

# PIX

**PIX Transmissions Limited**

*32nd Annual Report*  
2013-14

[www.pixtrans.com](http://www.pixtrans.com)

**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. Jose Jacob  
Mr. Hareesh 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

**Registered Office & Works:**

**(UNIT No. 1)**

J-7, M.I.D.C., Hingna Road, Nagpur - 440 016  
Tel.: (07104) 669000, Fax: (07104) 669007/8  
Website: www.pixtrans.com

**(UNIT No. 2)**

K-36, K-37 & K-38, MIDC, Hingna Road, Nagpur-440 016

**(UNIT No. 3)**

Khasra No.25, 45,46/1, 46/2, 47 & 48  
Mouza Nagalwadi,  
Tehsil – Hingna, Nagpur-440016

**(UNIT No. 4)**

Khasra No.57, Mouza Nagalwadi,  
Tehsil – Hingna, Nagpur-440016

**Mumbai Office:**

Pals Building, 1st Road, TPS IV,  
Bandra – [W], Mumbai – 400 050  
TEL.: (022) 26404556 / 26402229  
FAX: (022) 26402225

**Share Transfer Agent:**

Link IntimeIndia Private Limited  
C-13, Pannalal Silk Mills Compound,  
L. B. S.Marg, Bhandup (W), Mumbai – 400 078  
E-MAIL: isrl@linkintime.co.in

**NOTICE**

Notice is hereby given that the THIRTY SECOND 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 Thursday the 18th September, 2014 to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the Year ended 31st March, 2014 and the Balance Sheet as on that date together with Reports of Directors and Auditors thereon.
2. To declare a Dividend on Equity Shares for the Financial Year ended 31st March, 2014.
3. To appoint a Director in place of Mr. Sonopal Sethi (DIN: 00129276), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr Sukhpal Singh Sethi (DIN: 00129235), who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint M/s. S.C. Bandi & Co., Chartered Accountants (Firm Registration No; 130850W), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion of next Annual General Meeting to be held after this meeting, and to fix their remuneration for the financial year ending 31st March, 2015.

**SPECIAL BUSINESS**

6. To consider and if thought fit to pass with or without modification following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to increase the remuneration of Mr. Karanpal Sethi (DIN: 01711384) with effect from 1st April 2014 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 (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to vary, alter and modify such terms of remuneration so as to not exceed the limit specified in Schedule V to the Companies Act, 2013 or any statutory modification, substitution or re-enactments thereof, as may be agreed to by the Board of Directors and acceptable to Mr. Karanpal Sethi (DIN: 01711384).”

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

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

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Rishipal Sethi (DIN: 00129304) as Joint Managing Director of the Company, for a period of 3 (three) years with effect from 1st August, 2014, to 31st March, 2017 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. Rishipal Sethi (DIN: 00129304), subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded for payment of remuneration to Mr. Rishipal Sethi (DIN 00129304) for the period from 1st April 2014 to 31st July 2014 as per the 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 (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to vary, alter and modify such terms of remuneration so as to not exceed the limit specified in Schedule V to the Companies Act, 2013 or any statutory modification, substitution or re-enactments thereof, as may be agreed to by the Board of Directors and acceptable to Mr. Rishipal Sethi (DIN 00129304).”

“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.”

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, Mr. Haresh Eidnani (DIN: 00129426), Director of the Company who retires by rotation at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to five consecutive years commencing from 18th September, 2014.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, Mr. Pradeep Havnur (DIN: 00129559), Director of the Company who retires by rotation at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to five consecutive years commencing from 18th September, 2014.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, read with Schedule IV to the said Act, Mr. Mohammed Adil Ansari (DIN; 06913509) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 10th July 2014 to hold office up to the date of AGM, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to five consecutive years commencing from 18th September, 2014.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

12. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded for the appointment of Ms. Shirley Paul (DIN: 06918198) as a Whole Time Director of the Company, for a period of 3 (three) years with effect from 10th July, 2014, on the terms and conditions including remuneration as set out in the statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration as it may deem fit and as may be acceptable to Ms. Shirley Paul subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

**Place: Mumbai**  
**Dated: 02.08.2014**

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

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable.
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto.
3. Register of Members and the transfer books of the Company will remain closed from Thursday 11th September, 2014 to Thursday 18th September, 2014 (Both days inclusive).
4. The Dividend for the financial year ended 31st March, 2014, as recommended by the Board, if approved by the Members, will be paid on or after Friday, 21st September, 2014 to those Members whose names appear in the Register of Members of the Company as on the book closure dates.
5. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members holding shares in physical form and who have not registered their e-mail address with the Company can now register the same by submitting a duly filled in 'E-Communication Registration Form', available on the website of the Company [www.pixtrans.com](http://www.pixtrans.com), to M/s. Link Intime India Private Ltd, the registrar and share transfer agent of the Company. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
6. The Notice of AGM and Annual Report are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s), unless the members have requested for a hard copy of the same. The physical copy of the Notice of AGM and Annual Report are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s).
7. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Friday, 5th September, 2014, are entitled to vote on the Resolutions set forth in this Notice. The e-voting period will commence at 9.00 a.m. on Thursday, 11th September, 2014 and will end at 5.00 p.m. on Saturday, 13th September, 2014. The Company has appointed Mr. Sadanand Kadam, practicing Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

## Procedure for E-Voting:

The Company has entered into an arrangement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting for AGM. The instructions for e-voting are as under:

### A. In case of members receiving e-mail:

- i) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.
- ii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii) Click on “Shareholders” tab to cast your votes.
- iv) Now, select the Electronic Voting Sequence Number - “EVSN” along with “COMPANY NAME” from the drop down menu and click on “SUBMIT”
- v) Now, fill up the following details in the appropriate boxes:

	For members holding shares in demat form	For members holding shares in physical form
<b>User ID</b>	For NSDL: 8 character DP ID followed by 8 digits client ID	Folio number registered with the Company
	For CDSL: 16 digits beneficiary ID	
<b>PAN*</b>	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
<b>DOB</b>	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
<b>Dividend Bank Details#</b>	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

\* Members who have not updated their PAN with the Company/Depository Participant are requested to use the default number: <Default Number> in the PAN field.

# Please enter any one of the details in order to login.

vi) After entering these details appropriately, click on “SUBMIT” tab.

vii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach “Password Creation” menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@ # \$ % & \*). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly note that this changed password is to be also used by the demat holders while voting for resolutions of the Company or any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.

**Procedure for E-Voting:**

- viii) Click on the relevant EVSN on which you choose to vote.
  - ix) On the voting page, you will see resolution description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.
  - x) Click on the “Resolutions File Link” if you wish to view the entire resolutions.
  - xi) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
  - xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- B. In case of members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/depository participant(s) or requesting physical copy]:**
- Please follow all steps from sl. no. (ii) to S. No. (xii) above, to cast vote.
- C.** Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the board resolution in PDF format in the system for the scrutinizer to verify the vote.
- D.** The voting period begins on Thursday, 11th September, 2014 at 9.00 a.m. and ends on Saturday, 13th September, 2014 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on Friday, 5th September, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- E.** In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- F.** The results shall be declared on or after the AGM. The results along with the Scrutinizer’s Report, shall also be placed on the website of the company.
8. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participant(s), with whom they maintain their demat accounts, will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change in bank particulars. Members holding shares in demat form are requested to intimate any change in their address and/or bank mandate to their Depository Participants immediately.
9. Members holding shares in physical form are requested to intimate any change of address and/or bank mandate to M/s. Link Intime India Private Limited the registrar and share transfer agent of the Company immediately.



**Procedure for E-Voting:**

10. Pursuant to the provisions of Investor Education and protection Fund (uploading of information regarding unpaid and unclaimed amount lying with companies) Rules 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 25, 2013 (date of last Annual General Meeting) on the website of the Company ([www.pixtrans.com](http://www.pixtrans.com)), as also on the website of the Ministry of Corporate Affairs.
11. Members desiring any information relating to the accounts are requested to write to the Company at least one week in advance before the meeting, so as to enable the management to keep the information ready.
12. Information pursuant to Clause 49 of the Listing Agreement for Appointment/Re-appointment of Directors.

<b>Name of 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>Chariman / member of other committees of comapnies</b>
Mr. Sonopal Sethi	16.09.1966	01.04.1989	B.Sc Grad Pri [UK]	No	No
Mr. Sukhpal Sethi	11.06.1942	31.03.1993	I.Sc.	No	No
Mr. Rishipal Sethi	15.06.1973	29.12.2004	B.sc . Elec. Engg.	No	No
Mr. Haresh Eidnani	12.10.1964	21.09.1999	B.sc	No	No
Mr. Pradeep Havnur	05.10.1965	29.10.2003	B.A., L.L.B.	No	No
Mr. M. A. Ansari	09.12.1984	10.07.2014	B. Com., ACA	No	No
Ms. Shirley Paul	04.11.1956	10.07.2014	M.A.	No	No

**EXPLANATORY STATEMENT****(Pursuant to section 102 of the Companies Act, 2013)**

As required by section 102 of the Companies Act 2013, (The Act), the following explanatory statements set out all material facts relating to the business mentioned under item number;

**ITEM NO. 6 - INCREASE IN REMUNERATION OF MR. KARANPAL SETHI:**

At the 30th Annual General Meeting of the company held on 26th September, 2012, the members of the company had re-appointed Mr. Karanpal Sethi (DIN: 01711384) as a Whole Time Director for a period of three years commencing on and from 1st April, 2012 and ending on 31st March, 2015.

The Nomination and Remuneration Committee at their meeting held on 29.05.2014, recommended to increase the remuneration payable to Mr. Karanpal Sethi to bring the remuneration in line with overall structure applicable to the concerned industry. In pursuance of the recommendation received from remuneration committee, the Board of Directors at its meeting held on 29th May, 2014 has determined and fixed the maximum of remuneration by way of salary payable to Mr. Karanpal Sethi for his remaining tenure of his office from 1st April 2014 to 31st March 2015.

The Board of Directors of the company on due recommendation of the audit committee has also appointed Mr. Karanpal Sethi as Chief Financial Officer (CFO) of the Company with effect from 1st April 2014. Mr. Karanpal Sethi has not been paid any remuneration as a CFO.

**The Remuneration and Perquisites payable to Mr. Karanpal Sethi are as follows:****Remuneration:**

Mr. Karanpal Sethi shall with effect from 1st April, 2014 be entitled to emolument, benefits and perquisites as given in following paragraph during the period of his employment subject to the ceiling limit laid down in Section 197, 198 and Schedule V to the Companies Act, 2013.

**Salary:**

Rs.4.75 Lakhs per month.

**Tenure:** 1st April, 2014 to 31st March, 2015

**Perquisites:**

No change in the perquisites and other benefits payable to Mr. Karanpal Sethi. The perquisites and benefits would be as per resolution passed at the 30th Annual General Meeting of the Company.

The Board re-commends the resolution at Item No 6 for approval of members.

Except Mr. Karanpal Sethi being Director and Mr. Amarpal Sethi, Mr. Sukhpal Sethi, Mr. Sonopal Sethi and Mr. Rishipal Sethi being relatives none of other directors/key managerial personnel and their relatives are in any way concerned or interested in this resolution.

**ITEM NO. 7; Re-appointment of Mr. Rishipal Sethi as Joint Managing Director:**

At the 29th Annual General Meeting of the company held on 21st September, 2011, the members of the company had re-appointed Mr. Rishipal Sethi ( DIN 00129304 ) as a Joint Managing Director for a period of three years commencing on and from 1st April , 2011 and ending on 31st July , 2014 .

The Board of Directors of the Company at its meeting held on 29th May, 2014 on due recommendation of the Remuneration Committee, has re-appointed and fixed the maximum remuneration payable by way of salary to Mr. Rishipal Sethi as Joint Managing Director, for a period of 3 (three) years from the expiry of his present term i.e from 1st August 2014, to 31st March 2017.

**The Salary and Perquisites payable to Mr. Rishipal Sethi are as follows:**

**Salary:** In the Scale of Rs.4.50 Lacs to Rs. 9.00 Lacs per month

**Perquisites:**

No change in the perquisites and other benefits payable to Mr. Rishipal Sethi.

The perquisites and benefits would be as per resolution passed at the 29th Annual General Meeting of the Company.

The Board re-recommends the resolution at Item No 7 for approval of members .

Except Mr. Rishipal Sethi being Director and Mr. Amarpal Sethi, Mr. Sukhpal Sethi, Mr. Sonopal Sethi and Mr. Karanpal Sethi being relatives none of other directors/key managerial personnel and their relatives are in any way concerned or interested in this resolution.

**ITEM NO. 8: Approval of payment of remuneration to Mr. Rishipal Sethi for the remaining tenure of his office from 1st April 2014 to 31st July 2014.**

At the 29th Annual General Meeting of the company held on 21st September, 2011, the members of the company had re-appointed Mr. Rishipal Sethi ( DIN 00129304 ) as a Joint Managing Director for a period of three years commencing on and from 1st April , 2011 and ending on 31st July , 2014 .

The members of the company in the 30th Annual General Meeting held on 26th September , 2012 had also approved the increased remuneration upto Rs. 1,08,00,000/- (Rupees One crore and eight lakhs only) per annum payable to Mr. Rishipal Sethi (DIN 00129304), as the approved remuneration was exceeding the limits laid down in schedule XIII , section 309 and section 198 of the Companies Act 1956, Central Government approval was also taken. Central Government vide its letter dated 31st January, 2013 has accorded its approval for payment of the said remuneration for the period from 1st August, 2013 to 31st March 2014.

The provisions of the Companies Act 2013 related to payment of managerial remuneration has come into effect from 1st April, 2014, and as per the new provisions of Companies Act 2013, for paying the present rate of remuneration to Mr. Rishipal Sethi (DIN 00129304) Central Government approval is not required if a special resolution is passed by members approving the payment of said remuneration.

The remuneration committee at its meeting held on 29th May, 2014, has recommended the present rate of remuneration to Mr. Rishipal Sethi (DIN 00129304) for the remaining tenure of his office from 1st April 2014 to 31st July 2014, in pursuance of the recommendation of the remuneration committee, the Board of Directors at its meeting held on 29th May, 2014 has determined and fixed the maximum remuneration by way of salary payable to Mr. Rishipal Sethi (DIN 00129304) for the period 1st April 2014 to 31st July 2014.

**The Salary and Perquisites payable to Mr. Rishipal Sethi are as follows:**

**Salary:** In the Scale of Rs.4.50 Lacs to Rs.9.00 Lacs per month.

**Perquisites:**

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

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

Except Mr. Rishipal Sethi being Director and Mr. Amarpal Sethi, Mr. Sukhpal Sethi, Mr. Sonopal Sethi and Mr. Karanpal Sethi being relatives none of other directors/key managerial personnel and their relatives are in any way concerned or interested in this resolution.

**ITEM NO. 9 and 10: Appointment of Mr. Haresh Eidnani and Mr. Pradeep Havnur as Independent Directors.**

In accordance with the relevant provisions of the Articles of Association of the Company and the erstwhile provisions of the Companies Act, 1956, Mr. Haresh Eidnani, and Mr. Pradeep Havnur, Independent Directors were re-appointed by the Members of the Company in the 31st AGM held on 25th September, 2013 and 30th AGM held on 26th September, 2012 respectively. The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into effect, as per the said provisions, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation at every AGM. In line with the requirements of the Companies Act, 2013, it is therefore proposed to appoint Mr. Haresh Eidnani and Mr. Pradeep Havnur, as Independent Directors on the Board of the Company for a term upto five consecutive years, commencing from 18th September, 2014.

The company has received notices in writing from members along with the deposit of requisite amount under section 160 of the Act proposing the candidatures of each of Mr. Haresh Ednani and Mr. Pradeep Havnur for office of Directors of the Company.

The company has also received declarations from Mr. Haresh Ednani and Mr. Pradeep Havnur that they meet with the criteria of independence as prescribed under section 149 (6) of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Haresh Ednani and Mr. Pradeep Havnur fulfill the condition for appointment as independent Directors as specified in the Act and the Listing Agreement. Mr. Haresh Ednani and Mr. Pradeep Havnur are independent of the Management.

Copy of the draft letters for respective appointment of Mr. Haresh Ednani and Mr. Pradeep Havnur as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered office of the Company.

The Board re-commends the resolution at Item No 9 & 10 for approval of members.

Except Mr. Haresh Ednani and Mr. Pradeep Havnur being Directors, none of other directors/key managerial personnel and their relatives are in any way concerned or interested in this resolution.

**Item No. 11. Appointment of Mr. Mohammed Adil Ansari**

The Board of Directors of the company at its meeting appointed Mr. Mohammed Adil Ansari as an Additional Director of the Company with effect from 10th July, 2014 to hold the office up to the date of AGM.

It is proposed to appoint Mr. Mohammed Adil Ansari as Independent Director under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to the conclusion of the 37th Annual General Meeting of the company in the calendar year 2019.

The company has received notice in writing from a member along with the deposit of requisite amount under section 160 of the Act proposing the candidature of Mr. Mohammed Adil Ansari for office of Director of the Company.

The company has also received declaration from Mr. Mohammed Adil Ansari that he meets with the criteria of independence as prescribed under section 149 (6) of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Mohammed Adil Ansari fulfill the conditions for appointment as independent Director as specified in the Act and the Listing Agreement. Mr. Mohammed Adil Ansari is independent of the Management.

Copy of the draft letter for appointment of Mr. Mohammed Adil Ansari as Independent Director setting out the terms and conditions is available for inspection by members at the Registered office of the Company.

The Board re-commends the resolution at Item No 11 for approval of members.

Except Mr. Mohammed Adil Ansari being a Director, none of other directors/key managerial personnel and their relatives are in any way concerned or interested in this resolution.

**Item No. 12. Appointment of Ms. Shirley Paul**

As per the provisions of Section 149(1) of the Act and amended Clause 49 of the Listing Agreement, the Company should have at least one woman director. Keeping in view the above legal requirements the Board of Directors on due recommendation of the Nomination and remuneration committee has proposed that, Ms. Shirley Paul be appointed as a Director of the Company. The Board of Directors of the company, subject to the approval of members appointed Ms. Shirley Paul as an Executive Director of the Company w.e.f 10th July, 2014 for a period of 3 (three) years.

The Salary and Perquisites payable to Ms. Shirley Paul as an Executive Director are as follows:

**Remuneration:**

Ms Shirley Paul shall with effect from 10th July, 2014 be entitled to emolument, benefits and perquisites as given in following paragraph during the period of her employment subject to the ceiling limit laid down in Section 197, 198 and Schedule V to the Companies Act, 2013.

**Salary scale :** Rs. 3.00 Lacs to Rs 6 lacs per month

**1. Payment of Gratuity:**

The company shall pay the gratuity (15 days average salary for completed years of service) however the gratuity amount shall not be paid exceeding Rs.10 Lacs (Rupees Ten Lacs only).

**2. Ex-gratia:**

The company shall pay ex-gratia as per the policy of the company subject to the ceiling of one month salary .

**Perquisites:****1. Car:**

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

**2. Medical Reimbursement:**

The company shall allow reimbursement of medical expenses subject to a ceiling of Rs 1.50 lacs per annum.

**3. Leave Salary:**

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

**4. Leave Travel Allowance:**

The leave travel concession shall be allowed as per the policy of the company subject to a ceiling of two month's salary.

**5. Personal Accident Insurance:**

The company shall pay premium of Rs. 5000/- per annum towards personal accident insurance policy of the company.

**Minimum Remuneration:**

In the event of loss or inadequacy of profits in any financial year during the tenure of her service, Ms. Shirley Paul will be paid remuneration by way of salary, perquisites and other allowances as per the limits prescribed under Schedule V of the Companies Act, 2013 as may be amended from time to time.

The Board re-commends the resolution at Item No 12 for approval of members.

Except Ms. Shirley Paul being Director and Mr. Joe Paul, being relatives none of other directors/key managerial personnel and their relatives are in any way concerned or interested in this resolution.

## CHAIRMAN'S LETTER "A Year of Consolidation"

Dear Shareholders,

2013 was an exceptional year for PIX. It gives me great pleasure in reporting that we were able to exhibit strong revenue numbers in a challenging economic environment. These numbers are that much more impressive when you take into account that this was our first full year reporting sales after our divestiture from the hydraulic hose business. This is just the catalyst we needed as we look to strengthen our credentials as a key player in the Mechanical Power industry.

The major highlights of our performance during the year are detailed below (all figures are reported in ₹ in Lacs):

### FY'14 Performances

- Consolidated revenue 21,060.12
- PIX's EBITDA 3,556.71
- Profit After Tax (PAT) 752.22

### FY'14 Financial Highlights

- Net Debt 9,827.56
- Interest and Financing cost decreased by ~ 18% compared to previous year.
- Capital Expenditure made during the year 5,681 higher than previous year by 1,528.

As a business, we viewed 2013/14 as a year of consolidation. We commenced production at our brand new state-of-the-art facility at Nagalwadi, Nagpur in the third quarter. We demerged our joint venture in the UK to form our wholly owned subsidiary, PIX Transmissions Europe Ltd.

We would like to thank all our investors for their continued support and encouragement, and our employees for committing their talent and tenacity to our success. We look forward to reporting continued strong performance going forward.

Yours Sincerely,

Amarpal Sethi  
Chairman & Managing Director

**DIRECTORS' REPORT**

To  
The members of PIX Transmissions Ltd,

The directors are pleased to present the THIRTY SECOND ANNUAL REPORT and the Audited Statement of Accounts for the year ended 31st March 2014, 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 2014:

(₹ in lacs)

Particulars	As on 31.03.2014	As on 31.03.2013
Sales (Net – Excise)	19,392.38	23,209.19
Other income	366.98	561.09
	<b>19,759.36</b>	<b>23,770.28</b>
Profit before Depreciation	1,972.17	2,444.35
Depreciation	1,304.75	1,328.19
Profit before tax after depreciation	667.42	1,116.16
Exceptional Items	-	13,396.19
Less : Provision for taxation		
a) Current year	280.00	3,700.00
b) Deferred Tax Liability	(376.01)	158.11
	<b>763.43</b>	<b>10,654.24</b>
Less :		
Equity Dividend including Proposed Dividend	204.38	613.13
Preference Dividend	35.28	261.83
Tax on Dividend	40.51	141.94
Total Dividend	280.17	1016.90
<b>Total</b>	<b>483.26</b>	<b>9637.34</b>
Balance of Profit Brought down	10,475.48	838.14
<b>Amount available for Appropriation &amp; carried to Balance Sheet</b>	<b>10,958.74</b>	<b>10,475.48</b>

The Company's Sales & Income during the Financial Year 2013-14 computed of the following:

(₹ in lacs)

S. No.	Particulars	Current Year	Previous Year
1.	Belts	18,425	19,693
2.	Hoses	-	2,017
3.	End Fittings	-	160
4.	Other items	-	31
		<b>15,768</b>	<b>21,901</b>

**Subsidiaries:****1. PIX Middle East FZC, UAE.**

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

**2. PIX Transmissions Europe Limited, UK;**

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

**Fellow Subsidiaries:****1. PIX Middle East Trading LLC, UAE;**

PIX Middle East Trading LLC, UAE is subsidiary of PIX Middle East FZC promoted to carry on business of PIX Products in the market of Middle East Countries.

**2. PIX Germany GmbH, Germany;**

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

**Joint Venture;****1. 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.

As required under the listing Agreement entered into with stock exchange, consolidated financial statement of the company and all its subsidiaries is attached. The consolidated financial statement has been prepared in accordance with the relevant Accounting Standards as prescribe under section 211 (3C) of the Companies Act, 1956. The consolidated financial statements disclosed the assets, liabilities, income, expenses and other details of the company and its subsidiaries.

Pursuant to provision of section 212(8) of the Companies Act 1956, Ministry of Corporate Affairs vide its circular dated 8th February 2011 has granted general exemption from attaching the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies with the Balance Sheet of the company. A statement containing brief financial details of the company's subsidiaries for the financial year ended 31st March 2014 included in the Annual Report. The annual account of these said subsidiaries will be available for inspection of members at the registered office of the company.



**DISINVESTMENT OF PIX EUROPE LIMITED:**

The company has disinvested existing shareholding of 50% in the Joint Venture with PIX Europe Ltd. with effect from 30.09.2013.

**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.

**Redemption of Redeemable Cumulative Preference Shares**

During the year the company has redeemed 469,610 6% redeemable cumulative preference share of Rs. 100 each at par. In terms of section 80(1) (d) of the Companies Act, 1956 a sum of Rs. 46,961,000 has been transferred to Capital Redemption Reserve Account.

**Dividend on Equity Share and Preference Shares:**

The Board of Directors at their meeting held on 30th of May, 2014 has recommended final dividend of ₹1.50 per equity share of Face Value of ₹10 each, for the financial year ended 31st March, 2014, subject to approval of the Shareholders. An accumulated preference dividend of ₹ 35,28,477 on redemption of 469,610 6% redeemable cumulative preference share of ₹ 100 each is also paid.

**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 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 preventing and detecting fraud and other irregularities.

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 2014.

**Insurance**

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

**Particulars 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 to be 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**

The company had pursuant to the provisions of Clause 49 of the Listing agreement and as per section 149 (4) of the Companies Act 2013, appointed Mr. Haresh Ednani and Mr. Pradeep Havnur as Independent Directors of the company to hold office for a term upto five consecutive years.

Mr. Sonopal Sethi and Mr. Sukhpal Singh Sethi, directors of the company who retire by rotation and being eligible offer themselves for re-appointment.

During the year due to his prolonged illness , Mr. Darshan Singh Chadha has resigned from the board , your directors acknowledge the contribution and

services rendered by him towards the growth of the company during his tenure as Director .

**Auditor**

M/s S. C. Bandi & Co. Chartered Accountants, Auditors of the Company, retire at the conclusion of the ensuring Annual General Meeting and being eligible offer themselves for re-appointment. Members are requested to re-appoint the statutory auditors.

**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 2014-15.

**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

**Conservation of Energy:**

Company is always looking towards every step in the direction of conservation of energy. Supply of better quality water and reduction of consumption of water, steam, fuel and electricity have improved consumption ratio with respect to per ton of finished product, thereby conserving energy.

The Major sources of energy in the company are:

- 1.0 Fuel / Steam
- 2.0 Electricity
- 3.0 Water

**1.0 Conservation of Steam**

- 1.1 Fuel change from furnace oil to Biomass briquette by replacing the steam boilers from furnace oil fired Boiler to solid fuel Boiler has reduced the consumption of fuel.
- 1.2 Automation of the belt curing pots has optimized the steam utilization, controlled on steam wastage which has resulted to saving of steam consumption

- 1.3 Use of solid fuel adhesive has reduced the consumption of Biomass briquette fuel.
- 1.4 Waste heat recovery systems have been introduced in pot and press section. The waste heat is utilized for pre-heating of boiler feed water.
- 1.5 Reuse of condensate has reduced the consumption of fuel.
- 1.6 Heating of water by using flash steam in process area has reduced the steam consumption.
- 1.7 Reduction in fuel consumption by use of good quality water for boiler feed & regular cleaning & maintenance of boilers.
- 1.8 Optimum utilization of steam, control on wastage & leakages of steam and maintaining proper insulation has contributed to saving of steam consumption.

**2.0 Conservation of Electricity**

- 2.1 Old reciprocating type air compressors / chilling plants and same old process machineries has been replaced by energy efficient screw type air compressors / chilling plants and new automated process machineries has reduced significant electricity consumption.
- 2.2 Optimum utilization of compressed air & chilled water, control on wastage & leakages and maintaining proper insulation has contributed to saving of compressed air & chilled water, which has resulted to saving of electricity.

**3.0 Conservation of Water**

- 3.1 By setting up a new sewage treatment plant & new effluent treatment plant, treated water is used for gardening, floor washing, toilets etc which resulted in reduction of fresh water consumption.
- 3.2 Installation of cooling towers for re-circulation of water used for machines cooling, conserve the ample quantity of fresh water.

3.3 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.

3.4 Collection of maximum amount of steam condensate, reduce the feed water consumption in Boilers.

3.5 Company is introducing rain water harvesting systems which will help to retain the rainwater in our area and conserve the water.

As a result to above energy conservation measures; Cost of fuel, Electricity and water per ton of goods production has reduced considerably and made consequent impact on the cost of finished goods.

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

#### **A. 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.

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

Particulars regarding foreign exchange earnings and outgo are presented in Schedule 44 & 45 of the Audited Account.

The Company has retained its status as a net forex earner.

#### **Environmental Policy**

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

The Company 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.

The Company has State of the Art facilities capable for validating and verifying the entire product range of Belts and Allied Products that the organization has in its range and proposes to innovate.

The Company 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.

#### **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**

**Place : Mumbai**

**Date : 30.05.2014**

**Sonepal Sethi  
Joint Managing Director**

## (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

Particulars	Year Ended on 31.3.2014	Year Ended on 31.3.2013
<b>(A) POWER &amp; FUEL CONSUMPTION</b>		
<b>(1) Electricity</b>		
<b>(a) Purchased units</b>	6,842,050	8,548,331
Total Amount (Rs)	52,401,440	60,638,330
Rate/Unit(Rs)	7.66	7.09
<b>(b) Own generation through diesel generator:</b>		
<b>Unit</b>		
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) a)Furnace oil</b>		
Quantity K. Ltr.	3,12,294	1614
Total Amount (Rs)	12,835,314.46	79,208,328
Average Rate(Rs)	41.10	49.07
<b>b) Furnace oil</b>		
Quantity MT.		279
Total Amount (Rs)		14,646,357
Average Rate(Rs)		52.47
<b>(4) Others/Internal generation:</b>		
Quantity		
Total Cost (Rs)		
Rate/Unit (Rs)		
<b>(B) Consumption per unit of production:*</b>	Due to multiplicity of products consumption per unit not ascertainable.	
Product Unit:		
Electricity KWH PMT		
Furnace Oil Ltr. PMT		
Coal		

For and on behalf of the Board of Directors

Place : Mumbai  
Date : 30.05.2014

Sonepal Sethi  
Joint Managing Director

**Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies**

<b>Sr. No.</b>	<b>Particulars</b>	<b>PIX Middle East FZC,UAE</b>	<b>PIX Transmissions (Europe)Limited</b>
1	Financial Year of the Subsidiary Company ended on	31.03.2014	31.03.2014
2	Shares of the Subsidiary Company held on the above date and extent of holding		
(a)	Equity Shares	1,50,000	1,00,000
(b)	Extent of Holding	87%	100%
3	The net aggregate amount of the Subsidiary profit/(loss) so far as it is concerned with the members of PIX Transmissions Limited		
i)	Not dealt within the holding company's accounts		
(a)	For the financial year of the Subsidiary	NIL	NIL
(b)	For the Previous Financial Years of the subsidiary /since became the Holding company's subsidiary	NIL	NIL
ii)	Dealt within the holding company's accounts		
a)	For the financial year of the Subsidiary	NIL	NIL
b)	For the previous financial years of the subsidiary /since it became the Holding company's subsidiary	NIL	NIL

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

**Place : Mumbai**  
**Date : 30.05.2014**

**Sonepal Sethi**  
**Joint Managing Director**

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**Management Discussion and Analysis**  
**Overview of the Economy**

The year 2013-14 commenced with hopes of economic recovery however ended as a year of uncertainty. The deterioration in the Indian economic landscape created by lack of governance, policy and government spending impacted India's growth. While the Global Economy resumed on the recovery path initiated by advanced economies, activity in many emerging markets was disappointing due to less favourable internal and external financial environment. The renewed increase in the financial volatility highlights the challenges for emerging market economies posed by the changing external environment, higher inflation and wider current account deficits.

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 the company.

**Review of operations**

Total Turnover (net of excise) for the year under review is ₹ 1,97,59.36 Lacs. The profit before interest and depreciation and tax is ₹ 3,503.84 Lacs

The profit before tax from operations is ₹ 667.41 Lacs after providing ₹ 1,531.67 Lacs for Interest and ₹. 1,304.75 Lacs for Depreciation.

With the rate of interest still high compared to the global standards, 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 : 30.05.2014**

**Sonepal Sethi**  
**Joint 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 on the Corporate Governance and due compliance report on specific areas wherever applicable for the year ended 31st March 2014 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.

### 2. Board of Directors

The strength of the Board was eleven Directors as on 31st March 2014, comprising of five Whole-Time Promoter Directors, one Executive Director and five Non-executive Independent

Sr. No.	Name of the Director	Category / Status	No. of Directorship in other boards as on 31.03.2014 [Refer note below]*	No. of memberships in other board committee as on 31.03.2014 [Refer note below]**
1	Amarpal Sethi [Chairman & Managing Director]	Executive Promoter Director	-	-
2	Sonepal Sethi [Joint Managing Director]	Executive Promoter Director	--	--
3	Sukhpal Singh Sethi	Executive Promoter Director	-	-
4	Rishipal Sethi	Executive Promoter Director	-	-
5	Karanpal Sethi	Executive Promoter Director	--	--
6	Joe Paul	Executive Director	--	--
7	Jose Jacob	Independent Non-Executive Director	--	--
8	Haresh Edinani	Independent Non-Executive Director	--	--
9	Pardeep Havnur	Independent Non-Executive Director	--	--
10	Aqueel A. Mulla	Independent Non-Executive Director	--	--
11	Om Prakash Arora	Independent Non-Executive Director	--	--

- \* Excludes Directorship in Indian Private Limited Companies membership of managing committee of various bodies.
- \*\* Board Committees include chairmanship/membership of Audit committees, shareholder grievance committee and remuneration committee other than PIX Transmissions Limited.
- \*\*\* Mr. Amarpal Sethi, Mr. Sonopal Sethi and Mr. Rishipal Sethi and Mr Karanpal Sethi are Directors on behalf of M/s. PIX Transmissions Limited in PIX Transmissions Europe Limited subsidiary 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.

#### 2.1 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.

#### 2.2 Number of Board meetings:

During the year from 1st April, 2013 to 31st March, 2014 the Board of Directors met eleven times on the following days:

Sr. No.	Date	Board Strength	No. of Directors Present
1	12.04.13	12	5
2	29.05.13	12	5
3	24.06.13	12	11
4	16.07.13	12	5
5	13.08.13	12	11
6	25.09.13	12	5
7	28.09.13	12	10
8	01.11.13	12	6
9	22.11.13	12	11
10	28.01.14	12	11
11	13.02.14	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]	11	11	Yes
2	Sonepal Sethi [Joint Managing Director]	11	11	Yes
3	Sukhpal Singh Sethi	11	11	Yes
4	Rishipal Sethi [Joint Managing Director]	11	10	No
5	Karanpal Sethi	11	7	No
6	Darshan Singh Chadha	11	0	No
7	Jose Jacob	11	6	No
8	Haresh Edinani	11	6	Yes
9	Joe Paul	11	11	Yes
10	Pardeep Havnur	11	6	No
11	Aqueel A. Mulla	11	6	No
12	Om Prakash Arora	11	6	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:**

**1) Audit Committee:** The Audit Committee comprises of the following executive and non-executive independent members of the Board:

1. Mr. Haresh Eidnani - Non-Executive Independent Director
2. Mr. Amarpal Sethi - Chairman & Managing Director
3. Mr. Jose Jacob - Non-Executive Independent Director
4. Mr. Pradeep Havnur - Non-Executive Independent 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 Senior Manager [Finance & Accounts] also attend the Audit Committee meetings.

**Terms of reference of the Audit Committee:**

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.

**Terms of reference of the Audit Committee:**

The Audit Committee performs the following functions:

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

During the year from 01.04.2013 to 31.03.2014 the Audit committee met four times on the following dates:

1. 24.06.2013
2. 13.08.2013
3. 22.11.2013
4. 13.02.2014

Attendances of the Directors in the Audit Committee meetings are as under:

Sr. No.	Name of Directors	No. of Meetings held	No. of Meetings attended
1	Mr Hareesh Eidnani	4	4
2	Mr Amarpal Sethi (Chairman & Managing Director)	4	4
3	Mr Jose Jacob	4	4
4	Mr Pradeep Havnur	4	4

**II) Shareholders Grievances and Share Transfer Committee:**

This Committee, comprises the following executive and non-executive independent members of the Board;

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

Mr. Jose Jacob is the Chairman of this committee, the company has a large number of shareholders and this committee meets regularly to approve transfer of shares, splitting and consolidation of shares, issuance of duplicate shares and review/redress shareholder complaints.

During the year ended 31.03.2014, 35 complaints/queries were received. There were no complaints/queries pending for reply. There were no Share transfers pending for Registration for more than 15 days as on the said date.

During the year from 01.04.2013 to 31.03.2014 the Committee met 11 (eleven) times on the following dates;

30/04/2013  
31/05/2013  
29/06/2013  
31/07/2013  
30/09/2013  
31/10/2013  
30/11/2013  
31/12/2013  
31/01/2014  
28/02/2014  
31/03/2014

The attendance of the directors in the above meeting are as under:

Sr. No.	Name of Directors	No. of Meetings held	No. of Meetings attended
1	Mr. Jose Jacob	11	11
2	Mr. Sukhpal Singh Sethi	11	11
3	Mr. Sonopal Sethi	11	11
4	Mr. Haresh Eidnani	11	11

**III) Remuneration Committee:**

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

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

This committee recommends and review remuneration package of Executive/Non-Executive Directors, present report to the Board on remuneration package of directors.

During the year from 01/04/2013 to 31/03/2014 the committee met twice on the following dates:

1. 13/08/2013
2. 13/02/2014

The attendance of the directors in the above meeting are as under :

Sr. No.	Name of Directors	No. of Meetings held	No. of Meetings attended
1	Mr. Pradeep Havnur	2	2
2	Mr. Jose jacob	2	2
3	Mr. Hareesh Eidnani	2	2

#### Remuneration to Directors:

Details of Directors' sitting fees, commission and remuneration paid / payable to directors during the financial year 2013-14:

##### a) Promoter Directors:

Name of Directors	Salary	Perquisites	Retirement Benefits / Leave Encashment	Performance Linked Incentive / Bonus
Mr. Amarpal Sethi	57,60,000	--	N.A.	N.A.
Mr. Sonopal Sethi	54,00,000	--	N.A.	N.A.
Mr. Sukhpal Singh Sethi	54,00,000	--	N.A.	N.A.
Mr. Rishipal sethi	54,00,000	--	N.A.	N.A.
Mr. Karanpal Sethi	23,00,000	--	N.A.	N.A.

##### b) Executive Director:

Name of Directors	Salary	Perquisites	Retirement Benefits / Leave Encashment	Performance Linked Incentive / Bonus
Mr. Joe Paul	34,25,778	--	N.A.	N.A.

##### c) Independent Non-Executive Directors

Name of Directors	Commission Provided for	Sitting fees paid
Mr. Jose Jacob	Nil	30000
Mr. Hareesh Eidnani	Nil	30000
Mr. Pradeep Havnur	Nil	30000
Mr. Darshan Singh Chadha	Nil	Nil
Mr. Aqueel A. Mulla	Nil	30000
Mr. Om Prakash Arora	Nil	30000

**IV) Corporate Social Responsibilities Committee:**

As per the Companies Act 2013, all companies having net worth of ₹ 500 crores or more or turnover of ₹ 1000 crores or more or a net profit of ₹ 5 crore or more during any financial year will be required to constitute a Corporate Social Responsibility (CSR) committee of the Board consisting of 3 or more directors, at least one of whom will be an independent Director.

Accordingly, the Board constituted CSR committee comprising;

- a. Mr. Rishipal Sethi
- b. Mr. Joe Paul
- c. Mr. Aqueel Mulla

The purpose of the committee is to formulate and monitor the CSR policy of the company. The CSR committee has adopted the policy that intend to:

- Strive for the economic development that positively impacts the society at large with the available resources.
- Be responsible for the Company's actions and encourage the positive impact through its activities on the environment, communities and stakeholders.

The committee will be overseeing area of CSR activities programs and execution of initiatives as per predefined guidelines.

**V) Vigil Mechanism**

In April 2014 the Board adopted a policy on Vigil mechanism. In pursuance of the said policy employees can report their concerns about unethical behavior, actual or suspected fraud, or violation of code of conduct and ethics. It also provide for adequate safeguard against de-victimization of employees who avail of the mechanism, and allow direct access to the chairperson of the audit committee in exceptional cases.

**5. INVESTOR SERVICES****a) Share Transfer Process**

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

**b) Investor Help Desk**

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

**6. 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.

**7. Chief Financial Officer (CFO) Certification**

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

**8. General Body Meeting**

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

Financial Year Ended	Date	Time	Venue
31-03-2011	21st September 2011	9.30 A.M.	J-7, MIDC, Hingna, Nagpur – 440 016
31-03-2012	26th September 2012	9.30 A.M.	J-7, MIDC, Hingna, Nagpur – 440 016
31-03-2013	25th September 2013	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	26.12.2012	9.30 A.M.	J-7, MIDC, Hingna, Nagpur – 440 016	Revision of Remuneration of Promoter Directors

**9. Communication to Shareholders**

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

**10. Annual General Meeting**

Date & Time : 9:30 AM, 18th September, 2014.  
 Venue : J-7, MIDC, Hingna Road, Nagpur – 440016  
 Financial Calendar : 1st April 2013 to 31st March 2014.

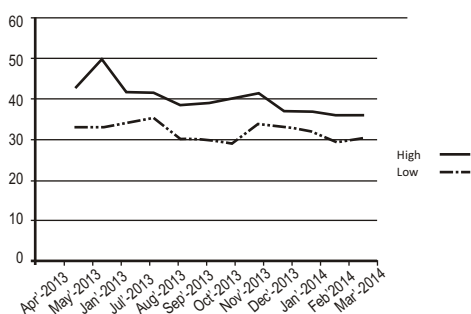
### Listing on Stock Exchange:

The Company's shares are listed on Bombay Stock Exchange Ltd, Mumbai. The Annual Listing Fees for 2013-2014 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 2013-2014 on Bombay Stock Exchange

Month	High	Low
Apr-13	42.85	33.15
May-13	49.90	33.05
Jun-13	41.90	34.00
Jul-13	41.65	35.50
Aug-13	38.55	30.10
Sep-13	39.00	30.00
Oct-13	40.00	29.10
Nov-13	41.65	34.00
Dec-13	37.00	33.30
Jan-14	36.90	32.00
Feb-14	36.00	29.55
Mar-14	36.00	30.20



### Distribution of Share Holding as on 31st March, 2014

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	15023	94.95%	1,519,665	11.15%
501 to 1000	392	2.48%	321,359	2.36 %
1001 to 2000	189	1.19 %	290,575	2.13 %
2001 to 3000	62	0.39 %	162,289	1.19 %
3001 to 4000	20	0.13 %	75,101	0.56 %
4001 to 5000	27	0.17%	130,071	0.95 %
5001 to 10000	46	0.29 %	338,509	2.49%
10001 & above	63	0.40 %	1,078,7631	79.17 %
<b>Total</b>	<b>15,822</b>	<b>100.00 %</b>	<b>13,625,200</b>	<b>100.00 %</b>

### Distribution of shareholding by ownership as on 31st March, 2014.

Category	No. Shares of Rs. 10/-each	Percentage of holding
Promoters (Indian Promoters including directors and their relatives)	8,086,936	59.35
Mutual Funds, UTI, Banks, Financial Institutions, Insurance Companies (Central/State Government/ Non-Governments) Institutions	3,800	0.03
Bodies corporate	1,340,114	9.84
Indian Public	4,149,330	30.45
NRI/OCB's	25,554	0.19
Clearing Members / Market Maker	19,466	0.14
<b>TOTAL</b>	<b>13,625,200</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, 2014, 91.37% 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 with effect from 27th November 2000.

### Physical and Demat Shares

Particulars	As on 31-03-2013	Percentage[%]
No. of Shares held by NSDL	1,07,22,227	78.69
No. of Shares held by CDSL	17,28,163	12.68
Physical Shares	11,74,810	8.63
<b>Total</b>	<b>1,36,25,200</b>	<b>100.00</b>

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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, 2014.

**For and on behalf of the Board of Directors**  
**Amarpal Sethi**  
**Chairman & Managing Director**

**Place : Mumbai**  
**Date : 28.06.2013**

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

The Members of PIX Transmissions Limited

I have examined the compliance of conditions of Corporate Governance by PIX Transmissions Limited (the Company), for the year ended 31st March, 2014 as stipulated in Clause 49 of Listing Agreement of the Company with the Stock Exchange.

The compliance of Corporate Governance is the responsibility of the Management. My 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 of the financial statements of the Company

In my opinion and the best of my information and according to the explanations given to me, I that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness which the Management s conducted he affairs of the Company.

**For S. C. Bandi & Co.**  
Chartered Accountants  
Firm Reg. No.130850W

**S. C. BANDI**  
(Proprietor)  
M. No.16932

Place: Mumbai  
Date: 30.05.2014



## CFO CERTIFICATION

I, Karanpal Sethi, Chief Financial Officer, 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.
8. I affirm that I have not denied any personnel, access to the audit committee of the company (in respect of matters involving alleged misconduct) and I have provided protection to whistleblower from unfair termination and other unfair or prejudicial employment practices.

**Place: Mumbai**  
**Date: 30.05.2014**

**Karanpal Sethi**  
**Chief Financial Officer**

**To the Members of PIX TRANSMISSIONS LIMITED****Report on the Financial Statements:**

I have audited the accompanying financial statements of PIX Transmissions Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements:**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility:**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the

assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion:**

In my opinion and to the best of my information and according to the explanations given to me, the financial statements 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 March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, I give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

- a. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;
- b. in my opinion proper books of account as required by law have been kept by the Company so far as appears from my examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in my opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
- e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **S.C. Bandi & Co.**  
Chartered Accountants  
Firm Reg. No.130850W

**S. C. BANDI**  
(Proprietor)  
M. No.16932

Place: Mumbai  
Date : 30.05.2014

#### **ANNEXURE TO THE AUDITOR'S REPORT**

The Annexure referred to in my report to the members of PIX Transmissions Limited ('the Company') for the year ended 31 March 2014. I report that;

- (I) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The assets have been physically verified by the management during the year and no discrepancies were noticed on such verification.
- c) The fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
- (ii) (a) The inventory has been physically verified during the year by the management. In my 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.
- (iii) (a) The Company has granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (a) to (d) of clause (iii) of paragraph 4 of the Order are not applicable to the Company.
- (b) The Company has taken loans from parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum

amount involved during the year was ₹ 1747.94 lakhs and the balance at the end of the year is ₹ 1747.94 lakhs.

- c) In my 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.
- (d) There is no stipulation as to the time period for payment of the principal amount of unsecured loans and taken.
- (iv) In my opinion and according to the information and explanations given to me, there are adequate internal control procedures commensurate with the size of the Company and the nature of business with regard to purchases of inventory, fixed asset and with regard to the sale of goods and services. During the course of my audit, no major weakness has been noticed in internal control system.
- (v) (a) In my opinion and according to the information and explanations given to me, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In my opinion, and according to the information and explanations given to me, the contracts and arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to the prevailing market price.
- (vi) The Company has not accepted any deposits from the public and hence, the provisions of clause (vi) of paragraph 4 of the Order are not applicable to the Company.
- (vii) In my opinion and according to the information and explanations given to me, there is an adequate internal audit system commensurate with the size of the Company and the nature of its business.
- (viii) On the basis of the records, I am of the opinion that prima-facie the cost records and accounts prescribed by the Central Government under Section 209(1)(d) of the Companies Act 1956 have been made and maintained in respect of the Company's product to which the said rule are made applicable.
- (ix) The Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues with the appropriate authorities.
- According to the information and explanations given to me, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues were in arrears as at 31st March 2014 for a period of more than six months from the date they became payable.
- (x) The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by my audit or in the immediately preceding financial year.
- (xi) According to the information and explanations given to me, the Company has not defaulted in repayment of dues to financial institutions or banks.

- (xii) According to the information and explanations given to me, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities and hence the clause (xii) of paragraph 4 of the said Order relating to maintenance of documents and records are not applicable.
- (xiii) In my opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of sub-clauses (a) to (d) of clause (xiii) of paragraph 4 of the said Order are not applicable to the Company.
- (xiv) In my opinion, the Company is not dealing in shares, securities and debentures and hence, the provisions of clause (xiv) of paragraph 4 of the said Order are not applicable to the Company.
- (xv) In my opinion and according to the information and explanations given to me, the Company has not given guarantee for loans taken by others from banks and financial institutions.
- (xvi) The Company has raised new term loan during the year. The term loans raised during the year have been applied for the purposes for which they were raised.
- (xvii) According to the information and explanations given to me and on an overall examination of the Balance Sheet of the Company, I report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.
- (xix) The Company has not issued any Debentures during the financial year covered by my audit.
- (xx) The Company has not raised any money by way of public issue during the year. However, convertible preference shares have been converted to equity shares.
- (xxi) According to the information and explanations given to me, no fraud on or by the company has been noticed or reported during the course of my audit.

For **S. C. Bandi & Co.**  
Chartered Accountants  
Firm Reg. No.130850W

**S. C. BANDI**  
(Proprietor)  
M. No.16932

Place: Mumbai  
Date: 30.05.2014

**PIX TRANSMISSIONS LIMITED**  
**Balance Sheet**  
**As at 31st March, 2014**

All amounts in ₹ unless otherwise stated

Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	3	136,241,000	183,202,000
Reserves and Surplus	4	1,368,090,066	1,319,939,309
<b>Non-Current Liabilities</b>			
Long-term Borrowings	5	465,888,407	224,918,590
Deferred tax Liabilities (Net)	6	85,417,396	123,018,744
Long Term Provisions	7	51,278,113	49,276,307
<b>Current Liabilities</b>			
Short-Term Borrowings	8	690,322,648	583,053,368
Trade Payables	9	305,123,429	351,503,379
Other Current Liabilities	10	116,299,709	131,050,769
Short-term Provisions	11	431,223,273	399,684,580
<b>Total</b>		<b>3,649,884,041</b>	<b>3,365,647,045</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	12	1,370,147,821	989,320,689
Intangible Assets	13	15,248,430	9,424,706
Capital Work-in-Progress	14	66,380,151	151,935,906
<b>Non-current Investments</b>	15	13,391,960	13,402,092
<b>Long Term Loans and Advances</b>	16	454,552,057	144,762,470
<b>Other Non-current Assets</b>	17	155,872,070	156,188,295
<b>Current Assets</b>			
Current Investments	18	145,296,416	-
Inventories	19	479,478,856	541,205,477
Trade Receivables	20	557,463,197	597,064,258
Cash and Cash Equivalents	21	177,856,881	322,230,030
Short-term Loans and Advances	22	190,806,214	437,776,312
Other Current Assets	23	23,389,988	2,336,810
<b>Total</b>		<b>3,649,884,041</b>	<b>3,365,647,045</b>

Summary of significant accounting policies

2

The accompanying notes are an integral part of these financial statements

As per our report of even date

For and on behalf of Board of Directors

For S. C. Bandi & Co.  
Chartered Accountants  
Firm Reg. No.130850W

Sonepal Sethi  
Joint Managing Director

Karanpal Sethi  
Chief Financial Officer

Aqueel A. Mulla  
Director

S. C. Bandi  
Proprietor  
Membership No: 16932  
Mumbai, 30.05.2014

Shybu Varghese  
Company Secretary

Haresh Eidnani  
Director

**PIX TRANSMISSIONS LIMITED**  
**Statement of Profit & Loss**  
**For the year ended 31st March, 2014**

All amounts in ₹ unless otherwise stated

Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
<b>REVENUE</b>			
Revenue from Operation	24	1,928,793,914	2,421,785,167
Less: Excise Duty		10,443,866	(100,865,964)
Revenue from Operation (Net)		<b>1,939,237,780</b>	<b>2,320,919,203</b>
Other Income	25	36,698,691	56,108,704
<b>Total</b>		<b>1,975,936,471</b>	<b>2,377,027,908</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	26	810,510,250	1,322,107,640
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	27	72,986,467	(52,153,128)
Employee Benefit Expense	28	347,352,376	298,092,704
Other Expenses	29	394,702,538	376,259,837
Financial Costs	30	153,167,243	188,285,816
Depreciation and Amortization Expense	31	130,475,608	132,818,752
<b>Total</b>		<b>1,909,194,482</b>	<b>2,265,411,621</b>
<b>Profit Before Exceptional and Extraordinary Items and Tax</b>		66,741,989	111,616,287
Exceptional Items		-	1,339,618,848
<b>Profit Before Tax</b>		66,741,989	1,451,235,135
Tax Expense:			
Current Tax		28,000,000	370,000,000
Deferred Tax		(37,601,348)	15,811,114
<b>Profit for the Year</b>		<b>76,343,337</b>	<b>1,065,424,021</b>
<b>Earning per share</b>			
Basic (FaceValue of ₹ 10 each)		5.60	78.20
Diluted (FaceValue of ₹ 10 each)		5.60	78.20

**Summary of significant accounting policies** 2  
The accompanying notes are an integral part of these financial statements

**As per our report of even date**      **For and on behalf of Board of Directors**

For S. C. Bandi & Co.  
Chartered Accountants  
Firm Reg. No.130850W

Karanpal Sethi  
Chief Financial Officer

Sonepal Sethi  
Joint Managing Director

Aqueel A. Mulla  
Director

S. C. Bandi  
Proprietor  
Membership No: 16932  
Mumbai, 30.05.2014

Shybu Varghese  
Company Secretary

Haresh Eidnani  
Director

**PIX Transmissions Limited**  
**Cash Flow Statement for the year ended 31 March, 2014**

All Amount in ₹ unless otherwise stated

Particulars	Year Ended 31.03.2014		Year Ended 31.03.2013	
<b>A. Cash flow from operating activities</b>				
Profit / (Loss) before extraordinary items and tax		66,741,989		111,616,287
<i>Adjustments for:</i>				
Depreciation and amortisation expense	130,475,608		132,818,751	
Finance costs	153,167,243		162,460,978	
		283,642,851		295,279,730
Operating profit / (loss) before working capital changes		350,384,840		406,896,017
<i>Changes in working capital:</i>				
Adjustments for (increase) / decrease in operating assets:				
Inventories	61,726,621		149,239,965	
Trade receivables	39,601,061		(169,146,174)	
Short-term loans and advances	246,970,098		(274,730,733)	
Long-term loans and advances	(309,789,587)		(16,885,897)	
Other current assets	(21,053,178)		12,036,151	
Other non-current assets	316,225		53,816,225	
	17,771,240		(245,670,463)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	(46,379,950)		(133,994,825)	
Other current liabilities	(14,751,060)		42,033,463	
Other long-term liabilities	-		-	
Short-term provisions	3,538,693		(4,410,784)	
Long-term provisions	2,001,806		5,460,595	
	(55,590,511)		(90,911,551)	
Cash flow from extraordinary items		(37,819,270)		(336,582,014)
Cash generated from operations		-		1,339,618,848
Net income tax (paid) / refunds		312,565,569		1,409,932,851
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>312,565,569</b>		<b>1,409,932,851</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	(523,412,560)		(415,292,331)	
Proceeds from sale of fixed assets	91,841,853		856,167,496	
Change in Non-current Investment	10,132		2,015,100	
Change in Current Investment	(145,296,416)			
	(576,856,992)		442,890,265	
Net Wealth Tax Paid		(576,856,992)		442,890,265
Net income tax (paid) / refunds		(175,000)		(112,850)
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(577,031,992)</b>		<b>442,777,415</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of equity shares			7,000,000	
Increase In Security Premium			57,750,000	
Redemption / buy back of preference / equity shares	(46,961,000)		(64,750,000)	
Proceeds from long-term borrowings	240,969,817		-	
Repayment of long-term borrowings			(1,031,953,659)	
Net increase / (decrease) in working capital borrowings	107,269,280		(317,550,307)	
Finance costs (includes borrowing costs capitalised)	(153,167,243)		(162,460,977)	
Dividends paid	(23,966,277)		(87,496,105)	
Tax on dividend	(4,051,303)		(14,193,749)	
	120,093,274		(1,613,654,797)	
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>120,093,274</b>		<b>(1,613,654,797)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>(144,373,149)</b>		<b>239,055,468</b>
Cash and cash equivalents at the beginning of the year		322,230,030		83,174,562
<b>Cash and cash equivalents at the end of the year</b>		<b>177,856,881</b>		<b>322,230,030</b>

For S. C. Bandi & Co.  
Chartered Accountants  
Firm Reg. No.130850W

S. C. Bandi  
Proprietor  
Membership No: 16932  
Mumbai, 30.05.2014

Karanpal Sethi  
Chief Financial Officer

Shybu Varghese  
Company Secretary

Sonepal Sethi  
Joint Managing Director

Aqueel A. Mulla  
Director

Haresh Eidnani  
Director



**NOTES to the financial statements for the year ended 31st March, 2014 (All amounts in ₹ unless otherwise stated)**

**1. Company Information:**

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

**2 Significant Accounting Policies**

**2.1 Basis of Accounting:** These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 (which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the Companies Act 1956 /Companies Act 2013. Accounting Policies not stated explicitly otherwise are consistent with generally accepted accounting principles in India.

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.

**2.2 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.

**2.3 Revenue Recognition:** Sales are recognised when the substantial risk and rewards of ownership in the goods are transferred to the buyer, upon supply of goods, and are recorded net of trade discount, sales taxes and excise duties. It does not include inter-

divisional transfers.

Income from export incentives such as duty drawback and premium on sale of import licences is recognised on cash basis.

Interest is booked on a time proportion basis taking into account the amounts invested and the rate of interest.

Dividend income on investment is accounted for when the right to receive the payment is established.

**2.4 Tangible Fixed Assets:** Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing assets beyond its previously assessed standard performance.

Losses arising from the requirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the profit and Loss account.

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

**2.5 Intangible Assets:** Intangible Assets are stated at cost of acquisition less accumulated amortisation and accumulated impairment loss, if any.

**2.6 Impairment of Assets:** Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Assessment is done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

**2.7 Investment:** 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.

**2.8 Inventories:** Inventories are valued at lower of cost, computed on a weighted average basis, and estimated net realisable value, after providing for cost of obsolescence and other anticipated losses, wherever

considered necessary. Finished goods and work in progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

## 2.9 Trade Receivables and Loans and Advances

Trade Receivables and Loans and Advances are stated at book value and no provision is made for doubtful debts.

**2.10 Foreign Currency Transactions:** 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.

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.

## 2.11 Employee Benefits:

### A. Post-employment Benefits

**i. 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.

### ii. 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.

### B. 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.

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

**2.12 Expenditure:** Expenses are accounted on accrual basis and provision is made all known losses and liabilities.

Revenue expenditure on research and development is

charged against the profit of the year in which it is incurred. Capital expenditure on research and development is shown as an addition to fixed assets.

**2.13 Current and Deferred Tax:** Income taxes comprise of current tax and deferred taxcharge. Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that that have been enacted or substantively enacted by the balance sheet date. In the event of unabsorbed depreciation and carry forward losses, deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

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

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

**2.16 Segment Reporting:** The Company is engaged in the business of Industrial Rubber Products and there is no reportable primary segment as per Accounting Standard (AS 17) 'Segment Reporting'.

The company identified geographical locations as secondary segments. The products of the company are sold both in the domestic & export markets, which are considered different geographical segments.

**2.16 Earning per share:** Basic earning per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

**NOTES to the financial statements for the year ended 31st March, 2014 (Contd....).**  
**(All amounts in ₹ unless otherwise stated)**

**3. Share Capital**

The Authorised, Issued, Subscribed and Fully paid-up share capital comprises of equity shares having a par value ₹ 10 each as follows:

	31.03.2014	31.03.2013
<b>A Authorised</b>		
i. 2,05,00,000 (Previous year 2,05,00,000) equity shares of ₹10 each	205,000,000	205,000,000
ii. 14,50,000 (Previous year 14,50,000) Convertible 6% Preference Shares of ₹100 each	145,000,000	145,000,000
iii. 15,00,000 (Previous year 15,00,000) non-convertible 6% cumulative Redeemable Preference Shares of ₹ 100 each	150,000,000	150,000,000
	<u>500,000,000</u>	<u>500,000,000</u>
<b>B Issued, Subscribed and Fully paid up</b>		
i. 1,36,25,200 (Previous year 1,36,25,200) equity shares of ₹ 10 each	136,252,000	136,252,000
Less: Allotment money in arrears from public other than Directors	(11,000)	(11,000)
ii. NIL (Previous year 4,69,610) non-convertible 6% cumulative Redeemable Preference Shares of ₹ 100 each	-	46,961,000
	<u>136,241,000</u>	<u>183,202,000</u>
<b>Reconciliation of numbers of shares</b>		
<b>Equity Shares</b>		
Opening Balance	13,625,200	12,925,200
Changes during the year	-	700,000
Closing balance	<u>13,625,200</u>	<u>13,625,200</u>
<b>Preference Shares</b>		
<b>Convertible 6% Preference Shares</b>		
Opening Balance	-	647,500
Changes during the year	-	647,500
Closing balance	<u>-</u>	<u>-</u>
<b>Non-convertible 6% cumulative Redeemable Preference Shares</b>		
Opening Balance	469,610	469,610
Changes during the year	(469,610)	-
Closing balance	<u>-</u>	<u>469,610</u>

**Rights, preferences and restrictions attached to shares**

**a. Equity Shares**

The company has one class of shares having par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

NOTES to the financial statements for the year ended 31st March, 2013 (Contd....).  
(All amounts in ₹ unless otherwise stated)

**b. Preference Shares**

**Convertible Preference Shares**

During the year, 4,69,610 6% Redeemable Cumulative Preference Shares has been redeemed at par.

**Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Equity Shares	31.03.2014		31.03.2013	
	No of Shares	%	No of Shares	%
Nirmal Sethi	959,212	7.04%	959,212	7.04%
Amarpal Singh Sethi / Inderjeet Sethi	993,825	7.29%	993,825	7.29%
Sukhpal Singh Sethi / Davinder Sethi	839,145	6.16%	839,145	6.16%
Sonepal Singh Sethi / Kamalpreet Sethi	1,457,421	10.70%	1,284,514	9.43%
Davinder Sethi / Sukhpal Singh Sethi	558,126	4.10%	-	-
Inderjeet Sethi / Amarpal Sethi	712,065	5.23%	712,065	5.23%
Rishipal Sethi / Saba Sethi	1,145,007	8.40%	981,460	7.20%
Karanpal Sethi	938,217	6.89%	771,220	5.66%

4. Reserves and Surplus	31.03.2014	31.03.2013
Reserves and surplus consist of the following reserves:		
<b>a. Securities Premium Reserves</b>	138,709,200	138,709,200
<b>b. Capital Reserves</b>	9,407,880	9,407,880
<b>c. Capital Redemption Reserves</b>	112,413,000	65,452,000
<b>d. Amalgamation Reserves</b>	33,741,683	33,741,683
<b>e. General Reserves</b>	25,192,608	25,192,608
<b>f. Surplus in Statement of Profit and Loss</b>		
Opening Balance	1,047,435,938	83,814,621
Current year Addition/(Deduction)	<b>76,343,337</b>	<b>1,065,424,021</b>
<b>Less: Appropriations</b>	(75,153,580)	(101,802,704)
Transferred to Capital Redemption Reserve	46,961,000	
Interim Dividend on Equity Shares Dividend	-	40,875,600
Proposed Dividend on Equity Shares Dividend	20,437,800	20,437,800
Tax on Equity Dividend	3,473,404	
Dividend on Non-Convertible Preference Shares	3,528,477	20,678,955
Dividend on Convertible Preference Shares		5,503,750
Tax on Non-Convertible Preference Shares Dividend	577,899	14,193,749
Wealth Tax	175,000	112,850
	1,048,625,695	1,047,435,938
<b>Total Transferred to Balance Sheet</b>	1,368,090,066	1,319,939,309

The Board of Directors at its meeting held on 30.05.2014 has recommended a final dividend of ₹ 1.50 per equity shares.

NOTES to the financial statements for the year ended 31st March, 2014 (Contd....).  
(All amounts in ₹ unless otherwise stated)

	31.03.2014	31.03.2013
<b>5. Long Term Borrowings</b>		
<b>a.Secured Loans</b>		
Term Loan	235,210,100	60,860,586
Loan Against Hypothication of Vehicle	9,753,515	8,546,291
<b>Total</b>	<b>244,963,615</b>	<b>69,406,877</b>
<b>b.Unsecured Loans</b>		
From Others (Financials Companies)	46,131,066	46,678,351
From Directors	174,793,726	108,833,362
<b>Total</b>	<b>220,924,792</b>	<b>155,511,713</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. Term Loan and working Capital Facilities are further secured by personal guarantee of four Promoter's Directors.
3. Loan received against Hypothecation of vehicle is fully secured against vehicles.

	31.03.2014	31.03.2013
<b>6. Deferred Tax</b>		
Deferred tax liability (net)	85,417,396	123,018,744
	<b>85,417,396</b>	<b>123,018,744</b>
<b>7. Other Long Term Liabilities</b>		
Provision For Gratuity	51,278,113	49,276,307
	<b>51,278,113</b>	<b>49,276,307</b>
<b>8. Short Term Borrowings</b>		
Working Capital Loan from Banks	410,867,248	361,177,438
Term Loan due within 12 Months	104,502,301	68,446,298
Loan Against Hypothication of Vehicle	2,000,000	949,588
From banks against bill discounting	172,953,099	152,480,044
	<b>690,322,648</b>	<b>583,053,368</b>

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

**NOTES to the financial statements for the year ended 31st March, 2014 (Contd....).**  
(All amounts in ₹ unless otherwise stated)

	31.03.2014	31.03.2013
<b>9. Trade Payables</b>		
Sundry Creditors	305,123,429	351,503,379
	<b>305,123,429</b>	<b>351,503,379</b>

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

	31.03.2013	31.03.2012
<b>10 Other Current Liabilities</b>		
Unclaimed Dividend	445,059	449,342
Advance from Customers	33,245,757	58,306,565
Employees Benefits Payables	79,305,415	64,918,233
TDS Payable	3,303,478	7,376,629
	<b>116,299,709</b>	<b>131,050,769</b>
<b>11 Short Term Provisions</b>		
Provision for Employees Benefits	6,748,273	3,384,580
Provision for Income Tax	424,475,000	396,300,000
	<b>431,223,273</b>	<b>399,684,580</b>

**SCHEDULE - 12 Fixed Assets**

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Gross Value as on 31.03.2013	Additions During the Year	Sold/Trf. During the Year	Total Gross Value as on 31.03.2014	As on 01.04.2013	For the Year	Less Written off	Total	Net Value as on 31.03.2014	Net Value as on 31.03.2013
Plot	150,300,139	51,000	-	150,351,139	-	-	-	-	150,351,139	150,300,139
Factory Premises	334,266,830	266,737,212	-	601,004,042	60,147,891	12,847,192	-	72,995,083	528,008,959	274,118,939
Plant & Machinery	921,621,854	181,180,284	-	1,102,802,138	498,498,882	102,468,371	-	600,967,253	501,834,886	423,122,973
Furnitures & Fixtures	55,440,935	9,886,164	-	65,327,100	20,705,912	3,627,452	-	24,333,364	40,993,736	34,735,023
Electrical Installations	92,874,109	36,667,072	-	129,541,181	18,274,921	4,842,693	-	23,117,614	106,423,567	74,599,188
Office Equipments	48,537,159	8,351,892	-	56,889,051	39,203,360	952,204	-	40,155,564	16,733,487	9,333,799
Vehicles	33,760,307	12,184,440	11,993,926	33,950,821	10,649,678	3,206,923	5,707,828	8,148,773	25,802,048	23,110,629
<b>TOTAL</b>	<b>1,636,801,333</b>	<b>515,058,064</b>	<b>11,993,926</b>	<b>2,139,865,471</b>	<b>647,480,643</b>	<b>127,944,835</b>	<b>5,707,828</b>	<b>769,717,650</b>	<b>1,370,147,821</b>	<b>989,320,689</b>
Previous year	2,970,718,734	253,931,719	1,587,849,120	1,636,801,333	1,246,343,515	132,818,753	731,681,624	647,480,644	989,320,689	1,724,375,219

**SCHEDULE - 13 Intangible Assets**

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Gross Value as on 31.03.2013	Additions During the Year	Sold/Trf. During the Year	Total Gross Value as on 31.03.2014	As on 01.04.2013	For the Year	Less Written off	Total	Net Value as on 31.03.2014	Net Value as on 31.03.2013
Software	9,424,706	8,354,496	-	17,779,202	-	2,530,773	-	2,530,773	15,248,430	9,424,706
<b>Total</b>	<b>9,424,706</b>	<b>8,354,496</b>	<b>-</b>	<b>17,779,202</b>	<b>-</b>	<b>2,530,773</b>	<b>-</b>	<b>2,530,773</b>	<b>15,248,430</b>	<b>9,424,706</b>

**NOTES to the financial statements for the year ended 31st March, 2014 (Contd....).**  
**(All amounts in ₹ unless otherwise stated)**

**SCHEDULE - 14 Capital Work-in-progress**

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Gross Value as on 31.03.2013	Additions During the Year	Sold/Trf. During the Year	Total Gross Value as on 31.03.2014	As on 01.04.2013	For the Year	Less Written off	Total	Net Value as on 31.03.2014	Net Value as on 31.03.2013
Work-in-progress	148,089,580	-	81,709,429	66,380,151	-	-	-	-	66,380,151	148,089,580
Pre-Operating Expenditures	3,846,326	-	3,846,326	-	-	-	-	-	-	3,846,326
<b>Total</b>	<b>151,935,906</b>	<b>-</b>	<b>85,555,755</b>	<b>66,380,151</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>66,380,151</b>	<b>151,935,906</b>

**15 Non Current Investment**

Un-Quoted Fully Paid up (At Cost)	31.03.2014			31.03.2013	
	Units	Face Value	Total Value	Units	Total Value
<b>A. Subsidiary Company</b>					
i. PIX Middle East FZC, UAE (130 equity shares of 1000 Dhiram per share)	130	1000 Dhiram	1,720,500	130	1,720,500
ii. PIX Transmissions (Europe) Limited (equity shares of per share)	100,000	1 €	8,515,460	-	-
<b>B. Joint Venture Companies</b>					
i. PIX Europe Limited (125,000 equity shares of 1 £ per share)				125,000	8,525,592
ii. PIX Quality Component Solutions Limited (50,000 equity shares of 1 € per share)	50,000	1 €	3,156,000	50,000	3,156,000
			13,391,960		13,402,092

**16 Long Term Loans and Advances**

Particulars	31.03.2014	31.03.2013
Loans and Advances to Related Parties	13,717,028	13,457,527
Securities Deposits	6,536,458	7,053,587
Advances to Parties	5,974,350	17,915,685
Advance Income Tax ( Net of Provision )	384,851,063	37,771,652
Loans and Advances to Employees	4,429,619	-
Receivable from Government Departments	39,043,539	55,234,443
Interest Receivable	-	13,329,576
	<b>454,552,057</b>	<b>144,762,470</b>
i. PIX Europe Limited	-	8,266,091
ii. PIX Middle East FZC, UAE	4,131,815	4,131,815
iii PIX Quality Component Solutions	1,059,621	1,059,621
iv PIX Transmissions (Europe) Limited	8,525,592	-
	<b>13,717,028</b>	<b>13,457,527</b>

**Note:** 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.

NOTES to the financial statements for the year ended 31st March, 2014 (Contd....).  
(All amounts in ₹ unless otherwise stated)

**17 Other Non-current Assets**

Particulars	31.03.2014	31.03.2013
Product Development Expenditures	155,171,953	155,171,953
Preliminary Expenditure	700,117	1,016,342
	<b>155,872,070</b>	<b>156,188,295</b>

**18 Current Investment**

Particulars	31.03.2014			31.03.2013	
	Units	Face Value	Total Value	Units	Total Value
<b>Un-Quoted Fully Paid up (At Cost) Investment in Mutual Funds</b>					
<b>A. HDFC MUTUAL FUND</b>					
HDFC FMP 378 D Regular	500,000	10	5,000,000	-	-
HDFC Liquid Growth Fund	1,205,596	10	30,000,000	-	-
<b>SUB TOTAL</b>			<b>35,000,000</b>	-	-
<b>KOTAK MUTUAL FUND</b>					
Kotak FMP Series 137 371 Days Growth	500,000	10	5,000,000	-	-
IDFC Fixed Term Plan Series 79 Regular Plan Growth	500,000	10	5,000,000	-	-
ICICI Prudential FMP Series 72 425 Days Plan N Regular Plan Cumulative	500,000	10	5,000,000	-	-
ICICI Prudential FMP Series 73378 Days Plan O Regular Plan Cumulative	500,000	10	5,000,000	-	-
IDFC Arbitrage Fund Regular Plan Dividend	326,222	10	4,114,504	-	-
Kotak Equity Arbitrage Fund Monthly- Dividend	383,577	10	4,106,521	-	-
Kotak Floater Short Term Daily Dividend	59,473	1,000	60,163,795	-	-
ICICI Prudential Blended Plan A - Regular Plan - Dividend	304,703	10	4,118,723	-	-
ICICI Prudential Liquid - Regular Plan - Daily Dividend	940	100	94,030	-	-
Sundaram Flexible Fund Short Term Plan Regular Growth	455,323	10	9,000,000	-	-
<b>Sub Total</b>			<b>101,597,572</b>	-	-
<b>B. SBI MUTUAL FUND</b>					
SBI Premiere Liquid Fund- Regular Plan - Daily Dividend	8,671	1,000	8,698,844	-	-
<b>SUB TOTAL</b>			<b>8,698,844</b>	-	-
<b>TOTAL CURRENT INVESTMENTS</b>			<b>145,296,416</b>	-	-

**Note :1:** Aggregate value of quoted investment 146,175,587/- previous year nil. Unquoted investment Rs. 13,391,960/- previous year Rs. 13,402,092/-



**NOTES to the financial statements for the year ended 31st March, 2014 (Contd....).**  
**(All amounts in ₹ unless otherwise stated)**

**19 Inventories** (Valued at lower of cost and net realisable value)

Particulars	31.03.2014	31.03.2013
Raw Material	128,312,579	156,045,902
Work-in-progress	44,751,409	46,894,290
Finished Goods	139,692,826	210,536,412
Stores and Spares	161,735,353	123,710,528
Packing Materials	4,159,387	3,573,399
Trading Goods	827,302	444,946
	<b>479,478,856</b>	<b>541,205,477</b>

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

**20 Trade Receivables**

Particulars	31.03.2014	31.03.2013
<b>i. Considered Good</b>		
Outstanding for a period exceeding six months from the date they are due to payment	98,731,536	65,197,947
Others	458,731,661	531,866,311
	<b>557,463,197</b>	<b>597,064,258</b>

**Note:** Book Debts, Advances, Bank Deposits and Credit balances are taken subject to their respective confirmation.

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

**21 Cash & Cash Equivalent**

Particulars	31.03.2014	31.03.2013
<b>A. Cash in Hand</b>	124,319	288,984
<b>B. Bank Balances</b>		
On Current Account	20,757,077	20,908,525
On Term Deposit (with original maturity more than 12 months)	141,090,608	285,647,644
Margin Money Deposit	15,884,877	15,384,877
	<b>177,856,881</b>	<b>322,230,030</b>

**22 Short Term Loans and Advances**

Particulars	31.03.2014	31.03.2013
Advances Recoverable in Cash or Kind or Value of Received		
Unsecured Advances Considered Good	92,508,605	78,177,317
Advance Tax	12,215,502	272,625,929
Receivables from various Govt. Departments	13,487,547	29,541,566
Security Deposits	2,237,086	150,000
Balance with Central Excise	70,020,356	52,851,881
Staff Advances	337,118	4,429,619.00
	<b>190,806,214</b>	<b>437,776,312</b>

**Note:** 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.

**NOTES to the financial statements for the year ended 31st March, 2014 (Contd....).**  
**(All amounts in ₹ unless otherwise stated)**

**23 Other Current Assets**

Particulars	31.03.2014	31.03.2013
Interest Receivables	19,926,287	496,000
Pre-paid Expenses	3,463,701	1,840,810
	<b>23,389,988</b>	<b>2,336,810</b>

**24 Revenue from Operation**

Particulars	31.03.2014	31.03.2013
A. Sale of Products	1,895,115,263	2,352,276,066
B. Other Operating Revenue	9,126,753	9,371,061
C. Trading Sales	24,551,898	60,138,040
D. Excise Duty	10,443,866	(100,865,964)
	<b>1,939,237,780</b>	<b>2,320,919,203</b>

**25 Other Income**

Particulars	31.03.2014	31.03.2013
Interest Received On FDR & From Others	30,598,272	25,824,838
Dividend Income	6,100,419	5,534,522
Defferal Sales Tax Written Back	-	24,406,253
Insurance Claim	-	343,091
	<b>36,698,691</b>	<b>56,108,704</b>

**26 Cost of Materials Consumed**

Particulars	31.03.2014	31.03.2013
<b>Opening Inventories</b>		
Raw Materials	156,045,902	237,025,598
Packing Materials	3,573,399	31,075,000
Stores and Spares	123,710,528	132,510,000
Trading Goods	444,946	-
	<b>283,774,775</b>	<b>400,610,598</b>
<b>Purchases</b>		
Raw Materials	721,068,164	1,135,547,651
Packing Materials	20,408,777	25,219,156
Stores and Spares	66,029,008	38,094,375
Trading Goods	14,264,147	59,484,669
	<b>821,770,096</b>	<b>1,258,345,851</b>
<b>Closing Inventories</b>		
Raw Materials	128,312,579	156,045,902
Packing Materials	4,159,387	3,573,399
Stores and Spares	161,735,353	123,710,528
Trading Goods	827,302	444,946
Transfer to M/s Parker Hanniffin India Pvt. Ltd.	-	53,074,034
	<b>295,034,621</b>	<b>336,848,809</b>
<b>Consumption</b>	<b>810,510,250</b>	<b>1,322,107,640</b>

**NOTES to the financial statements for the year ended 31st March, 2014 (Contd....).**  
**(All amounts in ₹ unless otherwise stated)**

**27 Change in Inventories**

Particulars	31.03.2014	31.03.2013
<b>Opening Inventories</b>		
Work-in-Progress	46,894,290	59,500,000
Finished Goods	210,536,412	230,334,844
	<b>257,430,702</b>	<b>289,834,844</b>
<b>Closing Inventories</b>		
Work-in-Progress	44,751,409	46,894,290
Finished Goods	139,692,826	210,536,412
Transfer to M/s Parker Hannifin India Pvt. Ltd.		84,557,270
	<b>184,444,235</b>	<b>341,987,972</b>
<b>Total Change</b>	<b>72,986,467</b>	<b>(52,153,128)</b>

**28 Employee Benefits Expense**

Particulars	31.03.2014	31.03.2013
i. Salaries	104,601,170	89,635,465
ii. Wages	203,212,769	164,188,284
iii. Contribution to Provident Fund	13,458,080	13,472,399
iv. Contribution to Gratuity Fund	6,121,293	10,833,847
v. Staff Welfare Expense	14,445,858	14,688,164
vi. E.S.I.C.	5,513,206	5,274,544
	<b>347,352,376</b>	<b>298,092,704</b>

**29 Other Expenses**

Particulars	31.03.2014	31.03.2013
Advertisement	456,332	1,147,344
Auditor's Remuneration		340,000
- Audit Fees	300,000	
- Tax Audit Fees	100,000	
Bank Commission	13,588,825	16,047,409
Cess	938,200	663,000
Commission & Brokerage	2,082,314	3,014,502
Turnover Discount	5,779,822	4,332,685
Director's Remuneration	31,845,778	29,064,895
Travelling Expenses	32,750,903	24,181,012
Discount	59,256,604	54,789,927
Power Expenses	51,518,997	53,496,314
Export Expenses	3,551,426	3,410,577
Freight & Transportation	59,436,844	97,030,895
Insurance	3,463,881	6,554,955
Legal & Professional Fees	12,653,723	11,400,622
Rent	3,222,400	3,510,700
Research & Development	4,590	2,178
Printing & Stationery	550,135	1,755,837
Repairs & Maintenance	19,512,536	16,652,653
Car & Scooter Expenses	5,991,445	2,295,211
Miscellaneous Expenses	69,973,156	42,529,226
Loss on Sale of Investment	-	343,290
Telephone Telex & Postage	4,052,024	3,380,380
Bad Debts	13,356,377	-
Preliminary Expenses Written off	316,225	316,225
	<b>394,702,538</b>	<b>376,259,837</b>

**NOTES to the financial statements for the year ended 31st March, 2014 (Contd....).**  
**(All amounts in ₹ unless otherwise stated)**

**30 Finance Cost**

Particulars	31.03.2014	31.03.2013
Discounts	4,181,633	4,166,720
Interest	148,985,610	184,119,096
	<b>153,167,243</b>	<b>188,285,816</b>

**31 Depreciation**

Particulars	31.03.2014	31.03.2013
Factory Premises	12,847,192	12,946,067
Plant & Machinery	102,468,371	104,791,594
Electrical Installations	4,842,693	3,398,944
Furnitures & Fixtures	3,627,452	4,428,262
Office Equipments	952,204	4,370,465
Vehicles	3,206,923	2,883,421
Computer Software	2,530,773	-
	<b>130,475,608</b>	<b>132,818,752</b>

**32 Earning Per Share (EPS)**

Particulars	31.03.2014	31.03.2013
Profit for the year	76,343,337	1,065,424,021
Weighted average number of Equity shares outstanding	13,625,200	13,625,200
Basic Earning Per Share	5.60	78.20
Weighted average number of potential equity shares outstanding	NIL	NIL
Weighted average number of Equity shares outstanding (including dilutive shares)	13,625,200	13,625,200
Diluted Earning Per Share	5.60	78.20

**33 Contingent Liabilities**

Particulars	31.03.2014	31.03.2013
Letters of Credit	112,488,645	125,674,715
Bill Discounting	NIL	NIL
Bank Guarantee	338,539	2,817,660

34 Depreciation on the Assets added / deducted during the year has been provided on pro-rata basis with reference to the months of addition/deduction.

35 The Company has received loans from Directors. The same has been grouped under long term borrowings.

36 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 Maintenance Free type belts for the new generation packaging machines and EPDM rubber cover belts for automotive industries. These would be able to withstand higher temperature and perform longer.

**NOTES to the financial statements for the year ended 31st March, 2014 (Contd....).**
**(All amounts in ₹ unless otherwise stated)**

- 36** 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.

Up to previous year the company has incurred expenditure on development of new product which yet to be manufactured commercially have been carry forward in Product Development Expenditures under the head Other Non-Current Assets.

Particulars	31.03.2014	31.03.2013
Opening Balance	155,171,953	208,671,953
Addition/(Deletion) during the year	-	(53,500,000)
<b>Total</b>	<b>155,171,953</b>	<b>155,171,953</b>

- 37** The Accounting Standard 15 (Revised 2005) on “Employee Benefits” issued by the Institute of Chartered Accountants of India (ICAI) has been adopted by the Company as under:

**37.1 Defined Contribution Plans** – The Company has recognized the following amounts in the Profit and Loss Account for the year

Particulars	31.03.2014	31.03.2013
Contribution to Employees Provident Fund	13,458,080	13,472,399

**37.2 Defined Benefit Plan** – The following figures as per actuarial valuation as at the Balance Sheet date have been debited to profit and loss

**A. Gratuity**

Particulars	31.03.2014	31.03.2013
Opening: Actuarial value of Projected Benefit Obligations (PBO)	49,276,307	43,815,712
Interest cost for the year	3,942,105	2,628,136
Service Cost for the year	3,628,671	3,459,801
Benefits paid for the year	(4,119,487)	(2,231,757)
Actuarial Gain / (Loss) on obligations	(1,449,483)	1,604,415
Closing: Actuarial value of Projected Benefit Obligations (PBO)	51,278,113	49,276,307
<b>Balance Sheet Statement</b>		
	<b>31.03.2014</b>	<b>31.03.2013</b>
Present value of the obligation at 31.03.14	51,278,113	49,276,307
Fair value of plan assets 31.03.14	NIL	NIL
Un-funded liability 31.03.14	51,278,113	49,276,307
Un-recognized gains / losses in opening balance	NIL	NIL
Un-funded liability recognized in Balance sheet	51,278,113	49,276,307
<b>Profit &amp; Loss Account Statement</b>		
	<b>31.03.2014</b>	<b>31.03.2013</b>
Interest cost for the year	3,942,105	2,628,136
Service Cost for the year	3,628,671	3,459,801
Actual return on plan assets from 01.04.13 to 31.03.14	NIL	NIL
Actuarial Gain / (Loss) on obligations	(1,449,483)	1,604,415
Gratuity to be provided as expenses in Profit & Loss a/c.	6,121,293	7,692,352

**NOTES to the financial statements for the year ended 31st March, 2014 (Contd....).**  
**(All amounts in ₹ unless otherwise stated)**

**B Leave Encashment**  
**Changes in Benefit Obligation**

Particulars	31.03.2014	31.03.2013
Opening: Actuarial value of Projected Benefit Obligations (PBO)	3,384,580	2,795,364
Interest cost for the year	270,766	223,629
Service Cost for the year	2,674,704	2,381,542
Benefits paid for the year	(2,634,964)	(1,878,594)
Actuarial Gain / (Loss) on obligations	3,053,187	(137,361)
Closing: Actuarial value of Projected Benefit Obligations (PBO)	6,748,273	3,384,580
<b>Balance Sheet Statement</b>		
	<b>31.03.2014</b>	<b>31.03.2013</b>
Present value of the obligation at 31.03.14	6,748,273	3,384,580
Fair value of plan assets 31.03.14	NIL	NIL
Un-funded liability 31.03.14	6,748,273	3,384,580
Un-recognized gains / losses in opening balance	NIL	NIL
Un-funded liability recognized in Balance sheet	6,748,273	3,384,580
<b>Profit &amp; Loss Account Statement</b>		
	<b>31.03.2014</b>	<b>31.03.2013</b>
Interest cost for the year	270,766	223,629
Service Cost for the year	2,674,704	2,381,542
Actual return on plan assets from 01.04.13 to 31.03.14	NIL	NIL
Actuarial (Gain) / Loss on obligations	3,053,187	(137,361)
Gratuity to be provided as expenses in Profit & Loss a/c.	5,998,657	2,467,810

**38 Segment Reporting:**

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'.

Revenue	31.03.2014	31.03.2013
Domestic	984,375,978	1,097,705,465
Export	954,856,457	1,223,213,738
<b>Total</b>	<b>1,939,232,435</b>	<b>2,320,919,203.35</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.

**39 Deferred Tax:**

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.

The major components of the net deferred tax liability as on 31.03.2014 are as under:

Particulars	31.03.2013	During the Year	31.03.2014
<b>DEFERRED TAX LIABILITY</b>			
Depreciation	140,724,941	(32,587,485)	108,137,456
<b>DEFERRED TAX ASSETS</b>			
Provision for Employees Benefits	(17,706,198)	(5,013,862)	(22,720,060)
<b>Net Deferred Tax Liability</b>	<b>123,018,744</b>		<b>85,417,396</b>

NOTES to the financial statements for the year ended 31st March, 2014 (Contd....).

(All amounts in ₹ unless otherwise stated)

**40 Related Parties' Disclosures:**

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

**A. Subsidiary Companies**

**1. Subsidiary**

- i. PIX Middle East FZC, UAE
- ii. PIX Transmissions (Europe) Limited, England

**2. Fellow Subsidiaries**

- i. PIX Germany GmbH, Germany  
(Subsidiary company of PIX Transmissions (Europe) Limited)
- ii. PIX Middle East Trading LLC, UAE  
(Subsidiary company of PIX Middle East FZC, UAE)

**B. Joint Venture Company**

- i. PIX QCS Limited, Ireland

**C. Key Management Personnel:**

- i. Mr. Sukhpal Singh Sethi
- ii. Mr. Amarpal Sethi
- iii. Mr. Sonopal Sethi
- iv. Mr. Rishipal Sethi
- v. Mr. Joe Paul
- vi. Mr. Karanpal Sethi

**D. Relatives of key Management Personnel**

- i. Mrs. Nirmal Sethi
- ii. Mrs. Davinder Sethi
- iii. Mrs. Inderjeet Sethi
- iv. Mrs. Kamalpreet Sethi
- v. Mrs. Saba Sethi
- vi. Mrs. Roshni Sethi
- vii. Miss Shirley Paul

**E. Enterprises over which key Management Personnel or Relatives have influence**

- i. Amit Beneficiary Trust
- ii. K. S. Beneficiary Trust
- iii. R. S. Beneficiary Trust

NOTES to the financial statements for the year ended 31st March, 2014 (Contd....).  
(All amounts in ₹ unless otherwise stated)

**40. Related Parties' Disclosures: (Contd....)**

**ii. Transactions with related parties for the year ended March 31, 2014**

	<b>31.03.2014</b>	<b>31.03.2013</b>
<b>A. Subsidiary</b>		
Sale of Goods	122,629,451	16,714,425
<b>B. Fellow Subsidiaries</b>		
Sale of Goods	51,713,293	NIL
<b>C. Joint Venture</b>		
Sale of Goods	131,850,197	220,861,104
Dividend Received	4,110,120	NIL
<b>D. Key Management Personnel:</b>		
Remuneration Paid	37,079,018	29,064,895
Interest Paid	8,629,143	12,480,773
Perquisites/Allowances Paid	331,824	164,644
<b>E. Relatives of key Management Personnel</b>		
Remuneration Paid	3,153,240	3,153,240
Rent Paid	217,800	217,800
Interest Paid	6,361,340	25,639,565
<b>F. Enterprises over which key Management Personnel or Relatives have influence</b>		
Rent paid	2,574,000	2,574,000
<b>iii. Balance at the end of the year 31st March 2014</b>		
<b>A. Subsidiary</b>		
Trade Receivables	124,449,265	21,737,460
Loan & Advances	-	4,131,815
Investment	8,525,592	-
<b>B. Fellow Subsidiaries</b>		
Trade Receivables	49,741,882	NIL
<b>C. Joint Venture</b>		
Trade Receivables	NIL	118,636,193
Loan & Advances	1,059,621	9,325,712
<b>D. Key Management Personnel:</b>		
Payables	141,214,917	42,523,786
<b>E. Relatives of key Management Personnel</b>		
Payables	33,587,809	44,267,166



NOTES to the financial statements for the year ended 31st March, 2014 (Contd....).  
(All amounts in ₹ unless otherwise stated)

#### 41 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 2014. (As certified by Management)

##### A. Consumption Statement

Sr. No.	Particulars	Unit	Current Year		Previous Year	
			Quantity	Value	Quantity	Value
1	Rubber	KG	1,358,000	235,376,577	1,953,389	415,334,434
2	Carbon Black	KG	990,365	92,369,517	1,396,329	116,430,826
3	Fabric/Rayon	MTR	1,946,330	250,757,684	1,675,363	294,568,783
4	Chemicals	KG	962,726	92,326,841	1,283,705	122,260,766
5	Fuel & Oil	LTR	363,700	37,667,614	425,762	95,909,172
6	Others		-	40,303,254	597,348	136,139,826
			<b>5,621,121</b>	<b>748,801,487</b>	<b>7,331,896</b>	<b>1,180,643,807</b>

##### B. Goods Purchased

Sr. No.	Particulars	Current Year Value	Previous Year Value
1	Rubber	240,250,767	402,666,977
2	Carbon Black	78,011,425	116,742,688
3	Fabric/Rayon	246,692,315	313,948,165
4	Chemicals	84,648,007	127,929,451
5	Fuel & Oil	37,987,731	99,846,214
6	Others	33,477,919	74,414,156
	<b>Total</b>	<b>721,068,164</b>	<b>1,135,547,651</b>

##### C. Manufactured Goods

Sr. No.	Particulars	Sales (₹ in lacs)		Unit in Nos.	
		Current Year	Previous Year	Closing Inventory	Opening Inventory
1	V- Belts	18,425.02	19,693.00	992,113	995,177

##### D. Work in Progress

Particulars	Current Year Value	Previous Year Value
Work in Progress	44,751,409	46,894,290

#### 42. Trading Company Disclosures

Sr. No.	Particulars	Purchase	
		Current Year	Previous Year
1	Indigenous	13,021,666	53,233,391
2	Import	1,242,481	6,251,278
	<b>Total</b>	<b>14,264,147</b>	<b>59,484,669</b>

NOTES to the financial statements for the year ended 31st March, 2014 (Contd....).  
(All amounts in ₹ unless otherwise stated)

Sr. No.	Particulars	Sales	
		Current Year	Previous Year
1	Domestic	7,893,593	43,566,260
2	Export	810,875	15,828,336
	<b>Total</b>	<b>8,704,468</b>	<b>59,394,596</b>

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

**A. Raw Materials**

Sr. No.	Items	Current Year		Previous Year	
		Value	Percentage	Value	Percentage
1	Indigenous	409,439,324	55%	651,519,780	55%
2	Imported	339,362,163	45%	529,124,028	45%
		<b>748,801,487</b>	<b>100%</b>	<b>1,180,643,807</b>	<b>100%</b>

**B. Stores and Spares**

Sr. No.	Items	Current Year		Previous Year	
		Value	Percentage	Value	Percentage
1	Indigenous	25,643,323	92%	31,040,975	87%
2	Imported	2,360,860	08%	4,677,378	13%
		<b>28,004,183</b>	<b>100%</b>	<b>35,718,353</b>	<b>100%</b>

**44. Imports**

	Current Year	Previous Year
A. Raw Materials (On CIF Basis)	274,031,571	451,166,457
B. Capital Goods (On CIF Basis)	87,290,956	4,653,488

**45. Expenditure in Foreign currency**

	Current Year	Previous Year
A. Travelling	13,931,966	7,457,682
B. Others	1,628,910	893,122

**46. Earning in Foreign Currency**

	Current Year	Previous Year
A. Exports of Goods (On FOB basis)	928,559,873	1,227,487,499
B. Dividend	4,110,120	NIL

**47. The previous year figures are regrouped, where ever necessary to confirm with this year's classification.**

**Financial Information of Subsidiary Companies**

Sr. No.	Particular				
	Name of Subsidiary Company	PIX Transmissions (Europe) Limited		PIX Middle East FZC	
2	Reporting Currecny	Euro	INR	Dhiram	INR
3	Capital	100,000	8,256,000	150,000	2,448,000
4	Reserves	(40,633)	(3,356,804)	(603,939)	(9,856,671)
5	Total Assets	3,601,657	297,352,802	1,715,014	27,989,028
6	Total Liabilities	3,601,657	297,352,802	1,715,014	27,989,028
7	Investment	-	-	-	-
8	Turnover	3,411,110	276,504,577	1,696,627	27,913,931
9	Profit Before Taxation	(42,062)	(3,409,546)	139,137	2,289,169
10	Provisio for Taxation	-	-	-	-
11	Profit After Taxation	(42,062)	(3,409,546)	139,137	2,289,169
12	Proposed Dividend	-	-	-	-
13	Country	England		UAE	

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**PIX Transmissions Limited**  
**Consolidated Financial Statements for the year ended**  
**31 March, 2014**

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**To the Board of Directors of PIX TRANSMISSIONS LIMITED****Report on the Consolidated Financial Statements:**

I have audited the accompanying consolidated financial statements of PIX TRANSMISSIONS LIMITED ("the Company"), its subsidiaries and jointly controlled entity (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2014, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Consolidated Financial Statements:**

Management is responsible for the preparation of these financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility:**

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion:**

We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21- Consolidated Financial Statements notified under section 211(3C) of the Companies Act, 1956.

In my opinion and to the best of my information and according to the explanations given to me, the consolidated financial statements 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 Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

**Other Matter:**

I did not audit the financial statements/consolidated financial statements of subsidiary/joint venture companies. The financial statements/consolidated financial statements reflecting the total assets of ₹ 3,25,341 thousand as at 31st March 2014, total revenues (Turnover) of ₹ 3,04,304 thousand for the year ended on that date as considered in the Consolidated Financial Statements are not audited. These financial statements have been certified by the management and our opinion, in so far as it relates to the amounts included in respect of the subsidiary, is based solely on these certified financial statements.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, I give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;
  - b. in my opinion proper books of account as required by law have been kept by the Company so far as appears from my examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in my opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For S. C. Bandi & Co.**  
Chartered Accountants  
Firm Reg. No.130850W

**S. C. BANDI**  
(Proprietor)  
M. No.16932

Place: Mumbai  
Date : 30.05.2014

**ANNEXURE TO THE AUDITOR'S REPORT**

The Annexure referred to in my report to the members of PIX Transmissions Limited ('the Company') for the year ended 31 March 2014. I report that;

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The assets have been physically verified by the management during the year and no discrepancies were noticed on such verification.
- (c) The fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
- (ii) (a) The inventory has been physically verified during the year by the management. In my 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.
- (iii) (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (a) to (d) of clause (iii) of paragraph 4 of the Order are not applicable to the Company.
- (b) The Company has taken loans from parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 1763.08 lakhs and the balance at the end of the year is ₹ 1763.08 lakhs.
- (c) In my 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.
- (d) There is no stipulation as to the time period for payment of the principal amount of unsecured loans and taken.
- (iv) In my opinion and according to the information and explanations given to me, there are adequate internal control procedures commensurate with the size of the Company and the nature of business with regard to purchases of inventory, fixed asset and with regard to the sale of goods and services. During the course of my audit, no major weakness has been noticed in internal control system.
- (v) (a) In my opinion and according to the information and explanations given to me, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In my opinion, and according to the information and explanations given to me, the contracts and arrangements entered in the register maintained under section 301 of the Companies Act, 1956

have been made at prices which are reasonable having regard to the prevailing market price.

- (vi) The Company has not accepted any deposits from the public and hence, the provisions of clause (vi) of paragraph 4 of the Order are not applicable to the Company.
- (vii) In my opinion and according to the information and explanations given to me, there is an adequate internal audit system commensurate with the size of the Company and the nature of its business.
- (viii) On the basis of the records, I am of the opinion that prima-facie the cost records and accounts prescribed by the Central Government under Section 209(1)(d) of the Companies Act 1956 have been made and maintained in respect of the Company's product to which the said rule are made applicable.
- (ix) The Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues with the appropriate authorities.

According to the information and explanations given to me, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues were in arrears as at 31st March 2014 for a period of more than six months from the date they became payable.

- (x) The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by my audit or in the immediately preceding financial year.
- (xi) According to the information and explanations given to me, the Company has not defaulted in repayment of dues to financial institutions or banks.
- (xii) According to the information and explanations given to me, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities and hence the clause (xii) of paragraph 4 of the said Order relating to maintenance of documents and records are not applicable.
- (xiii) In my opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of sub-clauses (a) to (d) of clause (xiii) of paragraph 4 of the said Order are not applicable to the Company.
- (xiv) In my opinion, the Company is not dealing in shares, securities and debentures and hence, the provisions of clause (xiv) of paragraph 4 of the said Order are not applicable to the Company.
- (xv) In my opinion and according to the information and explanations given to me, the Company has not given guarantee for loans taken by others from banks and financial institutions.
- (xvi) The Company has raised new term loan during the year. The term loans raised during the year have been applied for the purposes for which they were raised.
- (xvii) According to the information and explanations given to me and on an overall examination of the Balance Sheet of the Company, I report that no funds raised on short-term basis have been used for long-term investment.



- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.
- (xix) The Company has not issued any Debentures during the financial year covered by my audit.
- (xx) The Company has not raised any money by way of public issue during the year. However, convertible preference shares have been converted to equity shares.
- (xxi) According to the information and explanations given to me, no fraud on or by the company has been noticed or reported during the course of my audit.

**For S. C. Bandi & Co.**  
Chartered Accountants  
Firm Reg. No.130850W

**S. C. BANDI**  
(Proprietor)  
M. No.16932

Place: Mumbai  
Date : 30.05.2014

**PIX TRANSMISSIONS LIMITED**  
**Consolidated Balance Sheet**  
**As at 31st March, 2014**

All amounts in ₹ in thousand, unless otherwise stated

Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	3	136,241	183,202
Reserves and Surplus	4	1,345,145	1,313,312
Minority Interest	5	(1,372)	-
<b>Non-Current Liabilities</b>			
Long-term Borrowings	6	487,592	321,990
Deferred Tax Liabilities (Net)	7	85,417	123,019
Long Term Provisions	8	51,278	49,276
<b>Current Liabilities</b>			
Short-Term Borrowings	9	690,323	583,054
Trade Payables	10	425,041	261,297
Other Current Liabilities	11	116,368	131,651
Short-term Provisions	12	431,223	399,685
<b>Total</b>		<b>3,767,256</b>	<b>3,366,485</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	13	1,373,797	991,543
Intangible Assets	14	51,172	9,425
Capital Work-in-Progress	15	66,380	151,936
<b>Non-current Investments</b>	16	-	11,682
<b>Long Term Loans and Advances</b>	17	441,895	140,631
<b>Other Non-current Assets</b>	18	155,872	156,188
<b>Current Assets</b>			
Current Investments	19	145,296	-
Inventories	20	555,397	553,871
Trade Receivables	21	565,974	586,641
Cash and Cash Equivalents	22	195,159	324,465
Short-Term Loans and Advances	23	192,925	438,262
Other Current Assets	24	23,390	1,841
<b>Total</b>		<b>3,767,256</b>	<b>3,366,485</b>

**Summary of significant accounting policies**

**2**

The accompanying notes are an integral part of these financial statements

As per our report of even date

For and on behalf of Board of Directors

For S. C. Bandi & Co.  
Chartered Accountants  
Firm Reg. No.130850W

Karanpal Sethi  
Chief Financial Officer

Sonepal Sethi  
Joint Managing Director

Aqueel A. Mulla  
Director

S. C. Bandi  
Proprietor  
Membership No: 16932  
Mumbai, 30.05.2014

Shybu Varghese  
Company Secretary

Haresh Eidnani  
Director

**PIX Transmissions Limited  
Consolidated Statement of Profit and Loss  
For the year ended 31st March, 2014**

All amounts in ₹ in thousand, unless otherwise stated

Particulars	Note No.	Year Ended 31st March, 2014	Year Ended 31st March, 2013
<b>REVENUE</b>			
<b>Revenue from Operation</b>	25	2,058,754	2,434,629
Less: Excise Duty		10,444	(100,866)
Revenue from Operation (Net)		<b>2,069,198</b>	<b>2,333,763</b>
<b>Other Income</b>	26	36,814	55,613
<b>Total</b>		<b>2,106,012</b>	<b>2,389,376</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	27	872,347	1,332,849
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	28	72,986	(52,153)
Employee Benefit Expense	29	374,204	300,904
Other Expenses	30	430,804	379,753
Financial Costs	31	154,860	188,286
Depreciation and Amortization Expense	32	135,190	133,189
<b>Total</b>		<b>2,040,391</b>	<b>2,282,829</b>
<b>Profit Before Exceptional and Extraordinary Items and Tax</b>		65,621	106,547
Exceptional Items		-	1,339,619
<b>Profit Before Tax</b>		65,621	<b>1,446,165</b>
Tax Expense:			
Current Tax		28,000	370,000
Deferred Tax		(37,601)	15,811
<b>Profit for the Year</b>		<b>75,222</b>	<b>1,060,354</b>
<b>Earning per Share</b>	33		
Basic (FaceValue of ₹ 10 each)		5.52	77.82
Diluted (FaceValue of ₹ 10 each)		5.52	77.82

**Summary of significant accounting policies** 2  
The accompanying notes are an integral part of these financial statements

As per our report of even date

For and on behalf of Board of Directors

For S. C. Bandi & Co.  
Chartered Accountants  
Firm Reg. No.130850W

Sonepal Sethi  
Joint Managing Director

Karanpal Sethi  
Chief Financial Officer

Aqueel A. Mulla  
Director

S. C. Bandi  
Proprietor  
Membership No: 16932  
Mumbai, 30.05.2014

Shybu Varghese  
Company Secretary

Haresh Eidnani  
Director

**PIX Transmissions Limited**  
**Consolidated Cash Flow Statement**  
**for the year ended 31 March, 2014**

All amounts in ₹ in thousand, unless otherwise stated

Particulars	Year Ended 31st March, 2014	Year Ended 31st March, 2013
<b>A. Cash flow from operating activities</b>		
Profit / (Loss) before extraordinary items and tax	65,621	106,547
<u>Adjustments for:</u>		
Depreciation and amortisation expense	135,190	133,189
Finance costs	154,860	162,957
	290,050	296,146
Operating profit / (loss) before working capital changes	355,671	402,693
<u>Changes in working capital:</u>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(1,526)	153,802
Trade receivables	20,667	(168,961)
Short-term loans and advances	245,337	(274,772)
Long-term loans and advances	(301,264)	(48,186)
Other current assets	(21,549)	12,532
Other non-current assets	316	53,818
	(58,018)	(271,767)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	163,744	(125,325)
Other current liabilities	(15,283)	42,634
Short-term provisions	3,538	26,890
Long-term provisions	2,002	5,460
	154,001	(50,341)
Cash flow from extraordinary items	95,983	(322,108)
Cash generated from operations	451,654	1,339,619
Net Income tax (paid) / refunds	-	1,420,204
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>451,654</b>	<b>1,420,204</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	(568,127)	(415,295)
Proceeds from sale of fixed assets	94,492	856,167
Change in Non-current Investment	11,682	2,015
Change in Current Investment	(145,296)	-
	(607,249)	442,887
Net Wealth Tax Paid	(175)	442,887
Net Income tax (paid) / refunds	-	(113)
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(607,424)</b>	<b>442,774</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares	-	7,000
Increase In Security Premium	-	57,750
Capital Loss ( Exchange gain/Loss)	(16,570)	(12,244)
Redemption / buy back of preference / equity shares	(46,961)	(64,750)
Proceeds from long-term borrowings	165,602	-
Repayment of long-term borrowings	-	(1,028,255)
Net increase / (decrease) in working capital borrowings	107,269	(317,550)
Finance costs (includes borrowing costs capitalised)	(154,860)	(162,957)
Dividends paid	(23,966)	(87,496)
Tax on dividend	(4,051)	(14,194)
	26,464	(1,622,696)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>26,464</b>	<b>(1,622,696)</b>
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(129,305)	240,281
Cash and cash equivalents at the beginning of the year	324,465	84,184
<b>Cash and cash equivalents at the end of the year</b>	<b>195,159</b>	<b>324,465</b>

For S. C. Bandi & Co.  
Chartered Accountants  
Firm Reg. No.130850W

S. C. Bandi  
Proprietor  
Membership No: 16932  
Mumbai, 30.05.2014

Karanpal Sethi  
Chief Financial Officer

Shybu Varghese  
Company Secretary

Sonepal Sethi  
Joint Managing Director

Aqueel A. Mulla  
Director

Haresh Eidnani  
Director

**Notes: To the consolidated financial statements for the year ended 31st March, 2014**  
**(All amounts in ₹ in thousand, unless otherwise stated)**

## **1. Company Information**

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

The Company has trading subsidiaries in the UK, Germany & Middle East.

It has a wholly owned subsidiary in the UK, PIX Transmissions Europe Limited (PTEL). This entity owns 95% equity interest in PIX Germany GmbH, which is incorporated in Germany.

The Company owns 87% equity interest in PIX Middle East FZC, UAE a company incorporated in UAE. This company owns 49% equity interest in PIX Middle East Trading LLC, UAE.

The company has also entered in joint venture with PIX QCS Limited (50% interest), a company incorporated in Ireland.

## **2. Significant Accounting Policies**

### **2.1 Basis of Accounting:**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on an accrual basis with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 (which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the Companies Act 1956 /Companies Act 2013. Accounting Policies not stated explicitly otherwise are consistent with generally accepted accounting principles in India.

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

The consolidated 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.

Consolidated Financial Statements are prepared using uniform accounting policies across the Group.

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.

**Notes: To the consolidated financial statements for the year ended 31st March, 2014**

(All amounts in ₹ in thousand, unless otherwise stated)

**2.2 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.

**2.3 Revenue Reorganization:**

Sales are recognised when the substantial risk and rewards of ownership in the goods are transferred to the buyer, upon supply of goods, and are recorded net of trade discount, sales taxes and excise duties. It does not include inter-divisional transfers.

Income from export incentives such as duty drawback and premium on sale of import licences is recognised on cash basis.

Dividend income on investment is accounted for when the right to receive the payment is established.

**2.4 Tangible Fixed Assets**

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing assets beyond its previously assessed standard performance.

Losses arising from the requirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

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

Depreciation is provided by PIX Middle East FZT using straight line method over their estimated useful economic lives.

Depreciation is provided by PIX Transmissions Europe Limited using straight line method over their estimated useful economic lives.

**2.5 Intangible Assets**

Intangible Assets are stated at cost of acquisition less accumulated amortisation and accumulated impairment loss, if any.

**2.6 Impairment of Assets**

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Assessment is done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

**Notes: To the consolidated financial statements for the year ended 31st March, 2014**

(All amounts in ₹ in thousand, unless otherwise stated)

**2.7 Investment**

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.

**2.8 Inventories**

Inventories are valued at lower of cost, computed on a weighted average basis, and estimated net realisable value, after providing for cost of obsolescence and other anticipated losses, wherever considered necessary. Finished goods and work in progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

**2.9 Trade Receivables and Loans and Advances**

Trade Receivables and Loans and Advances are stated at book value and no provision is made for doubtful debts.

**2.10 Foreign Currency Transactions:**

Transactions in foreign currencies are converted in Rupees at the rate prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the period ending 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 Statement of Profit and Loss.

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 Statement of Profit & Loss as Exchange Fluctuation loss or gain.

**2.11 Employee Benefits:****A. Post-employment Benefits****i. Defined Contribution Plans:**

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

**ii. 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.

**B. 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.

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

**2.12 Expenditure**

Expenses are accounted on an accrual basis and provision is made against all known losses and liabilities. Revenue expenditure on research and development is charged against the profit of the year in which it is incurred. Capital expenditure on research and development is shown as an addition to fixed assets.

**Notes: To the consolidated financial statements for the year ended 31st March, 2014**

(All amounts in ₹ in thousand, unless otherwise stated)

**2.13 Current and Deferred Tax**

Income taxes comprise of current tax and deferred tax charge. Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that that have been enacted or substantively enacted by the balance sheet date. In the event of unabsorbed depreciation and carry forward losses, deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

**2.14 Borrowing Cost**

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

**2.15 Contingencies**

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

**2.16 Segment Reporting**

The Company is engaged in the business of Industrial Rubber Products and there is no reportable primary segment as per Accounting Standard (AS 17) 'Segment Reporting'.

The company identified geographical locations as secondary segments. The products of the company are sold both in the domestic & export markets, which are considered different geographical segments.

**2.16 Earning Per Share**

Basic earning per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.



### Notes: To the consolidated financial statements for the year ended 31st March, 2014

(All amounts in ₹ in thousand, unless otherwise stated)

#### 3 Share Capital

The Authorised, Issued, Subscribed and Fully paid-up share capital comprises of equity shares having a par value ₹ 10 each as follows:

Particulars	31.03.2014	31.03.2013
<b>A. Authorised</b>		
i. 2,05,00,000 (Previous year 2,05,00,000) equity shares of ₹ 10 each	205,000	205,000
ii. 14,50,000 (Previous year 14,50,000) Convertible 6% Preference Shares of ₹ 100 each	145,000	145,000
iii. 15,00,000 (Previous year 15,00,000) non-convertible 6% cumulative Redeemable Preference Shares of ₹ 100 each	150,000	150,000
	500,000	500,000
<b>B. Issued, Subscribed and Fully paid up</b>		
i. 1,36,25,200 (Previous year 1,29,25,200) equity shares of ₹ 10 each	136,252	136,252
Less: Allotment money in arrears from public other than Directors	(11)	(11)
ii. NIL (Previous year 4,69,610) non-convertible 6% cumulative Redeemable Preference Shares of ₹ 100 each	-	46,961
	136,241	183,202
<b>Reconciliation of numbers of shares</b>		
Equity Shares		
Opening Balance	13,625,200	12,925,200
Changes during the year	-	700,000
Closing balance	13,625,200	13,625,200
<b>Preference Shares</b>		
<b>Convertible 6% Preference Shares</b>		
Opening Balance	-	647,500
Changes during the year	-	647,500
Closing balance	-	-
<b>Non-convertible 6% cumulative Redeemable Preference Shares</b>		
Opening Balance	469,610	469,610
Changes during the year	(469,610)	-
Closing balance	-	469,610

#### Rights, preferences and restrictions attached to shares

##### a. Equity Shares

The company has one class of shares having par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Notes: To the consolidated financial statements for the year ended 31st March, 2014  
(All amounts in ₹ in thousand, unless otherwise stated)

#### Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Equity Shares	31.03.2014 No. of Shares	%	31.03.2013 No. of Shares	%
Nirmal Sethi	959,212	7.04%	959,212	7.04%
Amarpal Singh Sethi/Inderjeet Sethi	993,825	7.29%	993,825	7.29%
Sukhpal Singh Sethi / Davinder Sethi"	839,145	6.16%	839,145	6.16%
Sonepal Singh Sethi / Kamalpreet Sethi*	1,457,421	10.70%	1,284,514	9.43%
Davinder Sethi / Sukhpal Singh Sethi	558,126	4.10%	-	-
Inderjeet Sethi / Amarpal Sethi	712,065	5.23%	712,065	5.23%
Rishipal Sethi / Saba Sethi	1,145,007	8.40%	981,460	7.20%
Karanpal Sethi	938,217	6.89%	771,220	5.66%

#### 4. Reserves and Surplus

Reserves and surplus consist of the following reserves:

Particulars	31.03.2014	31.03.2013
a. Securities Premium Reserves	138,709	138,709
b. Capital Reserves	9,408	9,408
c. Capital Reserves on Consolidation	(18,241)	(3,173)
d. Capital Redemption Reserves	112,413	65,452
e. Amalgamation Reserves	33,742	33,742
f. General Reserves	25,193	25,193
g. Exchange Rate Difference Reserve	(130)	-
h. Surplus in Statement of Profit and Loss		
Opening Balance	1,043,981	85,430
Current year Addition/(Deduction)	<b>75,222</b>	<b>1,060,354</b>
<b>Less: Appropriations</b>	<b>(75,153)</b>	<b>(101,803)</b>
Transferred to Capital Redemption Reserve	46,961	
Proposed Dividend on Equity Shares Dividend	20,438	61,314
Tax on Dividend	4,051	14,194
Dividend on Non-Convertible Preference Shares	3,528	20,679
Dividend on Convertible Preference Shares	-	5,504
Wealth Tax	175	113
	<b>1,044,051</b>	<b>1,043,981</b>
<b>Total Transferred to Balance Sheet</b>	<b>1,345,145</b>	<b>1,313,312</b>

#### 5. Minority Interest

Particulars	31.03.2014	31.03.2013
Minority interest	(1,372)	-
	(1,372)	-

### Notes: To the consolidated financial statements for the year ended 31st March, 2014

(All amounts in ₹ in thousand, unless otherwise stated)

#### 6. Long Term Borrowings

Long term borrowing consist of the following:

Particulars	31.03.2014	31.03.2013
<b>a. Secured Loans</b>		
Term Loan	235,210	60,861
Loan Against Hypothecation of Vehicle	9,754	8,546
	<b>244,964</b>	<b>69,407</b>
<b>b. Unsecured Loan</b>		
From Others (Financials Companies)	46,131	46,678
From Directors	196,497	113,497
<b>Total</b>	<b>242,628</b>	<b>252,583</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. Loan received against Hypothecation of vehicle is fully secured against vehicles.

#### 7. Deferred Tax

Particulars	31.03.2014	31.03.2013
Deferred tax liability (net)	85,417	123,019
	<b>85,417</b>	<b>123,019</b>

#### 8. Other Long Term Liabilities

Particulars	31.03.2014	31.03.2013
Provision For Gratuity	51,278	49,276
	<b>51,278</b>	<b>49,276</b>

#### 9. Short Term Borrowings

Particulars	31.03.2014	31.03.2013
Working Capital Loan from Banks	410,867	361,177
Term Loan due within 12 Months	104,503	68,446
Loan Against Hypothecation of Vehicles	2,000	950
From Banks against Bill Discounting	172,953	152,480
	<b>690,323</b>	<b>583,054</b>

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

#### 10. Trade Payables

Particulars	31.03.2014	31.03.2013
Sundry Creditors	425,041	261,297
	<b>425,041</b>	<b>261,297</b>

Notes: To the consolidated financial statements for the year ended 31st March, 2014  
(All amounts in ₹ in thousand, unless otherwise stated)

**11. Other Current Liabilities**

Particulars	31.03.2014	31.03.2013
Unclaimed Dividend	445	449
Advance from Customers	33,246	58,326
Employees Benefits Payables	79,373	64,918
TDS Payable	3,304	7,377
Others	-	581
	<b>116,368</b>	<b>131,651</b>

**12. Short Term Provisions**

Particulars	31.03.2014	31.03.2013
Provision for Employees Benefits	424,475	396,300
Provision for Income Tax	6,748	3,385
	<b>431,223</b>	<b>399,685</b>

**Schedule - 13 Fixed Assets**

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Gross Value as on 01.04.2013	Additions During the Year	Sold During the Year	Total Gross Value as on 31.03.2014	As on 01.04.2013	For the Year	Less Written off	Total	Net Value as on 31.03.2014	Net Value as on 31.03.2013
Plot	150,300	51	-	150,351	-	-	-	-	150,351	150,300
Factory Premises	334,267	266,737	-	601,004	60,148	12,847	-	72,995	528,009	274,119
Plant & Machinery	921,621	185,821	1,223	1,106,219	498,499	102,730	-	601,229	504,991	423,123
Furnitures & Fixtures	55,615	9,945	-	65,560	21,158	3,913	-	25,071	40,490	34,458
Electrical Installations	92,875	36,667	-	129,542	18,275	4,843	-	23,118	106,424	74,600
Office Equipments	49,093	8,452	-	57,545	39,449	989	-	40,438	17,106	11,070
Vehicles	34,772	12,184	11,994	34,962	10,899	3,345	5,708	8,536	26,426	23,873
<b>TOTAL</b>	<b>1,638,543</b>	<b>519,857</b>	<b>13,217</b>	<b>2,145,183</b>	<b>648,428</b>	<b>128,667</b>	<b>5,708</b>	<b>771,387</b>	<b>1,373,797</b>	<b>991,543</b>
<b>Previous Year</b>	<b>2,977,642</b>	<b>253,934</b>	<b>1,587,849</b>	<b>1,643,726</b>	<b>1,250,676</b>	<b>133,189</b>	<b>731,682</b>	<b>652,184</b>	<b>991,543</b>	<b>1,726,670</b>

**Schedule - 14 Intangible Assets**

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Gross Value as on 01.04.2013	Additions During the Year	Sold During the Year	Total Gross Value as on 31.03.2014	As on 01.04.2013	For the Year	Less Written off	Total	Net Value as on 31.03.2014	Net Value as on 31.03.2013
Goodwill	0.00	39,915.00	-	39,915	-	3,992	-	3,992	35,923	-
Software	9,425	8,355	-	17,780	-	2,531	-	2,531	15,249	9,425
<b>TOTAL</b>	<b>9,425</b>	<b>48,270</b>	<b>-</b>	<b>57,695</b>	<b>-</b>	<b>6,523</b>	<b>-</b>	<b>6,523</b>	<b>51,172</b>	<b>9,425</b>

**Notes: To the consolidated financial statements for the year ended 31st March, 2014**  
(All amounts in ₹ in thousand, unless otherwise stated)

**Schedule - 15 Capital Work-in-progress**

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Gross Value as on 01.04.2013	Additions During the Year	Transfer During the Year	Total Gross Value as on 31.03.2014	As on 01.04.2013	For the Year	Less Written off	Total	Net Value as on 31.03.2014	Net Value as on 31.03.2013
Work-in-progress	151,936	-	85,556	66,380	-	-	-	-	66,380	151,936
<b>Total</b>	<b>151,936</b>	<b>-</b>	<b>85,556</b>	<b>66,380</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>66,380</b>	<b>151,936</b>

**16. Non Current Investment**

Un-Quoted Fully Paid up (At Cost)	31.03.2014		31.03.2013	
	Units	Total Value	Units	Total Value
<b>Joint Venture Companies</b>				
<b>i. PIX Europe Limited</b> (125,000 equity shares of 1 £ per share)		-		8,526
<b>ii. PIX QCS Limited</b> (50,000 equity shares of 1 € per share)		-	50,000	3,156
		-		11,682

**17. Long Term Loans and Advances**

Particulars	31.03.2014	31.03.2013
Loans and Advances to Related Parties	1,060	9,326
Securities Deposits	6,536	7,054
Loans and Advances to Parties	5,974	17,916
Loans and Advances to Employees	4,430	-
Advance Tax (net of Provision)	384,851	37,772
Interest Receivables	-	13,330
Receivable from Government Departments	39,044	55,234
	<b>441,895</b>	<b>140,631</b>

**Note:** 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.

**18. Other Non-current Assets**

Particulars	31.03.2014	31.03.2013
Product Development Expenditure (Unsecured , Considered good unless stated otherwise )	155,172	155,172
Preliminary Expenditure	700	1,016
	<b>155,872</b>	<b>156,188</b>

Notes: To the consolidated financial statements for the year ended 31st March, 2014  
(All amounts in ₹ in thousand, unless otherwise stated)

## 19. Current Investment

Particulars	31.03.2014			31.03.2013	
	Units	Face Value	Total Value	Units	Total Value
<b>Un-Quoted Fully Paid up (At Cost) Investment in Mutual Funds</b>					
<b>A. HDFC MUTUAL FUND</b>					
HDFC FMP 378 D Regular	500,000	10	5,000	-	-
HDFC Liquid Growth Fund	1,205,596	10	30,000	-	-
SUB TOTAL			35,000	-	-
<b>KOTAK MUTUAL FUND</b>					
Kotak FMP Series 137 371 Days Growth	500,000	10	5,000	-	-
IDFC Fixed Term Plan Series 79 Regular Plan Growth	500,000	10	5,000	-	-
ICICI Prudential FMP Series 72 425 Days Plan N Regular Plan Cumulative	500,000	10	5,000	-	-
ICICI Prudential FMP Series 73378 Days Plan O Regular Plan Cumulative	500,000	10	5,000	-	-
IDFC Arbitrage Fund Regular Plan Dividend	326,222	10	4,114	-	-
Kotak Equity Arbitrage Fund Monthly- Dividend	383,577	10	4,106	-	-
Kotak Floater Short Term Daily Dividend	59,473	1,000	60,164	-	-
ICICI Prudential Blended Plan A - Regular Plan - Dividend	304,703	10	4,119	-	-
ICICI Prudential Liquid - Regular Plan - Daily Dividend	940	100	94	-	-
Sundaram Flexible Fund Short Term Plan Regular Growth	455,323	10	9,000	-	-
<b>Sub Total</b>			<b>101,597</b>	-	-
<b>B. SBI MUTUAL FUND</b>					
SBI Premiere Liquid Fund- Regular Plan - Daily Dividend	8,671	1,000	8,699	-	-
<b>SUB TOTAL</b>			<b>8,699</b>	-	-
<b>TOTAL CURRENT INVESTMENTS</b>			<b>145,296</b>	-	-

NOTE :1: Aggregate value of quoted investment ₹ 146,175,587/- previous year nil.  
Unquoted investment ₹ 13,391,960/- previous year ₹ 13,402,092/-

**Notes: To the consolidated financial statements for the year ended 31st March, 2014**  
(All amounts in ₹ in thousand, unless otherwise stated)

### 20. Inventories (At lower of cost and net realisable value)

Particulars	31.03.2014	31.03.2013
Raw Material	128,313	156,046
Work-in-progress	44,751	46,894
Finished Goods	139,693	210,536
Stores and Spares	161,735	123,711
Packing Materials	4,160	3,573
Trading Stock	76,745	13,110
	<b>555,397</b>	<b>553,871</b>

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

### 21. Trade Receivables

Particulars	31.03.2014	31.03.2013
<b>Unsecured</b>		
<b>i. Considered Good</b>		
Outstanding for a period exceeding six months from the date they are due to payment	115,837	70,263
Others	450,137	516,378
	<b>565,974</b>	<b>586,641</b>

### 22. Cash and Cash Equivalent

Particulars	31.03.2014	31.03.2013
<b>A. Cash in Hand</b>	172	293
<b>B. Bank Balances</b>		
On Current Account	38,011	23,140
On Term Deposit (with original maturity more than 12 months)	141,091	285,648
Margin Money Deposit	15,885	15,385
	<b>195,159</b>	<b>324,465</b>

### 23. Short Term Loans and Advances

Particulars	31.03.2014	31.03.2013
Unsecured Advances Considered Good	93,150	78,177
Advance Tax	12,216	272,626
Security Deposit	2,466	150
Balance with Central Excise	70,020	52,852
Receivables from Government Department/Others	14,736	30,028
Staff Advances	337	4,430
	<b>192,925</b>	<b>438,262</b>

Notes: To the consolidated financial statements for the year ended 31st March, 2014  
(All amounts in ₹ in thousand, unless otherwise stated)

**24. Other Current Assets**

Particulars	31.03.2014	31.03.2013
Interest Receivables	19926	-
Pre-paid Expenses	3464	1,841
	<b>23,390</b>	<b>1,841</b>

**25. Revenue from Operation**

Particulars	31.03.2014	31.03.2013
A. Sale of Products	2,058,754	2,434,629
Excise Duty	10,444	(100,866)
	<b>2,069,198</b>	<b>2,333,763</b>

**26. Other Income**

Particulars	31.03.2014	31.03.2013
Interest Income	30,599	25,329
Dividend Income	6,100	5,535
Insurance Claim	-	343
Incentive Written Back	-	24,406
Others	115	-
	<b>36,814</b>	<b>55,613</b>

**27. Cost of Raw Materials Consumed**

Particulars	31.03.2014	31.03.2013
<b>Opening Inventories</b>		
Raw Materials	156,046	237,026
Packing Materials	3,573	31,075
Stores and Spares	123,711	132,510
Trading Goods	16,645	18,401
	<b>299,975</b>	<b>419,012</b>
<b>Purchases</b>		
Purchase		
Raw Materials	721,068	1,135,548
Packing Materials	20,409	25,219
Stores and Spares	66,029	38,094
Trading Goods	142,654	64,491
	<b>950,160</b>	<b>1,263,352</b>
<b>Closing Inventories</b>		
Raw Materials	128,313	156,046
Packing Materials	4,159	3,573
Stores and Spares	161,735	123,711
Trading Goods	83,581	13,110
Transfer to M/s Parker Hanniffin India Pvt. Ltd.		53,074
	<b>377,788</b>	<b>349,514</b>
<b>Consumption</b>	<b>872,347</b>	<b>1,332,849</b>



**Notes: To the consolidated financial statements for the year ended 31st March, 2014**

(All amounts in ₹ in thousand, unless otherwise stated)

### 28. Change in Inventories

Particulars	31.03.2014	31.03.2013
<b>Opening Inventories</b>		
Work-in-Progress	46,894	59,500
Finished Goods	210,536	230,335
	<b>257,430</b>	<b>289,835</b>
<b>Closing Inventories</b>		
Work-in-Progress	44,751	46,894
Finished Goods	139,693	210,536
Transfer to M/s Parker Hannifin India Pvt. Ltd.	-	<b>84,557</b>
	<b>184,444</b>	<b>341,988</b>
<b>Total Change</b>	<b>72,986</b>	<b>(52,153)</b>

### 29. Employee Benefit Expense

Particulars	31.03.2014	31.03.2013
<b>Employee Benefits Expense</b>		
i. Salaries	131,453	92,447
ii. Wages	203,213	164,188
iii. Contribution to Provident Fund	13,458	13,472
iv. Contribution to Gratuity Fund	6,121	10,834
v. Staff Welfare Expense	14,446	14,688
vi. E.S.I.C.	5,513	5,275
	<b>374,204</b>	<b>300,904</b>

### 30. Other Expenses

Particulars	31.03.2014	31.03.2013
Advertisement	2,488	2,165
Auditor's Remuneration		399
- Audit Fees	551	-
- Tax Audit Fees	100	-
Bank Commission	13,589	16,047
Cess	938	663
Commission & Brokerage	2,299	3,015
Turnover Discount	5,780	4,333
Director's Remuneration	34,343	29,065
Travelling Expenses	36,847	24,663
Discount	59,257	54,790
Power Expenses	52,082	53,496
Export Expenses	3,551	3,411
Freight & Transportation	64,495	97,031
Insurance	4,399	6,555
Legal & Professional Fees	15,483	11,528
Rent	10,192	4,298
Research & Development	5	2
Printing & Stationery	887	1,756
Repairs & Maintenance	21,747	17,231
Car & Scooter Expenses	7,452	2,295
Miscellaneous Expenses	75,373	42,689
Loss on Sale of Investment	-	343
Telephone Telex & Postage	4,930	3,662
Bad Debts	13,701	-
Preliminary Expenses Written off	316	316
	<b>430,804</b>	<b>379,753</b>

**Notes: To the consolidated financial statements for the year ended 31st March, 2014**  
(All amounts in ₹ in thousand, unless otherwise stated)

**31. Finance Cost**

Particulars	31.03.2014	31.03.2013
Discounts	4,182	4,167
Interest	150,678	184,119
	<b>154,860</b>	<b>188,286</b>

**32. Depreciation**

Particulars	31.03.2014	31.03.2013
Factory Premises	12,847	12,909
Plant & Machinery	102,730	104,829
Electrical Installations	3,913	4,428
Furnitures & Fixtures	4,843	3,645
Office Equipments	989	4,370
Vehicles	3,345	3,008
	6,523	-
	<b>135,190</b>	<b>133,189</b>

**33. Earning per Share**

Particulars	31.03.2014	31.03.2013
Profit for the year	75,222	1,060,354
Weighted average number of Equity shares outstanding	13,625,200	13,625,200
Basic Earning Per Share	5.52	77.82
Weighted average number of potential equity shares outstanding	NIL	NIL
Weighted average number of Equity shares outstanding (including dilutive shares)	13,625,200	13,625,200
Diluted Earning Per Share	5.52	77.82

**34. Contingent Liabilities**

Particulars	31.03.2014	31.03.2013
Letters of Credit	112,489	125,674
Bill Discounting	NIL	NIL
Bank Guarantee	339	2,818

**35.** Depreciation on the Assets added/deducted during the year has been provided on pro-rata basis with reference to the months of addition/deduction.

**36.** The Company has received loans from Directors. The same has been grouped under long term borrowings.

### Notes: To the consolidated financial statements for the year ended 31st March, 2014

(All amounts in ₹ in thousand, unless otherwise stated)

37. 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 Maintenance Free type belts for the new generation packaging machines and EPDM rubber cover belts for automotive industries. These would be able to withstand higher temperature 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.

Until last year, the Company has incurred expenditure on development of new products that yet to be manufactured commercially. These have been carried forward in Product Development Expenditures, which are shown under Other Non-Current Assets.

Particulars	31.03.2014	31.03.2013
Opening Balance	155,172	208,672
Addition/(Deletion) during the year	-	(53,500)
<b>Total</b>	<b>155,172</b>	<b>155,172</b>

38. The Accounting Standard 15 (Revised 2005) on "Employee Benefits" issued by the Institute of Chartered Accountants of India (ICAI) has been adopted by the Company as under:

38.1 **Defined Contribution Plans** – The Company has recognized the following amounts in the Profit and Loss Account for the year

Particulars	31.03.2014	31.03.2013
Contribution to Employees Provident Fund	13,458	13,472

38.2 **Defined Benefit Plan** – The following figures as per actuarial valuation as at the Balance Sheet date have been debited to profit and loss account:

#### A. Gratuity

Particulars	31.03.2014	31.03.2013
Opening: Actuarial value of Projected Benefit Obligations (PBO)	49,276	43,816
Interest cost for the year	3,942	2,628
Service Cost for the year	3,629	3,460
Benefits paid for the year	(4,119)	(2,232)
Actuarial Gain / (Loss) on obligations	(1,449)	1,604
Closing: Actuarial value of Projected Benefit Obligations (PBO)	51,278	49,276
<b>Balance Sheet Statement</b>		
Present value of the obligation at 31.03.14	51,278	49,276
Fair value of plan assets 31.03.14	NIL	NIL
Un-funded liability 31.03.14	51,278	49,276
Un-recognized gains / losses in opening balance	NIL	NIL
Un-funded liability recognized in Balance sheet	51,278	49,276

**Notes: To the consolidated financial statements for the year ended 31st March, 2014**

(All amounts in ₹ in thousand, unless otherwise stated)

**A. Gratuity (cont...)**

Particulars	31.03.2014	31.03.2013
<b>Profit &amp; Loss Account Statement</b>		
Interest cost for the year	3,942	2,628
Service Cost for the year	3,629	3,460
Actual return on plan assets from 01.04.13 to 31.03.14	NIL	NIL
Actuarial Gain / (Loss) on obligations	(1,449)	1,604
Gratuity to be provided as expenses in Profit & Loss a/c.	6,121	7,692

**B. Leave Encashment**

Particulars	31.03.2014	31.03.2013
<b>Changes in Benefit Obligation</b>		
Opening: Actuarial value of Projected Benefit Obligations (PBO)	3,385	2,795
Interest cost for the year	271	224
Service Cost for the year	2,675	2,382
Benefits paid for the year	(2,635)	(1,879)
Actuarial Gain / (Loss) on obligations	3,053	(137)
Closing: Actuarial value of Projected Benefit Obligations (PBO)	6,748	3,385
<b>Balance Sheet Statement</b>		
Present value of the obligation at 31.03.14	6,748	3,384,580
Fair value of plan assets 31.03.14	NIL	NIL
Un-funded liability 31.03.14	6,748	3,384,580
Un-recognized gains / losses in opening balance	NIL	NIL
Un-funded liability recognized in Balance sheet	6,748	3,384,580
<b>Profit &amp; Loss Account Statement</b>		
Interest cost for the year	271	224
Service Cost for the year	2,675	2,382
Actual return on plan assets from 01.04.13 to 31.03.14	NIL	NIL
Actuarial (Gain) / Loss on obligations	3,053	(137)
Gratuity to be provided as expenses in Profit & Loss a/c.	5,999	2,468

**39. Segment Reporting:** 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'.

The company identified geographical locations as secondary segments. 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:

Particulars	31.03.2014	31.03.2013
Revenue		
Domestic	1,114,341	1,111,223
Export	954,857	1,222,540
<b>Total</b>	<b>2,069,198</b>	<b>2,333,763</b>

The company has manufacturing facilities 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.

### Notes: To the consolidated financial statements for the year ended 31st March, 2014

(All amounts in ₹ in thousand, unless otherwise stated)

40. 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.

The major components of the net deferred tax liability as on 31.03.2014 are as under:

Particulars	31.03.2013	During the year	31.03.2014
<b>DEFERRED TAX LIABILITY</b>			
Depreciation	140,725	(32,587)	108,137
<b>DEFERRED TAX ASSETS</b>			
Provision for Employees Benefits	(17,706)	(5,014)	(22,720)
<b>Net Deferred Tax Liability</b>	<b>123,019</b>		<b>85,417</b>

#### 41 Related Parties' Disclosures:

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

##### A. Key Management Personnel:

- i. Mr. Sukhpal Singh Sethi
- ii. Mr. Amarpal Sethi
- iii. Mr. Sonopal Sethi
- iv. Mr. Rishipal Sethi
- v. Mr. Joe Paul
- vi. Mr. Karanpal Sethi

##### B. Relatives of key Management Personnel

- i. Mrs. Nirmal Sethi
- ii. Mrs. Davinder Sethi
- iii. Mrs. Inderjeet Sethi
- iv. Mrs. Kamalpreet Sethi
- v. Mrs. Saba Sethi
- vi. Miss Shirley Paul

##### C. Enterprises over which key Management Personnel or Relatives have influence

- I. Amit Beneficiary Trust
- ii. K. S. Beneficiary Trust
- iii. R. S. Beneficiary Trust

**Notes: To the consolidated financial statements for the year ended 31st March, 2014 (contd...)**

(All amounts in ₹ in thousand, unless otherwise stated)

## ii. Transactions with related parties for the year ended March 31, 2014

	31.03.2014	31.03.2013
<b>A Key Management Personnel:</b>		
Remuneration Paid	37,079,018	29,064,895
Interest Paid	8,629,143	12,480,773
Perquisites/Allowances Paid	331,824	164,644
<b>B Relatives of key Management Personnel</b>		
Remuneration Paid	3,153,240	3,153,240
Rent Paid	217,800	217,800
Interest Paid	6,361,340	25,639,565
<b>C Enterprises over which Key Management Personnel or Relatives have influence</b>		
Rent Paid	2,574,000	2,574,000
<b>iii. Balance at the end of the year 31st March 2014</b>		
<b>A Key Management Personnel:</b>		
Payables	141,214,917	42,523,786
<b>B Relatives of key Management Personnel</b>		
Payables	33,578,809	54,461,576

42 The figures of current year are not comparable with those of previous year in view of consolidated of accounts of Pix Transmissions Europe Limited and PIX QCS limited in the current year.

43 The previous year figures are regrouped, where ever necessary to confirm with this year's classification.

**Notes: To the consolidated financial statements for the year ended 31st March, 2014 (contd...)**  
(All amounts in ₹ in thousand, unless otherwise stated)

## 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.

Regd. Folio No.	No. of Shares

NAME & ADDRESS OF THE SHARE HOLDERS

**I hereby record my presence at the 32nd ANNUAL GENERAL MEETING of the Company at J-7, M.I.D.C., Hingna, Nagpur-440 016, on Thursday, 18th September, 2014 at 9.30 a.m.**

SIGNATURE OF THE SHARE HOLDER OR THE PROXY ATTENDING THE MEETING

If shareholder, please sign here	If proxy, please sign here

## PIX TRANSMISSIONS LIMITED

Registered Office: J-7, M.I.D.C., Hingna Road, Nagpur – 440 016  
 CIN: L25192MH1981PLC024837 WEB: www.pixtrans.com E-Mail Cosecretary@pixtrans.com TEL : 07104-669000

### Form No. MGT-11

### PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): _____	
Registered address: _____	
E-mail ID: _____ Folio No. / DP ID and Client ID: _____	

I/We, being the Member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint

1. Name: \_\_\_\_\_ E-mail ID: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 \_\_\_\_\_ Signature: , or failing him/her

2. Name: \_\_\_\_\_ E-mail ID: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 \_\_\_\_\_ Signature:

as my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company, to be held on Thursday, the 18th day of Sept, 2014 at 9.30 p.m. at the Registered Office of the Company and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

Reso. No.	Description	For*	Against*
1.	Adoption of Annual Accounts and Reports thereon for the financial year ended 31st March, 2014.	<input type="checkbox"/>	<input type="checkbox"/>
2.	Declaration of dividend.	<input type="checkbox"/>	<input type="checkbox"/>
3.	Re-election of Mr. Sonopal Sethi as Director :	<input type="checkbox"/>	<input type="checkbox"/>
4.	Re-election of Mr. Sukhpal Singh Sethi as Director :	<input type="checkbox"/>	<input type="checkbox"/>
5.	Appointment of M/s. S.C.Bandi & Co., as Statutory Auditors of the Company and to fix their remuneration for the financial year ending 31st March, 2015.	<input type="checkbox"/>	<input type="checkbox"/>
6.	Increase of Remuneration of Mr. Karanpal Sethi, a whole-time Director with effect from 1st April 2014 till 31st March 2015.	<input type="checkbox"/>	<input type="checkbox"/>
7.	Re-appointment of Mr. Rishipal Sethi as Joint Managing Director of the Company, for a period of 3 (three) years with effect from 1st August, 2014 to 31st March, 2017.	<input type="checkbox"/>	<input type="checkbox"/>
8.	Increase of Remuneration of Mr. Rishipal Sethi, a whole-time Director with effect from 1st April 2014 to 31st July 2014.	<input type="checkbox"/>	<input type="checkbox"/>
9.	Appointment of Mr. Haresh Eidnani as an Independent Director of the Company for a term of up to five years.	<input type="checkbox"/>	<input type="checkbox"/>
10.	Appointment of Mr. Pradeep Havnur as an Independent Director of the Company for a term of up to five years.	<input type="checkbox"/>	<input type="checkbox"/>
11.	Appointment of Mr. Mohammed Adil Ansari as an independent Director of the Company for a term of up to five years.	<input type="checkbox"/>	<input type="checkbox"/>
12.	Appointment of Ms. Shirley Paul as a whole-time Director of the Company for a term of up to three years.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Signature \_\_\_\_\_

Affix  
 Revenue  
 Stamp

**Notes:**

- \* 1. Please put a "✓" in the Box in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
- 2. A Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other Member.
- 3. This form of Proxy, to be effective, should be deposited at the Registered Office of the Company at J-7, MIDC, HINGNA ROAD, NAGPUR – 440016 not later than FORTY-EIGHT HOURS before the commencement of the aforesaid meeting.



To,

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**PIX**<sup>®</sup>

*If undelivered, please return to-*

**PIX TRANSMISSIONS LIMITED**

J-7 M.I.D.C., Hingna Road,

Nagpur - 440 016, Maharashtra. India