

# PIX

## PIX TRANSMISSIONS LIMITED

30th Annual Report  
(2011-12)

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**PIX**

**30th Annual Report  
2011-12**

**PIX TRANSMISSIONS LIMITED**

**Board of Directors:** Mr Amarpal Sethi (Chairman & Managing Director)  
Mr Sonopal Sethi (Joint Managing Director)  
Mr Sukhpal Singh Sethi  
Mr Rishipal Sethi (Joint Managing Director)  
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 & Company  
[Chartered Accountants, Mumbai]

**Bankers:** 1. State Bank of Hyderabad  
2. State Bank of India  
3. IDBI Bank Ltd.

**Registered Office & Works:** J-7, M.I.D.C., Hingna Road, Nagpur - 440 016  
Tel.: (07104) 236501-504, Fax: (07104) 236505/506  
Website: www.PIXtrans.com

**(Unit No. 2)** K-36, K-37 & K-38, M.I.D.C., 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  
E-mail: Isrl@linkintime.co.in

## **PIX Transmissions Limited**

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### **Notice**

Notice is hereby given that the THIRTIETH 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 26th September, 2012 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, 2012 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 Karanpal 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 Mulla who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint a Director in place of Mr Om Prakash Arora who retires by rotation and being eligible offers himself for re-appointment.
7. To appoint Auditors and to fix their Remuneration.

### **Special Business:**

8. To consider and if thought fit to pass with or without modification following resolution as a special resolution :

“RESOLVED THAT in pursuance to section 198,269,309, 310,311 and other applicable provisions if any of the Companies Act, 1956 read with Schedule XIII of the Companies Act,1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such approval(s) of Central Government or any statutory authority as may be required and in supersession of the resolution passed at the Annual General Meeting held on 30th September, 2009, with respect to re-appointment of Managing Director, Joint Managing Directors and Whole-time Directors consent of the company be and is hereby accorded to pay to the Managing Director/Joint Managing Directors and Whole-time Directors effective 1st August, 2012 till 31st March, 2015 such remuneration comprising of salary, performance linked bonus, commission, perquisites and allowances as may be determined by the Board or a duly constituted remuneration committee thereof from time to time within the maximum limit as mentioned in the explanatory statement annexed hereto:

“RESOLVED FURTHER that the Board of Directors or a duly constituted committee thereof be and is hereby authorized to take all such steps from time to time as may be necessary or desirable to give effect to this Resolution.”

9. To consider and if thought fit to pass with or without the following modification resolution as a special resolution:

“RESOLVED THAT in pursuance to section 198,269,309, 310, 311 and Schedule XIII of the Companies Act,1956 and subject to approval of Central Government , the consent of the company be and is hereby accorded to re-appointment and payment of remuneration including increase in remuneration of Shri Amarpal Sethi as Chairman & Managing Director with effect from 1st April 2012 till 31st March 2015 on terms & conditions as contained in the draft agreement, a copy whereof initialed by the Chairman for the purpose of identification is placed before the meeting with liberty to the Board of Directors to vary, alter and modify such terms of remuneration as may exceed the limit specified in Schedule XIII of the Companies Act, 1956, and Section 309(3) i.e. 5% of the net profit individually and 10% of net profit to all directors in whole time employment, and Section 198 i.e. 11% of the net profit to all directors or any statutory modification, substitution or reenactments thereof, as may be agreed to by the Board of Directors and acceptable to Shri Amarpal Sethi.”

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

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

10. To consider and if thought fit to pass with or without the following modification resolution as a special resolution:

“RESOLVED THAT in pursuance to section 198,269,309, 310, 311 and Schedule XIII of the Companies Act,1956 and subject to approval of Central Government , the consent of the company be and is hereby accorded to re-appointment and payment of remuneration including increase in remuneration of Shri Sukhpal Singh Sethi as a Whole Time Director with effect from 1ST April 2012 till 31st March 2015 on terms & conditions as contained in the draft agreement, a copy whereof initialed by the Chairman for the purpose of identification is placed before the meeting with liberty to the Board of Directors to vary, alter and modify such terms of remuneration as may exceed the limit specified in Schedule XIII of the Companies Act, 1956, and Section 309(3) i.e. 5% of the net profit individually and 10% of net profit to all directors in whole time employment, and Section 198 i.e. 11% of the net profit to all directors or any statutory modification, substitution or reenactments thereof , as may be agreed to by the Board of Directors and acceptable to Shri Sukhpal Singh Sethi.”

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

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

11. To consider and if thought fit to pass with or without modification following resolution as a special resolution:

“RESOLVED THAT in pursuance to section 198,269,309, 310, 311 and Schedule XIII of the Companies Act,1956 and subject to the approval of the Central Government, the consent of the company be and is hereby accorded to re-appointment and payment of remuneration including increase in remuneration of Shri Sonopal Sethi as a Joint Managing Director with effect from 1ST April 2012 till 31st March 2015 on terms & conditions as contained in the draft agreement, a copy whereof initialed by the Chairman for the purpose of identification is placed before the meeting with liberty to the Board of Directors to vary, alter and modify such terms of remuneration as may exceed the limit specified in Schedule XIII of the Companies Act, 1956 and Section 309(3) i.e. 5% of the net profit individually and 10% of net profit to all directors in whole time employment, and Section 198 i.e. 11% of the net profit to all directors or any statutory modification, substitution or reenactments thereof , as may be agreed to by the Board of Directors and acceptable to Shri Sonopal Sethi.”

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

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

12. To consider and if thought fit to pass with or without modification the following resolution as a special resolution :

“RESOLVED THAT in pursuance to section 198,269,309, and Schedule XIII of the Companies Act,1956, the consent of the company be and is hereby accorded to re-appointment and payment of remuneration including increase in remuneration of Shri Joe Paul as a Whole Time Director with effect from 1st April

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2012 till 31st March 2015 on terms & conditions as contained in the draft agreement, a copy whereof initialed by the Chairman for the purpose of identification is placed before the meeting with liberty to the Board of Directors to vary, alter and modify such terms of remuneration so as to not exceed the limit specified in Schedule XIII of the Companies Act, 1956 or any statutory modification, substitution or reenactments thereof, as may be agreed to by the Board of Directors and acceptable to Shri Joe Paul.”

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

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

13. To consider and if thought fit to pass with or without modification the following resolution as a special resolution:

“RESOLVED THAT in pursuance to section 198,269,309, 310, 311 and Schedule XIII of the Companies Act,1956 and subject to approval of Central Government, the consent of the company be and is hereby accorded to re-appointment and payment of remuneration including increase in remuneration of Shri Karanpal Sethi as a Whole Time Director with effect from 1st April 2012 till 31st March 2015 on terms & conditions as contained in the draft agreement, a copy whereof initialed by the Chairman for the purpose of identification is placed before the meeting with liberty to the Board of Directors to vary, alter and modify such terms of remuneration as may exceed the limit specified in Schedule XIII of the Companies Act, 1956 and Section 309(3) i.e. 5% of the net profit individually and 10% of net profit to all directors in whole time employment, and Section 198 i.e. 11% of the net profit to all directors or any statutory modification, substitution or reenactments thereof, as may be agreed to by the Board of Directors and acceptable to Shri Karanpal Sethi.”

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

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

14. To consider and if thought fit to pass with or without modification(s) following resolution as a special resolution:

“RESOLVED THAT in partial modification of resolution passed at the 29th Annual General Meeting of the company held on 21st September, 2011 for the appointment and payment of remuneration of Shri. Rishipal Sethi as Joint Managing Director of the company for a period of three years with effect from 1st April, 2011 to 31st March, 2014 and in accordance with the provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII to the Companies Act, 1956 and applicable provision if any of the Companies Act, 1956 (“the Act”) and subject to the approval of the Central Government, the consent of the company is hereby accorded to the Board of Directors of the company to revise, vary, increase the remuneration payable to Shri Rishipal Sethi as set out in the explanatory statement attached to the notice which may exceed the limit specified in Schedule XIII of the Companies Act, 1956 and Section 309(3) i.e. 5% of the net profit individually and 10% of net profit to all directors in whole time employment and Section 198 i.e. 11% of the net profit to all directors or any statutory modification, substitution or reenactments thereof, as may be agreed to by the Board of Directors and acceptable to Shri Rishipal Sethi.”

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

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

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15. To consider and if thought fit to pass with or without modification(s) following as a Special resolution:

“RESOLVED THAT pursuant to the provisions of Section 81 (1 A) and all other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification(s) or re-enactment thereof for the time being in force and in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company, the rules/ regulations / guidelines, if any, prescribed by the Securities and Exchange Board of India and/ or any other regulatory authority, the listing agreement entered into by the Company with the Stock Exchange where the Equity Shares of the Company are listed and subject to approval(s), consent(s), permission(s) and/or sanction(s), if any, of appropriate authorities, institutions or bodies as may be required, and subject to such conditions as may be prescribed by any of them while granting any such approvals), consent(s), permission(s), and/ or sanction (s), the Board of Directors of the Company (hereinafter referred to as " the Board", which term shall include any Committee of the Board constituted / to be constituted to exercise its powers, including the powers conferred by this resolution) be and is hereby authorized on behalf of the Company to reconfirm issue and allotment of 647500 6% Cumulative Convertible Preference Shares (CCPS) , entitling the preference holder(s) from time to time to apply for equity shares of the Company in one or more tranches, to the promoters and promoter’s group whether or not they are members of the company on preferential placement basis through offer letter and/or information memorandum and/or such other documents/writings in such manner and on such terms and conditions as may be determined by the Board in its absolute discretion, provided that the aggregate number of resultant equity shares of the company to be issued against such cumulative convertible preference shares shall not exceed Seven Lacs equity shares of the face value of Rs.10/- each at a price of equal to Rs. 92.50

or

(a) The average of the weekly high and low of the closing prices of the Company's shares quoted on the stock exchange (Bombay Stock Exchange Limited) during the six months preceding the 'relevant date'.

or

(b) The average of the weekly high and low of the closing prices of the Company's shares quoted on the stock exchange (Bombay Stock Exchange Limited) during the two weeks preceding the 'relevant date',

Whichever is higher;

"RESOLVED FURTHER THAT the resultant equity shares to be issued and allotted/reconfirmed upon exercise of conversion right in accordance with the terms of the offer(s) shall rank pari passu with the existing equity shares of the company in all respects and be listed on domestic stock exchange where the equity shares of the Company are listed;"

"RESOLVED FURTHER THAT for the purpose of giving effect to the issue or allotment of the cumulative convertible preference shares and equity shares arising there from, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deemed necessary, proper or desirable for such purpose and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in the proposed issue, offer and allotment of the said cumulative preference shares and equity shares arising there from , including utilization of the issue proceeds, without being required to seek any further consent or approval of members or otherwise to the end and intent that members shall be deemed to have given their approval thereto expressly by the authority of this resolution :”

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors, or any Director(s) or officer(s) of the Company to give effect to this resolution.

**For and on behalf of the Board of Directors**

**Place: Mumbai**  
**Dated: 06.06.2012**

**Amarpal Sethi**  
**Chairman & Managing Director**

**NOTES**

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. 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 Thursday 20th day of September 2012 to Wednesday 26th day of September 2012 (Both days inclusive).
3. An explanatory statement as required under section 173(2) of the Companies Act 1956 as regard to item nos. 8 to 14 has been annexed to the notice.
4. 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.
5. Information pursuant to Clause 49 of the Listing Agreement for Re-appointment of Directors.

<b>Name of the Directors</b>	<b>Date of Birth</b>	<b>Date of Appointment</b>	<b>Qualification</b>	<b>Directorship in other Companies incorporated in India</b>	<b>Chairman/ Member of other committees of companies</b>
Karanpal Sethi	19.08.1986	01.06.2009	B.Sc Finance & Acc. (USA)	Yes	No
Jose Jacob	11.06.1949	23.03.1998	B. Sc.	No	No
Pradeep Havnur	05.10.1965	29.10.2003	B.A., L.L.B.	No	No
Aqueel Mulla	01.03.1963	07.11.2006	C. Sec.	No	No
Om Prakash Arora	09.12.1939	01.06.2009	B. Com.	No	No
Rishipal Sethi	15.06.1973	29.12.2004	B.Sc. Elec. Engg.	Yes	No

**For and on behalf of the Board of Directors**

**Place: Mumbai**  
**Date: 06.06.2012**

**Amarpal Sethi**  
**Chairman & Managing Director**



**ANNEXURE TO NOTICE****Item No. 8:**

The members of the company in the 27th Annual General Meeting held on 30th September, 2009 had approved the remuneration payable to Executive Directors of the company. It is now proposed to modify, revise, vary, and increase to the maximum limits of remuneration payable to Managing/whole-time Directors of the company to bring the remuneration structure in line with the prevailing in the corporate sector in India. The said revisions/increase in the remuneration payable to Managing/Whole-time Directors may exceed the limits laid down in Schedule XIII, Section 309 and Section 198 of the Companies Act. 1956. The proposed revised structure for remuneration of Managing/Whole-time Directors is as under:

<b>Description</b>	<b>Existing maximum limit (Per Annum) in terms of the approval of Remuneration committee/ shareholders</b>	<b>Proposed maximum limit (Per Annum)</b>
In case of Chairman and Managing Director Shri Amarpal Sethi	Salary excluding perquisites and other benefits Rs.48,00,000/- (Rupees Forty Eight Lacs only)	Salary excluding perquisites and other benefits upto maximum limit Rs.1,20,00,000/- (Rupees One Crore Twenty Lacs only).
In case of Joint Managing Director and Whole-time Director viz. Shri Sonopal Sethi and Shri Sukhpal Singh Sethi	Salary excluding perquisites and other benefits Rs.45,00,000/- (Rupees Forty Five Lacs only)	Salary excluding perquisites and other benefits upto maximum limit off Rs.1,08,00,000/- (Rupees One Crore and Eight Lacs only).
Shri Rishipal Sethi Joint Managing Director	Salary excluding perquisites and other benefits Rs.45,00,000/- (Rupees Forty Five Lacs only)	Salary excluding perquisites and other benefits upto maximum limit of Rs.1,08,00,000/- (Rupees One Crore and Eight Lacs only)

There will not be any changes in the perquisites and other benefits payable to Managing/Whole-time Directors.

The increase in remuneration payable to Managing/Whole-time Directors as noted above would be subject to approval of the Central Government.

The proposed change would enable the company to bring the remuneration structure for the Managing/Whole-time Directors in line with overall structure applicable to the concerned industry.

This may also be treated as the abstract and memorandum of interest under Section 302 of the Companies Act. 1956.

The Board commends the resolution at Item No.8 for approval of the members.

**Directors' Interest:**

Shri Amarpal Sethi, Shri Sukhpal Singh Sethi, Shri Sonopal Sethi and Shri Rishipal Sethi, are deemed to be concerned or interested in the Special business as set out in item No.8, Shri Karanpal Sethi being relative of these Directors may be deemed to be interested or concerned in this resolution.

**Item No. 9 to 13**

The remuneration committee at its meeting held on 30st March, 2012, recommended the re-appointment of Shri Amarpal Sethi, Shri Sonopal Sethi, Shri Sukhpal Singh Sethi, Shri Joe Paul and Karanpal Sethi as Executive Directors of the Company for the period of 3 years from 1st April, 2012 till 31st March, 2015.

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In pursuance of the recommendations of the remuneration committee, the Board of directors at its meeting held on 30th March, 2012, re-appointed the following directors for the period of three years with effect from 1st April, 2012 to 31st March, 2015:

<b>Name of the Director</b>	<b>Re-appointed as</b>
Shri Amarpal Sethi	Chairman & Managing Director
Shri Sonopal Sethi	Joint Managing Director
Shri Sukhpal Singh Sethi	Whole-time Director
Shri Joe Paul	Whole-time Director

### **Nature of Duties:**

Shri Amarpal Sethi has an overall experience of about thirty eight years in business. He looks after overall operation and administration of the Company.

Shri Sonopal Sethi has overall twenty years experience in business. He looks after export sales, import, raw material procurements of the company.

Shri Sukhpal Singh Sethi has an experience of over fifty six years in the business and looks after domestic sales and purchases, raw material procurements of the Company.

Shri Joe Paul has an experience of over twenty seven years and looks after production and factory operation of the Company.

Shri. Karanpal Sethi has an experience of six years in accounting and finance and he looks after accounts and finance of the company.

### **Remuneration:**

The directors shall be entitled to the following emoluments, benefits and perquisites during the period of their employment:

#### **Salary:**

<b>Name of the Director</b>	<b>Salary Scale</b>
Shri Amarpal Sethi *	Rs. 4.00 Lacs to Rs.10.00 Lacs
Shri Sonopal Sethi*	Rs. 3.75 Lacs to Rs.9.00 Lacs
Shri Sukhpal Singh Sethi*	Rs. 3.75 Lacs to Rs.9.00 Lacs
Shri Joe Paul	Rs. 3.00 Lacs
Karanpal Sethi	Rs. 2.50 Lacs

\* The remuneration payable to Shri. Amarpal Sethi, Chairman and Managing Director, Shri. Sonopal Sethi, Joint Managing Director and Shri. Sukhpal Singh Sethi, Whole-time Director may exceed the limits mentioned in Schedule XIII, Section 309 and Section 198 of the Companies Act, 1956.

### **Perquisites:**

Perquisites shall be restricted to an amount equal to annual salary. The perquisites payable to the appointees are as under:

### **Contribution to the provident and pension fund:**

The company shall pay contribution to provident fund and pension fund during the period of tenure of executive directors.

### **Payment of Gratuity:**

The company shall pay gratuity (15 days average salary for completed years of service) however the gratuity amount should not be paid exceeding Rs.1000000/- (Rupees Ten lacs only)

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### **Ex-Gratia:**

The company shall pay to the executive directors ex-gratia as per the policy of the company.

### **Perquisites:**

#### **Housing:**

Furnished accommodation will be provided to the executive director by the company during the period of their association with the company

#### **Car :**

The company shall provide car for the office use together with petrol allowance and expenses.

### **Medical Reimbursement:**

The company shall allow reimbursement of medical expenses of the executive directors, spouse and dependent children.

### **Leave Salary:**

The company shall pay one month leave salary for every 11 months of service.

### **Leave Travel Concession:**

The leave travel concession shall be allowed as per the policy of the company.

### **Personal Accident Insurance:**

The Company shall pay premium of Rs. 5000/- p.a. towards accident insurance of the executive directors of the company.

**Minimum Remuneration:** Where in any financial year, the Company has no profits or its profits are inadequate, the remuneration payable will be in accordance with the provisions of Section II of Part II of Schedule XIII to the Companies Act, 1956, as may be amended from time to time.

In the event of any increase in the limits of the emoluments, benefits and perquisites payable in accordance with the laws, policies, rules, regulations or guidelines in force from time to time, the Company may, in its discretion, increase the remuneration payable to them, subject to obtaining such approvals as may be required.

**Sitting Fees:** No sitting fees will be paid to the appointees for attending the meeting of the Board of Directors or committee thereof of the Company.

### **Other Terms**

- a. The Directors shall not become interested or otherwise be concerned directly or through their spouse and/or minor children in any selling agency of the Company without the prior approval of the Central Government.
- b. The Directors shall be entitled to re-imburement of all actual traveling, lodging & boarding expenses and entertainment expenses reasonably incurred in connection with the business of the Company.
- c. The Directors shall observe secrecy with regard to information acquired by them in the course of their appointment and shall not use the same for their own purpose either during the currency of this agreement is thereafter.

As regard to re-appointment of Shri Amarpal Sethi Chairman and Managing Director, Shri Sonopal Sethi, Joint Managing Director, Shri Sukhpal Singh Sethi, Whole-time Director, Shri Joe Paul, Whole-time Director, Shri. Karanpal Sethi Whole-time Director of the Company in compliance with the applicable provisions of the Companies Act, 1956, Ordinary Resolutions in terms as set out in item no. 9 to 13 of the accompanying Notice are now being placed before the Members in the Annual General Meeting for their approval.

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Except Shri Amarpal Sethi, Shri Sonopal Sethi, Shri Sukhpal Singh Sethi, Shri Joe Paul and Shri. Karanpal Sethi no other Director of the Company is concerned or interested in the said Ordinary Resolutions.

This Explanatory Statement is and should be treated as an abstract under section 302 of the Companies Act, 1956, of the Agreements to be entered into between the Company and Shri Amarpal Sethi, Shri Sonopal Sethi, Shri Sukhpal Singh Sethi, Shri Joe Paul and Shri. Karanpal Sethi.

The agreements between the Company and Shri Amarpal Sethi, Shri Sonopal Sethi, Shri Sukhpal Singh Sethi, Shri Joe Paul and Shri. Karanpal Sethi are available for inspection by the members of the Company its Registered office between 10.00 a.m. to 1.00 p.m. on all working day of the Company.

The Board commends at Item Nos. 9 to 13 of the accompanying notice for approval of the members.

### **Item No. 14:**

At the 29th Annual general Meeting of the company held on 21st September, 2011, the members of the company had appointed Shri. Rishipal Sethi as a Joint Managing Director for a period of three years commencing on and from 1st April, 2011 and ending on 31st March, 2014 on the terms and conditions and at the remuneration payable to as set out in the explanatory attached to the Notice of 29th Annual General Meeting.

The Board of Directors has at its meeting held on 30th March, 2012 on due recommendation of the Remuneration Committee determined and fixed the maximum of remuneration by way of salary payable to Shri Rishipal Sethi for the remainder of the tenure of his office from 1st August, 2012 to 31st March, 2014 which may exceed the limits mentioned in Schedule XIII, Section 198, 309, 310, 311 and all other applicable provisions of the Companies Act, 1956, subject to the approval of the Central Government.

### **Remuneration:**

#### **Salary:**

At present Shri Rishipal Sethi is paid Rs. 3.75 Lacs per month and it is now proposed to increase the salary in the scale of Rs. 4.50 Lacs to Rs. 9.00 per month payable over the remaining tenure of his office.

#### **Perquisites:**

No change in the perquisites and other benefits payable to Shri Rishipal Sethi. The perquisites and benefits would be as per resolution passed at the 29th Annual general Meeting of the company.

The Board commends at Item Nos. 9 to 13 of the accompanying notice for approval of the members.

Except Shri Rishipal Sethi and Shri Sukhpal Singh Sethi, Amarpal Sethi, being the relatives none of other Directors is concerned or interested in this resolution.

### **Item No.15:**

In order to restructure the share capital and augment the long terms resources of the company, and to fulfill the stock exchange requirements it is proposed reconfirmed the issue of 647500 6% Cumulative Convertible Preference shares of Rs. 100/- each on preferential basis to promoters and entity/entities in the promoter group of the company and or other in accordance with the 'Guidelines for Preferential Issues' contained in Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulation 2009 ("the Guidelines"), entitling the Preference holders to convert for equivalent number of fully paid equity shares of Rs. 10/- each at a premium of Rs. 82.50 each or more whichever is higher.

The issue of equity shares arising through the issuance of Cumulative convertible Preference Shares will be at a price equal to:

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- a) The average of the weekly high and low of the closing prices of the company's shares quoted on the stock exchange (Bombay Stock Exchange Limited) during the six months preceding the 'relevant date'; or  
b) The average of the weekly high and low of the closing prices of the Company's shares quoted on the stock exchange (Bombay Stock Exchange Limited) during the two weeks preceding the 'relevant date';

Whichever is higher.

The relevant date' for determining the issue price of the resultant equity shares which will be allotted against convertible preference shares shall be 30 days prior to the date of AGM at which proposed issue will be considered/reconfirmed.

The preference share holders shall be entitled to convert for and be allotted, in one or more tranches, one equity share of the face value of Rs. 10/- each of the Company per Preference share of Rs.100/- each, any time after the date of allotment of preference shares but on or before the expiry of 18 months from the date of allotment of such preference shares. Upon exercise of the right to apply for equity shares, the preference share holders will be liable to make 100% payment of the issue price. The amount paid will be adjusted /set off against the issue price of the resultant equity shares. The Board (or a Committee thereof) upon receipt of the entire payment towards issue price shall allot one equity shares per CCPS (Cumulative Convertible preference Shares,) if the entitlement against the preference shares to apply for the equity shares is not exercised within the specify period of 18 months, such entitlement shall lapse and the amount paid on such preference shares shall stand forfeited.

The preference shares holders shall also be entitled to future bonus / rights issue(s), if any of equity shares or other securities convertible into equity shares by the Company in the same proportion and manner as any other shareholder of the company and the Company shall reserve proportional of such entitlement for the preference holders.

**The shareholding pattern and the identity of the proposed allottees before and after the preferential issue considering full allotment of equity shares arising out of the conversion of preference into equity capital is given below:**

Shareholders	Percentage of shareholding before the proposed preferential allotment of shares		Percentage of shareholding after the conversion of preference shares	
	No. of Shares	% of Share Capital	No. of Shares	% of Share Capital
<b>A. Promoters &amp; Group</b>				
Mr. Sukhpal Singh Sethi / Mrs. Davinder Sethi	839145	6.49	839145	6.16
Mr. Amarpal Sethi / Mrs. Inderjeet Sethi	993825	7.69	993825	7.29
Mr. Sonopal Sethi / Mrs. Kamalpreet Sethi	1051000	8.13	1284514	9.43
Mr. Rishipal Sethi / Mrs. Saba Sethi	748488	5.79	981460	7.20
Mrs. Nirmal Sethi / Mr. Sonopal Sethi	959212	7.42	959212	7.04
Mrs. Davinder Sethi / Mr. Sukhpal Singh Sethi	554551	4.29	554551	4.07
Mrs. Inderjeet Sethi / Mr. Amarpal Sethi	708490	5.48	708490	5.20
Mrs. Kamalpreet Sethi / Mr. Sonopal Sethi	222700	1.72	222700	1.63
Mrs. Saba Sethi / Mr. Rishipal Sethi	93800	0.73	93800	0.69
Mr. Karanpal Sethi / Mrs. Inderjeet Sethi	537706	4.16	771220	5.66
<b>Sub Total: [A]</b>	<b>6708917</b>	<b>51.90</b>	<b>7808191</b>	<b>54.38</b>
<b>B. Bodies Corporate</b>	<b>978139</b>	<b>7.56</b>	<b>978139</b>	<b>7.18</b>
<b>C. Others</b>	<b>5234044</b>	<b>40.51</b>	<b>4835770</b>	<b>38.41</b>
<b>Sub Total : [B + C]</b>	<b>12921100</b>	<b>99.97</b>	<b>13621100</b>	<b>99.97</b>
<b>D. Institutions and FIIS</b>	<b>4100</b>	<b>0.03</b>	<b>4100</b>	<b>0.03</b>
<b>Sub Total : [D]</b>	<b>4100</b>	<b>0.03</b>	<b>4100</b>	<b>0.03</b>
<b>Total</b>	<b>12925200</b>	<b>100</b>	<b>13625200</b>	<b>100</b>

## PIX Transmissions Limited

### I. The object/s of the issue

To restructure the share capital and augment long term resources of the company

### II. Intention of Promoters/Directors key management persons to subscribe to the offer;

Letters of intent received from following promoters ;

1. Mr. Sonopal Sethi / Mrs. Kamalpreet Sethi
2. Mr. Rishipal Sethi / Mrs. Saba Sethi
3. Mr. Karanpal Sethi / Mrs. Inderjeet Sethi

None of the shareholders other than promoters group and /or others agreeing to subscribe to the offer has been received. In the event, any of the preference shares remaining unsubscribed by any of the aforesaid promoters for any reason whatsoever, the same will be offered and allotted by the Board at its absolute discretion to any other person/entity owned and controlled by the promoter group.

The proposed allotment of Equity Shares on conversion of preference to the allottees mentioned in the resolution shall be subject to such lock-in as may be prescribed by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulation 2009 relating to the preferential Issue.

### III. Shareholding pattern before and after the offer / identification of allottees.

Shareholders	Percentage of shareholding before the proposed preferential allotment of shares		Percentage of shareholding after the exercise of conversion of preference shares into equity	
	No. of Shares	% of Share Capital	No. of Shares	% of Share Capital
<b>A. Promoters &amp; Group</b>				
Mr. Sukhpal Singh Sethi / Mrs. Davinder Sethi	839145	6.49	839145	6.16
Mr. Amarpal Sethi / Mrs. Inderjeet Sethi	993825	7.69	993825	7.29
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<b>Sub Total : [A]</b>	<b>6708917</b>	<b>51.90</b>	<b>7808191</b>	<b>54.38</b>
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<b>C. Others</b>	<b>5234044</b>	<b>40.51</b>	<b>4835770</b>	<b>38.41</b>
<b>Sub Total : [B + C]</b>	<b>12921100</b>	<b>99.97</b>	<b>13621100</b>	<b>99.97</b>
<b>D. Institutions and FIIS</b>	<b>4100</b>	<b>0.03</b>	<b>4100</b>	<b>0.03</b>
<b>Sub Total : [D]</b>	<b>4100</b>	<b>0.03</b>	<b>4100</b>	<b>0.03</b>
<b>Total</b>	<b>12925200</b>	<b>100</b>	<b>13625200</b>	<b>100</b>

#### Note:

The Company will comply with applicable provision of SEBI guidelines / regulations at the time of conversion of cumulative convertible preference shares.

### IV. Proposed time within which the allotment shall be completed

The allotment and dispatch of the preference shares in terms of the resolution set out in the accompanying Notice shall be completed within 15 days from the date of passing the resolution.

Provided further that where the allotment on preferential basis is pending on account of pendency of any approval of such allotment by any regulatory authority or the Central Government, the allotment shall be

## **PIX Transmissions Limited**

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completed within 15 days from the date of such approval.

The Auditors' certificate certifying that the conversion of the existing redeemable cumulative preference shares into cumulative convertible preference shares is being made in accordance with the Guidelines will be available for inspection at the Registered Office of the Company during 11.00 am and 4.00 pm on any working day up to the last date fixed for the Extra Ordinary General Meeting.

The equity shares arising out of conversion of cumulative convertible preference shares pursuant to the Resolution shall rank pari passu in all respects with the then existing equity shares of the Company and will be listed on domestic stock exchanges where the equity shares of the Company are listed.

Pursuant to the provisions of Section 81(1A) of Companies Act, 1956, any offer or issue of shares in a company to existing preference holders other than the holders of the equity shares of a company or to such holders otherwise than in proportion to the capital paid up, requires prior approval of the shareholders in general meeting by a Special resolution.

The Board commends the Special Resolution as set out in the Notice for Members' approval.

Shri Sonopal Sethi, Shri Rishipal Sethi and Shri. Karanpal Sethi may be deemed to be concerned or interested in the Special Resolution to the extent of cumulative convertible preference shares that may be subscribed by them or by the companies/bodies corporate of the promoter group.

None of the other Directors of the Company is, in any way, concerned or interested in the resolution.

**For and on behalf of the Board of Directors**

**Amarpal Sethi**  
**Chairman & Managing Director**

**Place : Mumbai**  
**Date : 06.06.2012**

**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 million 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 systematic approach to achieve continual improvement in environment performance by strengthening the greening of supply chain, occupational health & safety while complying to 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 also apprise you on the recent developments in PIX preparatory to achieve revenues of Rs. 300 crores in FY 2011-12 and the challenges that lie ahead.

**Financial Performance:**

Although the year 2011-12 has been yet another challenging year for the global markets, it has been better than the previous year. Your company has achieved overall revenues of Rs. 229 crores in FY 2011-12 as compared to Rs. 238 crores in the previous year. The exports during FY 2011-12 have registered revenues of Rs. 115 crores (Rs. 133 crores) and the domestic revenues at Rs. 114 cores (Rs. 125 crores).

On a consolidated basis, our associates have still been a laggard in terms of profits which I expect to get corrected further during the coming years.

Your company has been receiving Export Awards from CAPEXIL continuously for several years. Your company has been elevated to the Trading House from the Export House Status by the Directorate General of Foreign Trade during FY 2011-12 which will provide better operational convenience on exports.

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

**Organizational, Operational Growth & Strategy:**

Like I appraised you last year, we completed our Capex Programme on the Rigid Mandrel Plant for high pressure Hoses and the automated Common Mixing Plant last year despite international recession in the preceding year. Today your company boasts of having the best infrastructure and capacity in India for Belts and Hoses.

The Rigid-Mandrel Hoses facility at Bazargaon with a capacity of 2.2 million metres received approval and certification from the Chinese Authorities (MA) and German Authorities (Germanischer Lloyd) which certifies the quality and safety of the products. The company is one of the few in the world to manufacture such product and only one in India. 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.

**Note for WIP:**

The company has incurred expenditure on development of production of various new belts for local and Export market. The company intends to develop manufacture of speciality belts for the hitec applications and innovations that are coming in the power transmissions industry and MF type belts for the new generation packaging machines and EPDM rubber cover belts for automotive industries. These would be able to withstand the temps and perform longer.

All the above are new generation products that the company is now proceeding to manufacture to take care of the future needs of the power transmissions industry.

## **PIX Transmissions Limited**

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During the year the company has incurred expenditure on development of new products which are yet to be manufactured commercially. The expenses incurred up to 31.03.2012 is have been carried forward in capital work in progress.

Opening balance as 01.04.2011	Rs. 38,050,000.00
Addition during the year	<u>Rs. 170,621,953.00</u>
Total Work In Progress as on 31.03.2012	Rs. 208,671,953.00

The fully Automated Rubber Mixing Plant at Nagalwadi is a Centralized Plant with Single Point Quality Control which has resulted in a better operational efficiency, as it has absorbed the present rubber mixing facilities at Hingna and Bazargaon. It has also provided 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 products range of Hoses, Belts and Assemblies that the organization has in its range and proposes to innovate.

Some of the Govt. 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.

### **Appreciation**

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  
6th June, 2012

## PIX Transmissions Limited

### DIRECTORS' REPORT

To,  
The members of PIX Transmissions Ltd,

The directors are pleased to present the THIRTIETH ANNUAL REPORT and the Audited Statement of Accounts for the year ended 31st March 2012, together with notice of Annual General Meeting.

### Financial Results

Given below is the financial performance of the Audited Accounts for the year ended 31st March 2012:

(Rs. in lacs)

Particulars	As on 31.03.2012	As on 31.03.2011
Sales (Net – Excise)	21822.78	22829.35
Other income	-	8.03
	<b>21822.78</b>	<b>22837.38</b>
Profit before Depreciation	2105.65	2613.24
Depreciation	2025.37	1995.86
Profit before tax after depreciation	80.28	617.38
Less : Provision for taxation		
a) Current year	40.00	140.00
b) Deferred Tax Liability	(21.74)	113.04
	62.01	364.34
<b>Less:</b>		
Capital Redemption Reserve	-	647.50
Proposed Dividend	-	96.94
Tax on Dividend	-	16.46
	-	760.90
<b>Total</b>	<b>62.01</b>	<b>(396.56)</b>
Balance of Profit Brought down	776.13	1172.69
<b>Amount available for Appropriation &amp; carried to Balance Sheet</b>	<b>838.14</b>	<b>776.13</b>

The Company's Sales & Income during the Financial Year 2011-12 computed of the following:

(Rs. in lacs)

S. No.	Particulars	Current Year	Previous Year
1.	Belts	16403	16115
2.	Hoses	5818	6367
3.	End Fittings	203	113
4.	Other items	537	1208
		-----	-----
		22961	23803
		=====	=====

### Joint Ventures

#### 1. PIX Europe Limited, U.K. - Joint Venture

PIX Europe Limited promoted to carrying on business of PIX Products and other products in the market of European Countries, Germany and China.

#### 2. PIX QCS Limited, Ireland - Joint Venture

PIX QCS Limited promoted to carrying on business of PIX Products and other products in the market of Ireland.

### Subsidiaries

The subsidiaries of the company during the year under review are given below:

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

PIX South America Importacao E Exportacao De Correias E Mangueiras Ltda promoted to carrying on business of PIX Products in the market of Argentina, Chile, Brazil & Peru etc.

The joint venture agreement with the subsidiary company has been revoked with effect from 15th April, 2011 and investments have been sold off during the year.

#### 2. PIX Middle East FZC, UAE.

PIX Middle East FZC promoted to carry on business of PIX Products in the market of Middle East Countries.

### PRODUCT DEVELOPMENT TO JUSTIFY WIP

The company has incurred expenditure on development of production of various new belts for local and Export market. The company intends to develop manufacture of speciality belts for the hitec applications and innovations that are coming in the power transmissions industry and MF type belts for the new generation packaging machines and EPDM rubber cover belts for automotive industries. These would be able to withstand the temps and perform longer.

All the above are new generation products that the company is now proceeding to manufacture to take care of the future needs of the power transmissions industry.

During the year the company has incurred expenditure on development of new products which are yet to be manufactured commercially. The expenses incurred up to 31.03.2012 have been carried forward in capital work in progress.

## PIX Transmissions Limited

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Opening balance as 01.04.2011	Rs. 38,050,000.00
Addition during the year	Rs. 170,621,953.00
Total Work in Progress as on 31.03.2012	Rs. 208,671,953.00

### 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.

### 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 2012.

### 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. However having regard to the provisions of Section 219(1) (b) (IV) of the Companies Act, 1956, the annual report excluding the aforesaid information is being sent to all the members of the company and others entitled thereto. Any member interested in obtaining such particulars may write to the company secretary at the registered office of the company.

### Directors

To appoint Directors in place of Mr Karanpal Sethi, Mr Jose Jacob, Mr Pradeep Havnur, Mr Aqueel Mulla & Mr Om Prakash Arora 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.

### Cost Auditor

As per the requirements of Central Government and in pursuance of Section 233B of the Companies Act, 1956, your Directors have appointed M/s Manisha & associates, Nagpur, Cost Accountants, as cost auditors of the Company to carry out the audit of cost accounting records for the financial year 2011-12.

## 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) Water
- 2) Steam
- 3) 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

## PIX Transmissions Limited

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etc which resulted in reduction of fresh water consumption.

- 1.2. Installation of cooling towers for recirculation of water used for machines cooling, conserve 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 provide good quality of drinking water.
- 1.4. Collection of maximum amount of steam condensate, reduce 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.
- 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.

The Form "A" for disclosure of particulars with respect to conservation of energy is attached to the Director Report.

#### 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.

## **PIX Transmissions Limited**

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### **C. Foreign Exchange Earnings & Outgo**

Particulars regarding foreign exchange earnings and outgo are presented in Schedule 16 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 are sponsored by PIX Transmissions Ltd.

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

The Company provides ambulance to two adjacent villages for transferring sick patients 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 Govt. 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: 06.06.2012**

**ANNEXURE TO DIRECTOR'S REPORT  
PARTICULARS REQUIRED UNDER THE COMPANIES  
(DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988**

**FORM 'A': DISCLOSURE OF PARTICULARS WITH RESPECT OF CONSERVATION OF ENERGY**

Particulars	Year Ended on 31.3.2012	Year Ended on 31.3.2011
<b>(A) Power &amp; Fuel Consumption</b>		
<b>(1) Electricity</b>		
<b>(a) Purchased Units</b>	12,546,510	14,815,695
Total Amount (Rs)	80,761,835	85,393,099
Rate / Unit(Rs)	6.44	5.76
<b>(b) Own Generation through Diesel Generator:</b>		
Unit	--	--
Unit per Ltr. of Diesel Oil	--	--
Cost / Unit (Rs)	--	--
Through Steam Turbine / Generator:		
Unit	--	--
Unit per Ltr. of Fuel / Gas	--	--
Cost / Unit (Rs)	--	--
<b>(2) Coal</b>		
Quantity (M.T.)	--	--
Total Cost (Rs)	--	--
Average Rate (Rs)	--	--
<b>(3) Furnace Oil</b>		
Quantity K. Ltr.	24,514	2,778
Total Amount (Rs)	114,047,289	95,107,104
Average Rate (Rs)	46.52	34.24
<b>(4) Others / Internal Generation:</b>		
Quantity	-	-
Total Cost (Rs)	-	-
Rate / Unit (Rs)	-	-

**(b) Consumption Per Unit of Production:\***

Product Unit:  
Electricity KWH PMT  
Furnace Oil Ltr. PMT  
Coal

Due to multiplicity of products consumption per unit not ascertainable.

**PIX Transmissions Limited****Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies  
(Rs. In thousands 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	31.03.2012	31.03.2012
2	Shares of the Subsidiary Company held on the above date and extent of holding		
(a)	Equity Shares	NIL	150,000
(b)	Extent of Holding	NIL	87%
3	The net aggregate amount of the Subsidiaries profit /(loss) so far as it is concerned with the members of PIX Transmissions Limited	NIL	
i)	Not dealt within the holding company's accounts	NIL	
(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	NIL	NIL
a)	For the financial year of the Subsidiary	NIL	NIL
b)	For the previous financial years of the subsidiary /since it became the Holding company's subsidiary	NIL	NIL

**PLACE: MUMBAI**  
**DATE: 06.06.2012**

**AMARPAL SETHI**  
**[CHAIRMAN & MANAGING DIRECTOR]**

**SONEPAL SETHI**  
**[JOINT MANAGING DIRECTOR]**



**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 quarter of 2009. In the first quarter of 2010 the economy showed 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 Turnover for the year under review is Rs. 22,960.92 Lacs. The profit before interest and depreciation and tax is Rs.4,451.05 Lacs

The profit before tax is Rs. 80.27 Lacs after providing Rs.2,345.40 Lacs for Interest and Rs. 2,025.37 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**

**Place: Mumbai**  
**Date: 06.06.2012**

**Amarpal Sethi**  
**Chairman & Managing Director**

**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 are on the Corporate and due compliance report on specific areas wherever applicable for the year ended 31st March 2012 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 2012, comprising of four Whole-Time Promoter Directors, one Executive Promoter Director, one Executive Director and six Non-executive Independent Directors.

Sr. No.	Name of the Director	Category / Status	No. of Directorship in other boards as on 31.03.2012 [Refer note below]*	No. of memberships in other board committee as on 31.03.2012 [Refer note below]**
1	Amarpal Sethi [Chairman & Managing Director]	Executive Promoter Director	--	--
2	Sonepal Sethi [Joint Managing Director]	Executive Promoter Director	Prominent Infrastructure Pvt. Ltd.	--
3	Sukhpal Singh Sethi	Executive Promoter Director	--	--
4	Rishipal Sethi	Executive Promoter Director	Prominent Infrastructure Pvt. Ltd.	--
5	Karanpal Sethi	Executive Promoter Director	Prominent Infrastructure Pvt. Ltd.	--
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	Pardeep Havnur	Independent Non-Executive Director	--	--
11	Aqueel A. Mulla	Independent Non-Executive Director	--	--
12	Om Prakash Arora	Independent Non-Executive Director	--	--

## **PIX Transmissions Limited**

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- \* Excludes Directorship in Indian Private Limited Companies membership of managing committee of various bodies.
- \*\* Board Committees include chairmanship/membership of Audit committees, shareholder grievance committee and remuneration committee other than PIX Transmissions Limited.
- \*\*\* Mr Amarpal Sethi, Mr Sonopal Sethi 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 Sonopal 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.
- \*\*\*\* 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, 2011 to 31st March, 2012 the Board of Directors met ten times on the following days:

<b>Sr. No.</b>	<b>Date</b>	<b>Board Strength</b>	<b>No. of Directors Present</b>
1	20.04.11	12	4
2	30.05.11	12	11
3	13.08.11	12	10
4	15.09.11	12	4
5	21.09.11	12	4
6	29.09.11	12	4
7	29.10.11	12	4
8	24.11.11	12	11
9	13.02.12	12	11
10	30.03.12	12	11

**C. Attendance of Directors :**

Sr. No.	Name of Directors	No. of Board Meetings held	No. of Board Meetings attended	Attendance at the last Annual General Meeting
1	Amarpal Sethi [Chairman & Managing Director]	10	10	Yes
2	Sonepal Sethi [Joint Managing Director]	10	10	Yes
3	Sukhpal Singh Sethi	10	10	Yes
4	Rishipal Sethi	10	4	No
5	Karanpal Sethi	10	0	No
6	Darshan Singh Chadha	10	5	No
7	Jose Jacob	10	5	Yes
8	Haresh Edinani	10	5	Yes
9	Joe Paul	10	10	Yes
10	Pardeep Havnur	10	5	No
11	Aqueel A. Mulla	10	5	Yes
12	Om Prakash Arora	10	5	No

**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.

**4. COMMITTEES OF DIRECTORS:****i) Audit Committee:**

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

1. Mr Haresh Eidnani - Chairman
2. Mr Amarpal Sethi - Managing Director
3. Mr Jose Jacob - 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 01.04.2011 to 31.03.2012 the Audit committee met four times on the following dates:

1. 30.05.2011
2. 13.08.2011
3. 24.11.2011
4. 13.02.2012

## PIX Transmissions Limited

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

Sr. No.	Name of Director	No. of Meetings held	No. of Meetings attended
1	Mr Haresh Eidnani	4	4
2	Mr Amarpal Sethi (Chairman & Managing Director)	4	4
3	Mr Jose Jacob	4	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 regularly 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 31.03.2012, 59 complaints/queries were received up to 31st March, 2012. 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, 2012.

### III) Remuneration to Directors:

Details of Directors’ sitting fees, commission and remuneration paid / payable to directors during the financial year April 2011 to March 2012:

#### a) Promoter Directors:

Name of Directors	Salary	Perquisites	Retirement Benefits / Leave Encashment	Performance Linked Incentive / Bonus
Mr. Amarpal Sethi	48,00,000	--	N.A.	N.A.
Mr. Sonopal Sethi	45,00,000	--	N.A.	N.A.
Mr. Sukhpal Singh Sethi	45,00,000	--	N.A.	N.A.
Mr. Karanpal Sethi	18,00,000	--	N.A.	N.A.
Mr. Rishipal Sethi	30,00,000	--	N.A.	N.A.

## PIX Transmissions Limited

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### b) Executive Director:

Name of Directors	Salary	Perquisites	Retirement Benefits / Leave Encashment	Performance Linked Incentive / Bonus
Mr Joe Paul	25,12,380	–	N.A.	N.A.

### c) Independent Non-Executive Directors :

Name of Directors	Commission (Provided For)	Sitting Fees Paid
Mr Jose Jacob	Nil	15,000
Mr Haresh Eidnani	Nil	15,000
Mr Pradeep Havnur	Nil	15,000
Mr Darshan Singh Chadha	Nil	15,000
Mr Aqueel A. Mulla	Nil	15,000
Mr Om Prakash Arora	Nil	15,000

## 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
27	30th September 2009	9.30 A.M.	J-7, MIDC, Hingna, Nagpur – 440 016
28	22nd September 2010	9.30 A.M.	J-7, MIDC, Hingna, Nagpur – 440 016
29	21st September 2011	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:

- Overseeing the company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending appointment, remuneration and removal of external auditor.
- Reviewing with management the quarterly and annual financial statements before submission to the Board focusing primarily on.

## **PIX Transmissions Limited**

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- I. Any change in the accounting policies & practices.
- 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., C-13, Pannalal Silk Mill Compound, L.B.S. Marg, Bhandup – West, Mumbai – 400 078.

### **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.

## PIX Transmissions Limited

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### General Body Meeting

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

Financial Year (ended)	Date	Time	Venue
31.03.2009	30th September 2009	9.30 A.M.	J-7, MIDC, Hingna, Nagpur – 440 016
31.03.2010	22nd September 2010	9.30 A.M.	J-7, MIDC, Hingna, Nagpur – 440 016
31.03.2011	21st September 2011	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:

Sr. No.	Date	Time	Venue	Purpose
1	11.02.2009	9.30 a.m.	J-7, MIDC, Hingna, Nagpur – 440 016	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:
2	22.09.2010	9.30 a.m.	J-7, MIDC, Hingna, Nagpur – 440 016	Conversion and Issue of new 647500 6% Cumulative Convertible Preference Shares of Rs.100/- each to the promoters of the company out of existing 1117100 6%. Redeemable Cumulative Non Convertible Preference Shares of Rs.100/- each.

### Communication to Shareholders

During the year, financial results of the company have been published in leading newspapers like Economic Times, Times of India and Sakal.

### Annual General Meeting

Date & Time : 26th September 2012 at 9.30 a.m.  
Venue : J-7, MIDC, Hingna Road, Nagpur – 440016  
Financial Calendar : 1st April 2011 to 31st March 2012.



## PIX Transmissions Limited

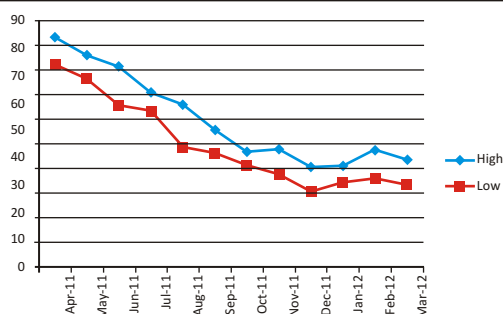
### Listing on Stock Exchange

The Company's shares are listed on Bombay Stock Exchange Ltd, Mumbai. The Annual Listing Fees for 2011-2012 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 2011-2012 on Bombay Stock Exchange

Month	High	Low
Apr 2011	83.90	74.00
May 2011	77.50	68.70
June 2011	73.20	59.15
July 2011	63.80	57.05
Aug 2011	59.30	43.95
Sept 2011	50.00	41.60
Oct 2011	42.15	37.25
Nov 2011	42.95	34.00
Dec 2011	36.65	27.55
Jan 2012	37.00	31.05
Feb 2012	42.65	32.50
Mar 2012	39.20	30.00



### Distribution of Share Holding as on 31st March, 2012

Share Holding of Nominal Value of	No. of Share Holders	Percentage of Share Holders	No. of Shares Held	Percentage of Shares Held
Up to 500	15,465	94.77 %	1,572,468	12.17 %
501 to 1000	409	2.51 %	340,534	2.63 %
1001 to 2000	201	1.23 %	303,298	2.35 %
2001 to 3000	84	0.52 %	217,481	1.68 %
3001 to 4000	20	0.12 %	74,031	0.57 %
4001 to 5000	33	0.20 %	158,904	1.23 %
5001 to 10000	40	0.25 %	309,080	2.39 %
10001 and above	66	0.40 %	9,949,404	76.98 %
<b>Total</b>	<b>16,318</b>	<b>100.00 %</b>	<b>12,925,200</b>	<b>100.00 %</b>

### Distribution of shareholding by ownership as on 31st March, 2012

Category	No. Shares of Rs. 10/-each	Percentage of holding
Promoters (Indian Promoters including directors and their relatives)	6,708,717	51.90
Mutual Funds, UTI, Banks, Financial Institutions, Insurance Companies (Central/State Government / Non-Governments) Institutions	4,100	0.03
Bodies corporate	978,139	7.57
Indian Public	5,180,530	40.04
NRI/OCB's	55,747	0.44
Clearing Members / Market Maker	2,067	0.02
<b>Total</b>	<b>12,925,200</b>	<b>100.00</b>

### Dematerialization 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, 2012, 90.63% 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

Particulars	As on 31-03-2012	Percentage[%]
No. of Shares held by NSDL	10,006,244	77.42
No. of Shares held by CDSL	1,707,696	13.21
Physical Shares	1,211,260	9.37
<b>Total</b>	<b>12,925,200</b>	<b>100.00</b>

### Investor Services

The Share transfer for electronic shares and physical shares is handled by M/s Link Intime India Pvt. Ltd., Mumbai, 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 6th June 2012. 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 : 06.06.2012**

## PIX Transmissions Limited

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### 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, 2012.

**Amarpal Sethi**  
**Chairman & Managing Director**

### CFO CERTIFICATION

I, Sonopal Sethi, Joint 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.

**Sonopal Sethi**  
**Joint Managing Director**

**Place: Mumbai**  
**Date: 06.06.2012**

**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, 2012, 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, 2012, 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: 06.06.2012**

**AUDITORS REPORT TO THE MEMBERS**

We have audited the attached Balance Sheet of M/s PIX Transmissions Limited as at 31st March, 2012 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 information 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 as 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, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 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, 2012.

b) In the case of the Profit and Loss account, of the Profit for the year ended on that date.

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  
Firm Registration No 130850W**

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

**Place: Mumbai  
Dated: 06.06.2012**

**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 were Rs. 5643.14 lacs (previous year Rs. 4108.50) 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 under section 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;

## PIX Transmissions Limited

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- 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 lacs 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 prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for 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, 2012.
- 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 on 31.03.2012 for a period of more than six months from the date they became payable except Sales Tax Rs.1,207,371 (for 2004-2005) and amount of Sales Tax payable Rs.1,280,894 (for 2003-04)
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, 2012.
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  
Firm Registration No 130850W**

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

**Place: Mumbai  
Dated: 06.06.2012**

**PIX TRANSMISSIONS LIMITED**  
**BALANCE SHEET AS AT 31st MARCH, 2012**

Sr. No.	Particulars	Note No.	As at 31st March, 2012	As at 31st March, 2011
<b>A</b>	<b>Equity and Liabilities</b>			
<b>I</b>	<b>Shareholders' Fund</b>			
<b>a</b>	Share Capital	<b>01</b>	240,952,000	240,952,000
<b>b</b>	Reserves and Surplus	<b>02</b>	298,567,991	292,366,815
<b>II</b>	<b>Share Application Money Pending Allotment</b>		-	-
<b>III</b>	<b>Non - Current Liabilities</b>			
<b>a</b>	Long - Term Borrowings	<b>03</b>	1,302,601,314	1,166,063,993
<b>b</b>	Deferred Tax Liabilities (Net)	<b>04</b>	107,207,630	109,381,305
<b>c</b>	Long - Term Provisions	<b>05</b>	43,815,712	37,030,275
	<b>Current Liabilities</b>			
<b>a</b>	Short - Term Borrowings	<b>06</b>	900,603,675	884,642,509
<b>b</b>	Trade Payables	<b>07</b>	439,769,139	481,058,751
<b>c</b>	Other Current Liabilities	<b>08</b>	89,017,305	98,575,504
<b>d</b>	Short - Term Provisions	<b>09</b>	2,795,364	16,115,930
	<b>TOTAL</b>		<b>3,425,330,131</b>	<b>3,326,187,081</b>
<b>B</b>	<b>Assets</b>			
<b>I</b>	<b>Non - Current Assets</b>			
<b>a</b>	<b>Fixed Assets</b>			
<b>i</b>	<b>Tangible Assets</b>	<b>10</b>	1,724,375,219	1,890,606,122
<b>ii</b>	Intangible Assets			
<b>iii</b>	Capital Work - In - Progress	<b>10A</b>	208,671,953	38,050,000
<b>b</b>	Non- Current Investment	<b>11</b>	15,417,192	18,171,592
<b>c</b>	Long - Term Loans and Advances	<b>12</b>	96,576,573	118,256,182
<b>d</b>	Other Non- Current Assets	<b>13</b>	1,332,567	1,648,792
<b>II</b>	<b>Current Assets</b>			
<b>a</b>	Inventories	<b>14</b>	690,445,442	614,931,984
<b>b</b>	Trade Receivable	<b>15</b>	427,918,084	418,869,920
<b>c</b>	Cash and Cash Equivalents	<b>16</b>	83,174,562	83,467,529
<b>d</b>	Short-term Loans and Advances	<b>17</b>	163,045,579	140,010,811
<b>e</b>	Other Current Assets	<b>18</b>	14,372,961	2,174,149
	<b>TOTAL</b>		<b>3,425,330,131</b>	<b>3,326,187,081</b>

Significant Accounting Policies  
Notes on Financial Statements 1 to 27

As per our report of even date

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

**S. C. Bandi**  
**Proprietor**

**Place: Mumbai**  
**Date: 06.06.2012**

**Shri Amarpal Sethi**  
**(Chairman & Managing Director)**

**Shri Sonopal Sethi**  
**(Joint Managing Director)**

**Shri Haresh Eidnani**

**Shri Aqueel A. Mulla**

**PIX TRANSMISSIONS LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2012**

Sr. No.	Particulars	Note No.	1.04.2011 to 31.03.2012	01.04.2010 to 31.03.2011
I	Revenue from Operations	19	2,167,313,932	2,185,948,233
II	Other Operating Income	20	14,964,456	97,790,096
III	<b>Total Revenue (I+II)</b>		<b>2,182,278,389</b>	<b>2,283,738,329</b>
IV	<b>Expenses:</b>			
a	Cost of Materials Consumed	21	1,077,906,967	1,192,974,194
b	Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	22	(16,195,127)	(21,376,035)
c	Employee Benefits Expense	23	296,783,001	266,978,777
d	Other Expenses	24	378,678,871	384,242,422
	<b>Total (a to d)</b>		<b>1,737,173,711</b>	<b>1,822,819,358</b>
	<b>Earnings Expenses before Interest, Depreciation and Tax (EBITDA)</b>			
e	Finance Cost	25	234,539,789	199,594,299
f	Depreciation	26	202,537,387	199,585,927
	<b>Total (e + f)</b>		<b>437,077,176</b>	<b>399,180,226</b>
	<b>Total Expenses (IV)</b>		<b>2,174,250,887</b>	<b>2,221,999,584</b>
	<b>Profit Before Tax</b>		<b>8,027,501</b>	<b>61,738,745</b>
V	<b>Tax Expense:</b>			
1	Current Tax		4,000,000	14,000,000
2	Deferred Tax		(2,173,675)	11,303,951
	<b>Total Tax Expenses</b>		<b>1,826,325</b>	<b>25,303,951</b>
VI	Profit (Loss) for the Year from Operations (After Tax)		6,201,176	36,434,794
VII	Earnings Per Equity Share Basic and Diluted Earnings Per Equity Share		0.50	2.91

Significant Accounting Policies  
Notes on Financial Statements 1 to 27

As per our report of even date

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

**S. C. Bandi**  
**Proprietor**

**Place: Mumbai**  
**Date: 06.06.2012**

**Shri Amarpal Sethi**  
**(Chairman & Managing Director)**

**Shri Sonopal Sethi**  
**(Joint Managing Director)**

**Shri Haresh Eidnani**  
**Shri Aqueel A. Mulla**

## PIX TRANSMISSIONS LIMITED

Particulars	1.04.2011 to 31.03.2012	01.04.2010 to 31.03.2011
<b>Schedule - 1</b>		
<b>Share Capital Authorised</b>		
20500000 (Previous year 20500000) equity shares of Rs. 10/- each	205,000,000	205,000,000
1500000 (1500000) non-convertible 6% cumulative redeemable preference shares of Rs. 100/- each	150,000,000	150,000,000
1450000 (1450000) convertible 6% preference shares of Rs. 100/- each	145,000,000	145,000,000
	<b>500,000,000</b>	<b>500,000,000</b>
<b>A. Issued and Subscribed Equity Shares</b>		
12925200 (Previous year 11685200) equity share of Rs. 10 each	129,252,000	116,852,000
Addition during the year after conversion of warrant in equity Rs. 10/- each nil (Previous year 1240000)	-	12,400,000
12925200 (Previous year 11685200) equity shares of Rs. 10/- each fully paid up	129252000	129252000
Less: Allotment money in arrears from public other than Directors	11000	11000
	129241000	129241000
<b>B. Non-convertible 6% cumulative redeemable preference share</b>		
469610 (Previous year 1117110) of Rs. 100/- each	46961000	111711000
Less: Redeemed preference shares nil (Previous year 647500) at the rate of Rs.100/- each	0	64750000
	46961000	46961000
<b>C. Convertible 6% cumulative preference shares of Rs. 100/- each</b>		
647500 convertible preference shares of Rs. 100/- each during the year	64750000	64750000
<b>Paid up capital (A+B+C)</b>	240952000	240952000
<b>Application Money of Warrants</b>		
Nil (Previous year 2800000) warrants at Rs. 30/- each. Appl. money at Rs. 3/- (10%) received		3720000
Less: Nil (1240000) warrants converted into equity shares		3720000
Balance warrants	0	0
<b>Total</b>	<b>240952000</b>	<b>240952000</b>



## PIX Transmissions Limited

Note: The details of shareholders holding more than 5% shares

Names	(As on 31.03.2012) No. of Shares	%
Nirmal Sethi	959212	7.42
Sonepal Sethi & Kamalpreet Sethi	1051000	8.13
Amarpal Sethi & Inderjeet Sethi	993825	7.69
Inderjeet Sethi & Amarpal Sethi	708290	5.48
Sukhpal Singh Sethi & Davinder Sethi	839145	6.49
Davinder Sethi & Sukhpal Singh Sethi	554551	4.29
Rishipal Sethi & Saba Sethi	748488	5.79

Note: The details of shareholders holding more than 5% shares

Names	(As on 31.03.2011) No. of Shares	%
Nirmal Sethi	109412	8.47
Sonepal Sethi & Kamalpreet Sethi	1051000	8.13
Amarpal Sethi & Inderjeet Sethi	993725	7.69
Inderjeet Sethi & Amarpal Sethi	838290	6.49
Sukhpal Singh Sethi & Davinder Sethi	839125	6.49
Davinder Sethi & Sukhpal Singh Sethi	689451	5.33
Rishipal Sethi & Saba Sethi	748488	5.79

### PIX TRANSMISSIONS LIMITED

Particulars	01.04.2011 to 31.03.2012	01.04.2010 to 31.03.2011
<b>SCHEDULE - 2</b>		
<b>Reserves and Surplus</b>		
i) Capital redemption reserve as per last balance sheet	65,452,000	702,000
Addition during the year	-	64,750,000
	65,452,000	65,452,000
ii) Capital reserve as per last balance sheet	9,407,880	9,407,880
iii) General reserve as per last balance sheet	25,192,608	25,192,608
iv) Share premium account as per last balance sheet	80,959,200	56,159,200
Addition on conversion of equity share warrants during the year	-	24,800,000
	80,959,200	80,959,200
v) Amalgamation reserve balance as per last balance sheet	33,741,683	33,741,683
vi) Profit & loss account balance as per last balance sheet	77,613,444	117,269,546
Add: Profit for the year	6,201,176	36,434,794
	83,814,620	153,704,340
<b>Less: Appropriations</b>		
Transferred to capital redemption reserve on redemption of preference shares	-	64,750,000
Proposed dividend on equity shares dividend	-	9,693,900
Tax on dividend	-	1,646,994
	-	76,090,894
	83,814,620	77,613,444
<b>TOTAL</b>	<b>298,567,991</b>	<b>292,366,815</b>

**PIX Transmissions Limited****PIX TRANSMISSIONS LIMITED**

<b>Particulars</b>	<b>01.04.2011 to 31.03.2012</b>	<b>01.04.2010 to 31.03.2011</b>
<b>SCHEDULE - 3</b>		
<b>Long Term Borrowings</b>		
<b>Secured</b>		
Term loan from banks	276,798,862	391,969,972
From bank rupee loans (Corp. Loan)	57,229,653	99,252,100
From banks against hypothecation of vehicles	12,646,185	17,908,705
From parties against bill discounting	224,658,597	75,013,365
<b>Un-secured</b>		
From related parties	564,314,305	410,849,640
Deferred payment liabilities (SICOM)	166,953,713	171,070,211
<b>Total</b>	<b>1,302,601,314</b>	<b>1,166,063,993</b>

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 promoter directors.
4. Term loan from bank was taken during the financial year 2008-09 and carries the interest @ 13.75% to 14.5%. The loan is repayable in monthly instalments as per repayment schedule starting from April 2010.

**PIX TRANSMISSIONS LIMITED**

<b>Particulars</b>	<b>01.04.2011 to 31.03.2012</b>	<b>01.04.2010 to 31.03.2011</b>
<b>SCHEDULE - 4</b>		
Deferred tax liability	107,207,630	109,381,305
<b>TOTAL</b>	<b>107,207,630</b>	<b>109,381,305</b>

**PIX TRANSMISSIONS LIMITED**

<b>Particulars</b>	<b>01.04.2011 to 31.03.2012</b>	<b>01.04.2010 to 31.03.2011</b>
<b>SCHEDULE - 5</b>		
<b>Long - Term Provisions</b>		
Provision for gratuity	43,815,712	37,030,275
<b>TOTAL</b>	<b>43,815,712</b>	<b>37,030,275</b>

## PIX Transmissions Limited

### PIX TRANSMISSIONS LIMITED

Particulars	01.04.2011 to 31.03.2012	01.04.2010 to 31.03.2011
<b>SCHEDULE - 6</b>		
<b>Short term borrowings secured</b>		
<b>Working capital loans</b>		
From bank rupee loans	716,963,653	702,012,400
<b>Term loan due within next 12 months</b>		
Term loan from banks	119,380,775	137,077,111
From bank rupee loans (Corp. Loan)	40,000,000	40,000,000
<b>Unsecured other loans and advances</b>		
From bank due to excess issue of cheques	24,259,247	5,552,998
<b>Total</b>	<b>900,603,675</b>	<b>884,642,509</b>

1. Working capital from banks are secured by first pari passu charge on current assets and second charge on all fixed assets.
2. Working capital facilities are further secured by personal guarantee of three promoter directors.
3. Term loan from banks are secured by first pari passu charge on all fixed assets and second charge on current assets of the company.

### PIX TRANSMISSIONS LIMITED

Particulars	01.04.2011 to 31.03.2012	01.04.2010 to 31.03.2011
<b>SCHEDULE - 7</b>		
<b>Trade Payables:</b>		
Micro, small and medium enterprises	-	-
Sundry creditors (Others)	439,769,139	481,058,751
<b>Total</b>	<b>439,769,139</b>	<b>481,058,751</b>

### PIX TRANSMISSIONS LIMITED

Particulars	01.04.2011 to 31.03.2012	01.04.2010 to 31.03.2011
<b>SCHEDULE - 8</b>		
<b>Other current liabilities</b>		
<b>Other Liabilities:</b>		
Unclaimed dividends	455,717	-
Advance from customers	42,986,661	34,531,615
<b>Other Payables</b>		
Employees benefits payable	32,589,481	59,481,701
TDS payable	12,985,446	4,562,188
<b>Total</b>	<b>89,017,305</b>	<b>98,575,504</b>

**PIX Transmissions Limited**
**PIX TRANSMISSIONS LIMITED**

Particulars	01.04.2011 to 31.03.2012	01.04.2010 to 31.03.2011
<b>SCHEDULE - 9</b>		
<b>Short - Term Provisions</b>		
Proposed equity dividend	-	9,693,900
Provision for tax on proposed equity dividend	-	1,646,994
Provision for leave benefits	2,795,364	4,775,036
<b>Total</b>	<b>2,795,364</b>	<b>16,115,930</b>

**PIX TRANSMISSIONS LIMITED**
**Fixed Assets for the Period 01.04.2011 to 31.03.2012 (Total of all Units)**
**SCHEDULE - 10 Tangible Assets**

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Gross Value as on 31.03.2011	Additions During the Year	Sold/Trf. During the Year	Total Gross Value as on 31.03.2012	As on 01.04.2011	For the Year	Less Written off	Total	Net Value as on 31.03.2012	Net Value as on 31.03.2011
Plot	38,445,747	-	-	38,445,747	-	-	-	-	38,445,747	38,445,747
Factory Premises	627,734,389	9,550,058	-	637,284,447	108,687,824	20,989,926	-	129,677,750	507,606,696	519,046,564
Plant & Machinery	1,993,935,770	19,454,765	-	2,013,390,535	847,109,625	167,202,287	-	1,014,311,912	999,078,623	1,146,826,145
Electrical Inst.	129,123,599	2,742,666	-	131,866,265	22,678,089	5,704,014	-	28,382,103	103,484,162	106,445,510
Furnitures & Fixtures	64,669,441	411,395	-	65,080,836	19,455,008	4,063,727	-	23,518,735	41,562,101	45,214,433
Office Equipment	53,352,976	2,217,434	-	55,570,410	37,780,645	1,955,197	-	39,735,842	15,834,568	15,572,331
Vehicles	27,150,326	1,930,166	-	29,080,492	8,094,935	2,622,236	-	10,717,171	18,363,321	19,055,391
<b>Total</b>	<b>2,934,412,248</b>	<b>36,306,484</b>	<b>-</b>	<b>2,970,718,732</b>	<b>1,043,806,126</b>	<b>202,537,387</b>	<b>-</b>	<b>1,246,343,513</b>	<b>1,724,375,219</b>	<b>1,890,606,122</b>
Previous Year	2,692,582,484	242,977,508	1,147,743	2,934,412,249	844,983,452	199,585,927	763,252	1,043,806,127	1,890,606,122	1,847,599,032

**PIX TRANSMISSIONS LIMITED**
**Fixed Assets for the Period 01.04.2011 to 31.03.2012 (Total of all Units)**
**SCHEDULE - 10a Work-in-progress**

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Gross Value as on 31.03.2011	Additions During the Year	Sold/Trf. During the Year	Total Gross Value as on 31.03.2012	As on 01.04.2011	For the Year	Less Written off	Total	Net Value as on 31.03.2012	Net Value as on 31.03.2011
Work-in-progress	38,050,000	170,621,953	-	208,671,953	0	0	0	0	208,671,953	38,050,000
<b>Total</b>	<b>38,050,000</b>	<b>170,621,953</b>	<b>-</b>	<b>208,671,953</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>208,671,953</b>	<b>38,050,000</b>

## PIX Transmissions Limited

### PIX TRANSMISSIONS LIMITED

Particulars	01.04.2011 to 31.03.2012	01.04.2010 to 31.03.2011
<b>SCHEDULE - 11</b>		
<b>Long Term Investment (At Cost)</b>		
<b>Subsidiary Company</b>		
<b>In Equity Shares Un-quoted Fully Paid Up</b>		
1. PIX South America Importacao E Exportaca De Correias E Manguieras Ltda (180000 shares of 1 Reyal per share)	-	2,754,400
<b>In Equity Shares Un-quoted Fully Paid Up</b>		
2. PIX Middle East FZC, UAE (130 shares of 1000 Dirham per share)	1,720,500	1,720,500
<b>Joint-Venture Company</b>		
<b>In Equity Shares Un-quoted Fully Paid Up</b>		
1. PIX Europe Limited (125000 shares of 1 £ per share)	8,525,592	8,525,592
<b>In Equity Shares Un-quoted Fully Paid Up</b>		
2. PIX QCS, Ireland (50000 shares of 1 € per share)	3,156,000	3,156,000
<b>Investment In Mutual Funds Un-quoted Fully Paid Up</b>		
SBI - Mutual Fund (200000 at Rs. 10.00 per unit)	2,000,000	2,000,000
<b>In Equity Shares Un-quoted Fully Paid Up</b>		
Co-operative Banks		
1. Four (4) Equity Shares of Sangli Co-op Bank Ltd. (Fully Paid-up)	100	100
2. Equity Shares of Samasta Nagar Co-op Bank Ltd. (Fully Paid Up)	15,000	15,000
<b>Total</b>	<b>15,417,192</b>	<b>18,171,592</b>

**Note:**

- Aggregate value of quoted investment nil previous year nil. Unquoted Investment Rs. 15,417,192/- previous year Rs. 18,171,592/-.
- The shares of subsidiary company sold during the year . The loss on Investment has been transferred to profit and loss account .

## PIX Transmissions Limited

### PIX TRANSMISSIONS LIMITED

Particulars	01.04.2011 to 31.03.2012	01.04.2010 to 31.03.2011
<b>SCHEDULE - 12</b>		
<b>Long - Term Loans and Advances (Unsecured and considered good)</b>		
Loans and advances related parties	13,457,527	36,582,584
Security deposits	9,994,441	11,221,504
Advances to parties	4,389,186	4,389,186
Advance income tax (Net of provision)	7,248,470	483,271
Loans to staff	974,875	5,067,563
<b>Other Loans and Advances</b>		
Receivable from government departments/others	24,950,005	24,950,005
Interest receivable	35,562,069	35,562,069
<b>Total</b>	<b>96,576,573</b>	<b>118,256,182</b>

### LOANS AND ADVANCES IN THE NATURE OF LOANS GIVEN TO SUBSIDIARIES AND ASSOCIATES

Particulars	As at 31.03.2012	As at 31.03.2011
PIX Europe Ltd.	8,266,091	8,266,091
PIX South America (Advance)	-	15,618,372
PIX Middle East FZC, UAE	4,131,815	11,638,500
PIX QCS, Ireland	1,059,621	1,059,621
<b>Total</b>	<b>13,457,527</b>	<b>36,582,584</b>

**Note:**

The shares of subsidiary company PIX South America Importacao e Exportacao de Correias Manguerios Ltda have been sold during the year. The advance of Rs. 15618372/- has been transferred to bad debts.

### PIX TRANSMISSIONS LIMITED

Particulars	01.04.2011 to 31.03.2012	01.04.2010 to 31.03.2011
<b>SCHEDULE - 13</b>		
<b>Other Non- Current Assets (Unsecured, considered good unless stated otherwise)</b>		
Preliminary expenses to the extent not written off	1,332,567	1,648,792
<b>Total</b>	<b>1,332,567</b>	<b>1,648,792</b>

## PIX Transmissions Limited

### PIX TRANSMISSIONS LIMITED

Particulars	01.04.2011 to 31.03.2012	01.04.2010 to 31.03.2011
<b>SCHEDULE - 14</b>		
<b>Inventories (Valued at lower of cost and net realizable value)</b>		
Raw materials	237,025,598	202,244,767
Work-in-progress	59,500,000	57,500,000
Finished goods	230,334,844	216,139,717
Stores and spares	132,510,000	118,547,500
Packing materials	31,075,000	20,500,000
<b>Total</b>	<b>690,445,442</b>	<b>614,931,984</b>

### PIX TRANSMISSIONS LIMITED

Particulars	01.04.2011 to 31.03.2012	01.04.2010 to 31.03.2011
<b>SCHEDULE - 15</b>		
<b>Trade Receivables (Unsecured considered good)</b>		
Outstanding for a period exceeding six months from the date they are due for payments	25,048,679	24,033,499
Others	402,869,405	394,836,421
<b>Total</b>	<b>427,918,084</b>	<b>418,869,920</b>

### PIX TRANSMISSIONS LIMITED

Particulars	01.04.2011 to 31.03.2012	01.04.2010 to 31.03.2011
<b>SCHEDULE - 16</b>		
<b>Cash and Cash Equivalents</b>		
Cash on hand	2,579,008	892,285
<b>Balance with bank</b>		
On current accounts	26,312,393	27,188,863
Deposits with original maturity for more than 12 months	1,946,246	2,307,036
Margin money deposit	52,336,914	53,079,345
<b>Total</b>	<b>83,174,562</b>	<b>83,467,529</b>

**PIX Transmissions Limited**
**PIX TRANSMISSIONS LIMITED**

Particulars	01.04.2011 to 31.03.2012	01.04.2010 to 31.03.2011
<b>SCHEDULE - 17</b>		
<b>Short-Term Loans and Advances</b>		
Advances recoverable in cash or in kind or value of received	76,044,970	66,854,284
Unsecured considered good	1,746,412	19,050
Security deposits receivable from various Govt. departments / others	72,063,519	58,881,122
Staff advance	794,038	1,035,175
Balance with Central Excise	12,396,639	13,221,180
<b>Total</b>	<b>163,045,579</b>	<b>140,010,811</b>

**PIX TRANSMISSIONS LIMITED**

Particulars	01.04.2011 to 31.03.2012	01.04.2010 to 31.03.2011
<b>SCHEDULE - 18</b>		
<b>Other Current Assets</b>		
Interest receivable	12,045,165	-
Pre-paid expenses	2,327,796	2,174,149
<b>Total</b>	<b>14,372,961</b>	<b>2,174,149</b>

**PIX TRANSMISSIONS LIMITED**

Particulars	01.04.2011 to 31.03.2012	01.04.2010 to 31.03.2011
<b>SCHEDULE - 19</b>		
<b>Revenue from Operations:</b>		
<b>A. Sale of products</b>		
	2,259,931,672	2,261,953,540
<b>Total (A)</b>	<b>2,259,931,672</b>	<b>2,261,953,540</b>
<b>B. Other operating revenue</b>		
Scrap sales	21,195,444	21,387,915
<b>Total (B)</b>	<b>21,195,444</b>	<b>21,387,915</b>
<b>Total Revenue from Operation (Gross A + B)</b>	<b>2,281,127,115</b>	<b>2,283,341,455</b>
Less Excise Duty	113,813,183	97,393,222
<b>Total Revenue from Operation (Net)</b>	<b>2,167,313,932</b>	<b>2,185,948,233</b>

**PIX TRANSMISSIONS LIMITED**

Particulars	01.04.2011 to 31.03.2012	01.04.2010 to 31.03.2011
<b>SCHEDULE - 20</b>		
<b>Other Income</b>		
Others	14,964,456	96,987,295
Insurance claim	-	802,801
<b>Total</b>	<b>14,964,456</b>	<b>97,790,096</b>



**PIX Transmissions Limited**
**PIX TRANSMISSIONS LIMITED**

Particulars	01.04.2011 to 31.03.2012	01.04.2010 to 31.03.2011
<b>SCHEDULE - 21</b>		
<b>Cost of Materials Consumed</b>		
<b>A. Raw materials</b>		
Opening stock of raw materials	202,244,767	200,993,649
Add: Raw materials purchased	1,072,503,860	1,051,917,732
<b>Total</b>	<b>1,274,748,627</b>	<b>1,252,911,381</b>
Less: Closing stock of raw materials	237,025,598	202,244,767
<b>Total Consumption</b>	<b>1,037,723,029</b>	<b>1,050,666,614</b>
<b>B. Packing Material</b>		
Opening stock	20,500,000	13,050,200
Add: Purchases	27,622,157	35,173,297
	<b>48,122,157</b>	<b>48,223,497</b>
Less: Closing stock	31,075,000	20,500,000
<b>Total Consumption (Packing Materials)</b>	<b>17,047,157</b>	<b>27,723,497</b>
<b>C. Stores &amp; Spares</b>		
Opening stock	118,547,500	99,127,500
Add: Purchases	26,376,864	46,487,358
	<b>144,924,364</b>	<b>145,614,858</b>
Less: Closing stock	132,510,000	118,547,500
<b>Total Consumption (Stores &amp; Spares)</b>	<b>12,414,364</b>	<b>27,067,358</b>
<b>C. Trading Goods</b>		
Opening stock	-	456,182
Add: Purchases	10,722,417	87,060,543
	<b>10,722,417</b>	<b>87,516,725</b>
Less: Closing stock		-
<b>Total (Trading goods)</b>	<b>10,722,417</b>	<b>87,516,725</b>
<b>Total Consumption</b>	<b>1,077,906,967</b>	<b>1,192,974,194</b>

**PIX TRANSMISSIONS LIMITED**

Particulars	01.04.2011 to 31.03.2012	01.04.2010 to 31.03.2011
<b>SCHEDULE - 22</b>		
<b>Changes in Inventories</b>		
<b>Opening stock</b>		
Finished goods	216,139,717	211,185,682
Work-in-progress	57,500,000	41,078,000
<b>Total (Opening Stock)</b>	<b>273,639,717</b>	<b>252,263,682</b>
<b>Less: Closing Stock</b>		
Finished goods	230,334,844	216,139,717
Work-in-progress	59,500,000	57,500,000
<b>Total (Closing Stock)</b>	<b>289,834,844</b>	<b>273,639,717</b>
<b>Increase (Decrease)</b>	<b>(16,195,127)</b>	<b>(21,376,035)</b>

**PIX Transmissions Limited**
**PIX TRANSMISSIONS LIMITED**

Particulars	01.04.2011 to 31.03.2012	01.04.2010 to 31.03.2011
<b>SCHEDULE - 23</b>		
<b>Employee Benefits Expense</b>		
E.S.I.C	3,629,546	3,390,121
Provident fund	13,831,501	12,187,391
Salary	95,341,103	75,239,968
Staff welfare	13,460,515	10,042,560
Gratuity	8,944,427	6,597,274
Wages	161,575,909	159,521,463
<b>Total</b>	<b>296,783,001</b>	<b>266,978,777</b>

**PIX TRANSMISSIONS LIMITED**

Particulars	01.04.2011 to 31.03.2012	01.04.2010 to 31.03.2011
<b>SCHEDULE - 24</b>		
<b>Other Expenses</b>		
Advertisement	1,226,814	3,594,421
Auditor's remuneration	275,000	391,565
- Audit fees		
- Tax audit fees		
Bank commission	24,153,784	21,351,614
Cess	391,013	890,050
Commission & brokerage	1,942,957	3,625,815
Turnover discount	12,374,756	13,043,353
Director's remuneration	12,112,380	19,741,317
Travelling expenses	22,835,856	24,281,648
Discount	39,353,968	34,083,032
Power expenses	78,575,518	67,477,318
Export expenses	2,861,563	2,477,206
Freight & transportation	78,008,575	103,292,928
Insurance	8,822,966	11,056,536
Legal & professional fees	9,342,260	8,457,614
Rent	3,201,937	2,892,110
Research & development	-	211,596
Printing & stationery	3,273,659	4,112,339
Repairs and maintenance	9,298,396	11,159,182
Car and scooter expenses	2,480,013	2,217,064
Miscellaneous expenses	46,063,809	45,595,175
Loss on sale of investment	2,754,400	-
Telephone telex and postage	3,394,649	3,974,316
Bad debts	15,618,372	-
Preliminary expenses written off	316,225	316,225
<b>Total</b>	<b>378,678,871</b>	<b>384,242,422</b>

## PIX Transmissions Limited

### PIX TRANSMISSIONS LIMITED

Particulars	01.04.2011 to 31.03.2012	01.04.2010 to 31.03.2011
<b>SCHEDULE - 25</b>		
<b>Finance Cost</b>		
Discounts	332,982	882,050
Interest	234,206,807	198,712,249
<b>Total</b>	<b>234,539,789</b>	<b>199,594,299</b>

### PIX TRANSMISSIONS LIMITED

Particulars	01.04.2011 to 31.03.2012	01.04.2010 to 31.03.2011
<b>SCHEDULE - 26</b>		
<b>Depreciation</b>		
Depreciation on tangible assets	202,537,387	199,585,927
<b>Total</b>	<b>202,537,387</b>	<b>199,585,927</b>

## STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### 1. Significant Accounting Policies

#### A. Basis of Accounting:

1. 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.

2. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has determined its operation cycle as twelve months for the purpose of current - non current classification of assets and liabilities.

#### B. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets that the management co-markets and liabilities disclosure of contingent liabilities as on

the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known/ materialized.

#### C. Revenue Recognition:

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.

## PIX Transmissions Limited

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**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, whichever is lower.

II. Work-in-progress valued at cost or net realized value, whichever 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, whichever 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 period 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. Export Benefit:** Export benefits in respect of exports made under the Duty Entitlement Pass Book (DEPB) scheme as per the Import and Export policy have been accounted on cash basis.

**K. 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 & Leave Encashment plan for Post -employment benefit in the form of Gratuity 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) The actuarial gains and losses arising during the year are recognized in the Profit & Loss Account of the year.

**L. 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

**M. 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.

**N. 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.

**O. 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.

## PIX Transmissions Limited

### 27. NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### 1. Contingent liability not provided in respect of:-

i) Letters of Credit opened by Bank Rs.2653.65 lacs (Previous year Rs.2,786.30 lacs).

ii) Foreign bills discounted by Banks Rs.2047.81 lacs (Previous year Rs. 1,481.62 lacs).

iii) Dividend Payable on 6% non convertible cumulative redeemable preference shares of Rs.20,678,955 (Previous year Rs. 17,861,295) and 6% convertible preference shares of Rs. 5,503,750 (Previous year Rs. 1,618,750).

#### 2. 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.

3. The Company has received loans from Promoters / Directors and their relatives. The same has been grouped under long term borrowings.

4. 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.

5. The company has incurred expenditure on development of production of various new belts for local and Export market. The company intends to develop manufacture of speciality belts for the hitec applications and innovations that are coming in the power transmissions industry and MF type belts for the new generation packaging machines and EPDM rubber cover belts for automotive industries. These would be able to withstand the temps and perform longer.

All the above are new generation products that the company is now proceeding to manufacture to take care of the future needs of the power transmissions industry.

During the year the company has incurred expenditure on development of new product which are yet to be manufactured commercially, the expenses incurred up to 31.03.2012 have been carried forward in capital work-in-progress.

Opening balance as 01.04.2011 Rs. 38,050,000  
Addition during the year Rs. 170,621,953  
Total Work-in-Progress as on 31.03.2012 Rs. 208,671,953

6. 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 recognised the following amounts in the Profit and Loss Account for the year.

Particulars	2011-12 (Rs)	2010-11 (Rs)
Contribution to Employees Provident Fund	13,831,501	12,187,391

**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:

Particulars	2011-12 (Rs)
Actuarial value of Projected Benefit Obligations (PBO) (01.04.2011)	37030275
Interest cost from 01.04.11 to 31.03.12	2962422
Service cost from 01.04.11 to 31.03.12	3399168
Benefits paid from 01.04.11 to 31.03.12	(2158990)
Actuarial Gain / (Loss) on obligations	2582837
PBO at the end (31.03.2012)	43815712

#### Balance Sheet Statement

Present value of the obligation at 31.03.12	43815712
Fair value of plan assets 31.03.12	NIL
Un-funded liability 31.03.12	43815712
Un-recognised gains / losses in opening balance	NIL
Un-funded liability recognized in Balance Sheet	43815712

#### Changes in Benefit Obligation

Particulars	2011-12 (Rs)
Actuarial value of Projected Benefit Obligations (PBO) (01.04.2011)	4775036
Interest cost from 01.04.11 to 31.03.12	382008
Service cost from 01.04.11 to 31.03.12	1184171
Benefits paid from 01.04.11 to 31.03.12	(494892)
Actuarial Gain / (Loss) on obligations	(3050954)
PBO at the end (31.03.2012)	2795369

#### Profit & Loss Account Statement

Interest cost from 01.04.11 to 31.03.12	2962422
Service cost from 01.04.11 to 31.03.12	3399168
Actual return on plan assets from 01.04.11 to 31.03.12	Nil
Gain / (Loss) recognized up to 31.03.12	2582837
Gratuity to be provided as expenses in Profit & Loss A/c.	8944427

## PIX Transmissions Limited

### Balance Sheet Statement

Present value of the obligation at 31.03.12	2795369
Fair value of plan assets 31.03.12	NIL
Un-funded liability 31.03.12	2795369
Un-recognized gains / losses in opening balance	NIL
Un-funded liability recognised in Balance Sheet	2795369

### Profit & Loss Account Statement

Interest cost from 01.04.11 to 31.03.12	382003
Service cost from 01.04.11 to 31.03.12	1184171
Actual return on plan assets from 01.04.11 to 31.03.12	Nil
Gain / (Loss) recognized up to 31.03.12	3050954
Leave Encashment to be provided as expenses in Profit & Loss A/c.	1484780

7. The Value of Stocks is as per inventory taken, prepared, valued and certified by the Management.

8. The Company continues to follow Cash System of Accounting with regard to reimbursement of Bank interest, charges, commission and fixed deposit.

9. The figure of sales shown during the year includes the amount of Excise, wherever applicable.

10. Book debts, advances, bank deposits and credit balances are taken subject to their respective confirmation.

11. 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.

12. Capital Commitment: Estimated value of contracts, remaining to be executed on capital account to the extent not provided is Nil.

13. 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.

14. 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 as under:

Revenue	2011-12 (Rs.)	2010-11 (Rs.)
Domestic	1,029,874,991	1,157,023,406
Export	1,152,403,398	1,126,714,922
<b>Total</b>	<b>2,182,278,389</b>	<b>2,283,738,328</b>

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.

**15. 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 31st Mar 2012	Percentage of ownership interest as at 31st Mar 2011
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 31st March 2012 is as follows:

Particulars	As at 31st Mar, 2012 (Un-Audited)	As at 31st Mar, 2011 (Audited)
<b>Assets</b>		
Fixed Assets	112,190,224	113,140,620
Capital Work-in-progress	-	-
Investments	8,155,286	3,167,255
Current Assets, Loans & Advances:		
(a) Inventories	74,888,681	75,445,091
(b) Trade Debtors	171,899,361	130,154,417
(c) Cash and Bank Balances	6,061,690	61,105,661
(d) Loans and Advances and Other Current Assets	-	684,064
<b>Total Assets</b>	<b>373,195,241</b>	<b>383,697,107</b>
<b>Liabilities</b>		
Capital & Reserve	68,406,495	64,232,185
Secured Loans	-	127,309,905
Current Liabilities and Provisions:		
(a) Liabilities	304,512,994	191,417,363
(b) Provisions	275,752	17,577,502
Deferred Tax Liability (Net)	-	737,654
<b>Total Liabilities</b>	<b>373,195,241</b>	<b>383,697,107</b>

Particulars	As at 31st Mar, 2012 (Un-Audited)	As at 31st Mar, 2011 (Audited)
<b>Income</b>		
Sales (Net)	10,146,224	413,507,415
Other Income	-	-
<b>Expenses</b>		
Manufacturing and other expenses	7,650,750	402,005,779
Provision for Taxation	311,959	3,389,032
<b>Profit for the Year</b>	<b>2,183,515</b>	<b>8,112,604</b>

## PIX Transmissions Limited

16. The Company has foreign subsidiaries known as

1) PIX South America Importacao E Exportacao De Correias E Mangueiras Ltda., Brazil has been closed and advance given to this party transfer to bad debts.

2) PIX Middle East FZC, UAE. The annual accounts from subsidiary companies attached herewith.

### 17. Calculation of Earnings Per Share:

Particulars	Current Year [Rs.]	Previous Year [Rs.]
A] Net Profit for the year	62.01 Lacs	364.35 Lacs
B] Number of equity shares outstanding at the end of the year	129.25 Lacs	129.25 Lacs
C] Nominal value of the shares	Rs.10 per share	Rs.10 per share
D] Basic Earnings per share (weighted)	0.50	2.91
E] Diluted Earnings per share (weighted)	-	2.76

### 18. 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 31.03.2012 are as under:

Particulars	Balance as on 31.03.2011	Charge / Release During the year	Balance as on 31.03.2012
<b>Deferred Tax Liability</b>			
Depreciation	125,150,209	(2,069,745)	123,080,464
<b>Deferred Tax Assets</b>			
Provision for Employees Benefits	(15,768,904)	(103,930)	(15,872,834)
<b>Net Deferred Tax Liability</b>	<b>109,381,305</b>	<b>(2,173,675)</b>	<b>107,207,630</b>

### 19. 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

i) PIX South America Importacao E Exportacao De Correias E Mangueiras Ltda, Brazil (The above subsidiary closed with effect from 15<sup>th</sup> April, 2011)

ii) 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				Total
	Referred in 1 (a) above	Referred in 1 (b) above	Referred in 1 (c) above	Referred in 1 (d) above	
<b>Sales</b>					
Sales of goods	527,771,245				527,771,245
<b>Expenses</b>					
Rent				2,876,500	2,876,500
Interest		8,022,200	9,917,354		17,939,554
Remuneration		21,112,380			21,112,380
Perquisites / allowances		131,579			131,579
Hire charges			156,000		156,000
<b>Balance at the year end</b>					
Payable		76,741,259	93,576,472		170,317,731
Receivables	103,948,464				103,948,464

20. 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 unpaid as at yearly end together with interest paid / payable under this Act have not been given.

21. 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, 2012. (As certified by Directors).

#### Manufacturing Company (Amount in Rs)

Particulars	Consumption	
	Quantity	Value
Rubber	1935747 (2503078)	407525578 (319126674)
Carbon Black	1449365 (1753563)	108622678 (102218946)
Fabric	1562066 (1981362)	123842965 (122986084)
Rayon / Polyester	298012 (363692)	118954511 (79002855)
Chemicals	1259845 (1465282)	117910173 (110435063)
Others	Nil (Nil)	168713160 (316896992)
<b>Total</b>	<b>6505035 (8066977)</b>	<b>1045569065 (1050666614)</b>

## PIX Transmissions Limited

Particulars	Purchases
<b>Goods Purchased</b>	
Rubber	426044104 (319073831)
Carbon Black	115230204 (98012316)
Fabric	124765998 (123319870)
Rayon / Polyester	107688068 (100282025)
Chemicals	109801553 (109100504)
Others	188973933 (302129186)
<b>Total</b>	<b>1072503860</b> <b>(1051917732)</b>

Particulars	Sales Values	Closing Inventory	Opening Inventory
<b>Manufactured Goods</b>			
V-belts	15652 (15717)	624484	860871
Hoses (Mtrs.)	5234 (5136)	253683.93	236206.74
Hoses (Nos.)	583.99 (1141)	3132	21299
Hose Assemblies	536.50 (369)	16069	27061
End Fittings	203.38 (120)	455208	161730
<b>Total</b>	<b>22209.87</b> <b>(22483)</b>	<b>1352576.93</b>	<b>1307167.74</b>
<b>Traded Goods</b>			
Export	5110618 (3198070)	Nil	Nil
Domestic	6943681.53 (93789225)	Nil	Nil
<b>Total</b>	<b>12054299.53</b> <b>(96987295)</b>	<b>Nil</b>	<b>Nil</b>

Particulars	Work-in-progress
<b>Total</b>	<b>595</b> <b>(575)</b>

### 22. Trading Company

Particulars	Purchase	Sales
<b>Traded Goods</b>		
Export	3135895 (1756121)	5110618 (3198070)
Domestic	7586522 (85304422)	6943682 (93789225)
<b>Total</b>	<b>10722417</b> <b>(87060543)</b>	<b>12054300</b> <b>(96987295)</b>

23. Value of imported and indigenous raw materials stores and spare parts consumed during the period (As certified by Management)

### I. Raw Materials

S. No.	Items	Current Year Value	%	Previous Year Value	%
1.	Indigenous	682505774	65.28	682656467	64.97
2.	Imported	363063291	34.72	368010147	35.03
	<b>Total</b>	<b>1045569065</b>	<b>100.00</b>	<b>1050666614</b>	<b>100.00</b>

### II. Stores and Spares

S. No.	Items	Current Year Value	%	Previous Year Value	%
1.	Indigenous	10074689	81.15	22705392	83.88
2.	Imported	2339675	18.85	4361966	16.12
	<b>Total</b>	<b>12414364</b>	<b>100.00</b>	<b>27067358</b>	<b>100.00</b>

24. (a) Value of Imports (R.M.) calculated on CIF basis

Rs. 386,128,270  
Previous year Rs. (393,464,480)

(b) Value of Capital Goods on CIF basis

Rs. 3,099,113  
Previous Year Rs. (25,398,726)

### 25. Expenditure in Foreign Currency

(a) Travelling Rs. 6,962,564  
Previous Year Rs. (2,552,787)  
(b) Other matters Rs. 421,499  
Previous Year Rs. (723,678)

### 26. Earning in Foreign Currency:

(a) On export of goods FOB value Rs.1,152,403,398  
Previous Year Rs. (1,126,714,922)  
(b) Dividend Rs. NIL  
Previous Year Rs. (NIL)

27. The company has foreign subsidiaries known as PIX South America Importacao E Exportacao De Correias E Mangueiras Ltda, Brazil & PIX Middle East FZC, UAE. The annual audited accounts from subsidiary companies have not been received. Hence consolidated Profit & Loss accounts and Balance Sheet have not been attached. The accounts will be consolidated thereafter & report will be sent on request received from shareholders.

28. 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  
Dated: 06.06.2012

Amarpal Sethi  
[Chairman & Managing Director]  
Sonopal Sethi  
[Joint Managing Director]  
Directors:  
Harish Eidnani  
Aqueel A. Mulla



**PIX TRANSMISSIONS LIMITED**

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

<b>I.</b>	<b>REGISTRATION DETAILS</b>		
	Registration No.	:	24837 / TA
	State Code	:	11
	Balance Sheet date	:	31.03.2012
<b>II.</b>	<b>CAPITAL RAISED DURING THE YEAR</b>		
	Public Issue	:	Nil
	Right Issue	:	Nil
	Bonus Issue	:	Nil
	Private Placement	:	YES
<b>III.</b>	<b>POSITIONS OF MOBILISATION AND DEPLOYMENT OF FUNDS</b>		
			[Figure in Lacs]
	<b>Total Liabilities</b>	:	34,253.30
	<b>Total Assets</b>	:	34,253.30
	<b>SOURCE OF FUNDS</b>		
	Paid-up capital	:	2,409.52
	Reserve & Surplus	:	2,985.67
	Non - current liabilities	:	13,464.17
	Current liabilities	:	14,321.86
	Deferred Tax Liabilities	:	1,072.08
	<b>APPLICATION OF FUNDS</b>		
	Net Fixed Assets	:	17,243.75
	Capital Works in progress	:	2,086.72
	Investments	:	154.17
	Non - current Assets	:	979.09
	Current Assets	:	13,789.57
<b>IV.</b>	<b>PERFORMANCE OF THE COMPANY</b>		
	Total Income - Net	:	21,822.78
	Total Expenditure	:	19,717.14
	Profit before tax & Depreciation	:	2,105.64
	Depreciation	:	2,025.37
	Provision for Taxation	:	18.26
	Profit for the year	:	62.01
	Earnings per share [in Rs.]	:	0.50
	Weighted Average		
	Dividend Rate (%)	:	NIL
<b>V.</b>	<b>GENERAL NAMES OF PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY [AS PER MONETARY TERMS]</b>		
	Item Code No.	:	40103999
	Product Description	:	"V"- BELTS
	Item Code No.	:	40092100
	Product Description	:	HIGH PRESSURE HOSES

**PIX TRANSMISSIONS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2012**

Particulars	YEAR ENDED 31.03.2012		YEAR ENDED 31.03.2011	
	[Rs.]	[Rs.]	[Rs.]	[Rs.]
Cash flow arising from Operating Activities :				
Net profit before Taxation and Extraordinary Items adjustments for :		8,027,502		61,738,743
Add : Depreciation	202,537,387		199,585,927	
Capital Loss [Foreign exchange loss]			134,491	
(Profit)/Loss on sale of assets				
Interest Income				
Dividend Income				
Interest Expenses	234,539,789		199,594,299	
Project / Deferred Expenses	-		-	
(+)		437,077,176	(+)	399,314,717
<b>Operating Profit before working capital changes:</b>	(+)	445,104,678	(+)	461,053,460
(Increase) / Decrease in sundry debtors	(-)	(9,048,164)	(-)	(64,867,985)
(Increase) / Decrease in Inventories	(-)	(75,513,457)	(-)	(49,040,771)
(Increase) / Decrease in other current assets	(+)	(17,553,971)	(+)	(89,730,327)
Increase / (Decrease) in Sundry Creditors	(+)	(57,382,940)	(+)	206,539,044
(+)		(159,498,532)	(+)	2,899,961
Cash Generated from Operations:	(+)	285,606,146	(+)	463,953,421
Net Cash Flow from Operating Activities	(+)	285,606,146	(+)	463,953,421
Income Tax Paid	(-)	-	(-)	20,000,000
(+)		285,606,146	(+)	443,953,421
<b>Cash Flow arising from Investing Activities</b>				
Purchase of Fixed Assets	(-)	(36,306,484)	(-)	(242,977,508)
Purchase of Investments	(-)	2,754,400	(-)	(640,500)
Proceeds from sale of assets	(+)	-	(+)	250,000
Wealth Tax Paid	(-)		(-)	
Capital work in progress	(-)	(170,621,953)	(+)	(38,050,000)
Preliminary Expenses	(+)	316,225	(+)	316,225
Net Cash from Investing Activities	(-)	(203,857,812)	(-)	(281,101,783)

Continued...

**PIX TRANSMISSIONS LIMITED  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2012**

Particulars		YEAR ENDED 31.03.2012			YEAR ENDED 31.03.2011	
		[Rs.]	[Rs.]		[Rs.]	[Rs.]
<b>Cash Flow arising from financing Activities :</b>						
Proceeds from issuance of share capital	(+)	-		(+)	8,680,000	
Working Capital loan from bank	(+)	14,951,253		(+)	2,550,185	
Premium on Shares	(+)	-		(+)	24,800,000	
Forfeiture of Application Money		-			-	
Increase / (Decrease) in Secured Loan	(-)	(6,247,934)		(+)	(163,484,089)	
Increase / (Decrease) in Un-Secured Loan from Directors	(+)	153,464,665		(+)	185,511,376	
Increase / (Decrease) in Un-Secured Loan from others	(+)	(9,669,496)		(-)	4,131,174	
Capital Loss [Foreign exchange loss]						
Interest Paid	(-)	(234,539,789)		(-)	(199,594,299)	
<b>Net Cash used in Financing Activities</b>	(-)		(82,041,301)	(-)		(137,405,653)
Net Increase in Cash and Cash Equivalents			-292,967			25,445,985
Cash and Cash Equivalents at beginning of year			83,467,529			58,021,544
Cash and Cash Equivalents at end of year			83,174,562			83,467,529

**PLACE: MUMBAI  
DATE: 6TH JUNE, 2012**

**SHRI AMARPAL SETHI  
[CHAIRMAN & MANAGING DIRECTOR]**

**SHRI SONEPAL SETHI  
[JOINT MANAGING DIRECTOR]**

**DIRECTORS :  
SHRI HARESH EIDNANI  
SHRI AQUEEL A. MULLA**

**ATTENDANCE SLIP**

**PIX TRANSMISSIONS LIMITED**  
**Registered Office: J-7, M.I.D.C., Hingna Road, Nagpur – 440 016**

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

NAME & ADDRESS OF THE SHARE HOLDERS

Regd. Folio No.	No. of Shares

I hereby record my presence at the **29th ANNUAL GENERAL MEETING** of the Company at J-7, M.I.D.C., Hingna, Nagpur-440 016, on Wednesday, 26th September, 2012 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

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**PROXY FORM**

**PIX TRANSMISSIONS LIMITED**  
**Registered Office: J-7, M.I.D.C., Hingna Road, 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 29th Annual General Meeting of the Company to be held on Wednesday, 26th September, 2012 at 9.30 a.m. and at any adjournment thereof.

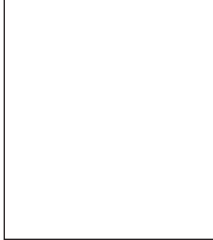
As witness me/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

\_\_\_\_\_  
[Signature(s) of the share holder(s)]

Affix 1 Re. Revenue Stamp
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**NOTE: The proxy form duly signed across the revenue stamp of One Rupee should reach the Company's Registered Office at least 48 hours before the time of the meeting**

**BOOK POST  
(Printed Matter Inside)**



**To,**

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If undelivered, please return to-  
**PIX TRANSMISSIONS LIMITED**  
J-7 M.I.D.C., Hingna Road,  
Nagpur - 440 016  
Maharashtra. India

