net deferred tax liability as on 31st March, 2010 are as under:

	Balance as on 31.03.2009	Charge / Release during the year	Balance as on 31.03.2010
DEFERRED TAX LIABILITY			
Depreciation	84,883,969	25,932,793	110,816,762
DEFERRED TAX ASSETS			
Provision for Employees benefits	(9,515,906)	(3,223,502)	(12,739,408)
Net Deferred Tax Liability	75,368,063	2,270,9291	98,077,354

Pix Transmissions Limited and its subsidiaries

13. Related parties disclosures ;

1. Names of Related parties with whom transactions have taken place during the year :

(a) Joint Venture Companies

- i) Pix Europe Limited
- ii) Pix QCS Limited

Subsidiary Companies

- ii) Pix South America Importacao E Exportacao De Correias E Mangueiras Ltda, Brazil
- ii) Pix Middle East FZC, UAE

(b) Key Management Personnel:

- (1) Mr. Sukhpal Singh Sethi
- (2) Mr. Amarpal Sethi
- (3) Mr. Sonopal Sethi
- (4) Mr. Rishpal Sethi
- (5) Mr. Joe Paul
- (6) Mr. Karanpal Sethi

(c) Relatives of key management personnel

1. Mrs. Nirmal Sethi
2. Mrs. Davinder Sethi
3. Mrs. Inderjeet Sethi
4. Mrs. Kamalpreet Sethi
5. Mrs. Saba Sethi
6. Miss Shirley Paul

(d) Enterprises over which key Management personnel or relatives have influence

1. Amit Beneficiary Trust
2. K. S. Beneficiary Trust
3. R. S. Beneficiary Trust

Transactions carried out with related parties referred in 1 above, in ordinary course of business :

Nature of Transactions	Related Parties				Total
	Referred in 1 (a) above	Referred in 1 (a) above	Referred in 1 (a) above	Referred in 1 (a) above	
Sales					
Sales of Goods	17,34,06,731				17,34,06,731
Expenses					
Rent			248,120	23,40,000	25,88,120
Interest		68,03,000	53,46,811		1,21,49,811
Remuneration / Perquisites / Allowances		2,05,38,600			2,05,38,600
Hire Charges			1,56,000		1,56,000
Balance at the Year end					
Payable		3.84.26.836	18,69,11,428		22,53,38,264
Receivables	5,87,92,564				5,87,92,564

14. The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures relating to amounts un-paid as at yearly end together with interest paid / payable under this Act have not been given.
15. Balance Sheet Abstract and Company's General Business Profit pursuant to part IV of Schedule VI of the Companies Act, 1956 is attached.
16. Cash Flow Statement for the year ended 01.04.2009 to 31.03.2010 pursuant to listing agreement with Stock Exchange is attached.
17. The Previous year figures are regrouped and rearranged to compare with those of current year.

AS PER OUR REPORT OF EVEN DATE
FOR S. C. BANDI & COMPANY
CHARTERED ACCOUNTANTS

Mr. AMARPAL SETHI
[CHAIRMAN & MANAGING DIRECTOR]

S. C. BANDI
PROPRIETOR
MEMBERSHIP NO. 16932

Mr. SUKHPAL SINGH SETHI
DIRECTOR

PLACE: MUMBAI
DATED: 31.05.2010

Pix Transmissions Limited and its subsidiaries

**PIX TRANSMISSIONS LIMITED.
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2010**

(Currency: Rs. in thousands except share data)

Particulars	YEAR ENDED 31.03.2010		YEAR ENDED 31.03.2009	
	[Rs.]	[Rs.]	[Rs.]	[Rs.]
Cash flow arising from Operating Activities :				
Net profit before Taxation and Extraordinary Items				
adjustments for :		26,555		4,813
Add : Depreciation	147,948		125,694	
Interest Expenses	182,018		132,286	
		329,966		257,980
Operating Profit before working capital changes :		356,521		262,793
(Increase) / Decrease in sundry debtors	(79,265)		11,179	
(Increase) / Decrease in Inventories	(58,840)		(161,673)	
(Increase) / Decrease in other current assets	27,708		(11,713)	
Increase /(Decrease)in Sundry Creditors	243,412		28,385	
		133,015		(133,822)
Cash Generated from Operations :		489,536		128,971
Net Cash Flow from Operating Activities		489,536		128,971
Income Tax Paid		28,845		2,113
		460,691		126,858
Cash Flow arising from Investing Activities				
Purchase of Fixed Assets	(812,296)		(266,594)	
Purchase of Investments	(300)		(2,856)	
Wealth Tax Paid	(36)			
Capital work in progress	408,891		(336,582)	
Preliminary Expenses	316	-	395	
Net Cash from Investing Activities		(403,425)		(605,637)

Pix Transmissions Limited and its subsidiaries**PIX TRANSMISSIONS LIMITED.****CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2010**

Particulars	YEAR ENDED 31.03.2010		YEAR ENDED 31.03.2009	
	[Rs.]	[Rs.]	[Rs.]	[Rs.]
Cash Flow arising from financing Activities :				
Proceeds from issuance of share capital	62,226		15,926	
Premium on Shares	20,500		14,959	
Increase / (Decrease) in Secured Loan	104,372		602,895	
Increase /(Decrease) in Un-Secured of Loan from Directors			69,411	
Increase /(Decrease) in Un-Secured of Loan from others.	(77,070)			
Capital Loss [Foreign exchange loss]	(2,400)		(96,513)	
Interest Paid	(182,018)		(132,286)	
Net Cash used in Financing Activities		(74,390)		474,392
Net Increase in Cash and Cash Equivalents		-17,124		-4,387
Cash and Cash Equivalents at beginning of year		77,151		81,538
Cash and Cash Equivalents at end of year		60,027		77,151

For S C Bandi & Company
Chartered Accountants

S C Bandi
Proprietor
M. No 16932

Mumbai
31.05.2010

For and on behalf of the Board of Directors

Mr. Amarpal Sethi
Chairman & Managing Director

Mr. Sukhpal Singh Sethi
Director

ATTENDANCE SLIP

PIX TRANSMISSIONS LIMITED

Registered Office : J-7, M.I.D.C., Hingna, Nagpur – 440 016

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THAT HALL, Joint Shareholders may obtain additional attendance slips on request.

NAME & ADDRESS OF THE SHARE HOLDERS

Regd. Folio No.	No. of Shares held

I hereby record my presence at the 28th ANNUAL GENERAL MEETING of the Company at J-7, M.I.D.C., Hingna, Nagpur–440 016, on Wednesday, 22nd September, 2010 at 9.30 a.m.

SIGNATURE OF THE SHARE HOLDER OF THE PROXY ATTENDING THE MEETING

If Shareholder, Please Sign here	If proxy, please Sign here

PROXY FORM

PIX TRANSMISSIONS LIMITED

Registered Office : J-7, M.I.D.C., Hingna, Nagpur – 440 016

I / We _____
of _____ being a member / members of PIX TRANSMISSIONS LIMITED hereby appoint
_____ of _____ as my / our proxy to vote for me / us
at the 28th Annual General Meeting of the Company to be held on Wednesday, 22nd September, 2010 at 9.30 a.m.
and at any adjournment thereof.

As witness me/our hand(s) this _____ day of _____ 2010

[Signature of the Share Holders(s)]

Affix 1 Rupee Revenue Stamp

NOTE : The Proxy form duly signed across the revenue stamp of One Rupee should reach the Company's Registered Office atleast 48 hours before the time of The meeting.