

PIX

PIX Transmissions Limited

31st Annual Report **2012-13**



www.pixtrans.com



**View of State-of-the-art Belt Manufacturing Facility at Nagalwadi
(Area: 32 acres)**

Board of Directors:	Mr. Amarpal Sethi (Chairman & Managing Director) Mr. Sonopal Sethi (Joint Managing Director) Mr. Sukhpal Singh Sethi Mr. Rishipal Sethi (Joint Managing Director) Mr. Karanpal Sethi Mr. Joe Paul Mr. Darshan Singh Chadha Mr. Jose Jacob Mr. Haresh Eidnani Mr. Pradeep Havnur Mr. Aqueel A. Mulla Mr. Om Prakash Arora
Chief Financial Officer	Mr. T. N. Chandrassekar
Company Secretary & Compliance Officer:	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)	Bazargaon, Amravati Road, Nagpur-440 023
(UNIT No. 4)	Khasra No. 57, Mouza Nagalwadi, Tehsil – Hingna, Nagpur-440016
Mumbai Office:	Pals Building, 1st Road, TPS IV, Bandra – [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 FIRST ANNUAL GENERAL MEETING of PIX TRANSMISSIONS LIMITED will be held at the Registered Office of the company at J-7, MIDC, Hingna Road, Nagpur at 9.30 A.M. on Wednesday the 25th September, 2013 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the Year ended 31st March, 2013 and the Balance Sheet as on that date together with Reports of Directors and Auditors.
2. To confirm the payment of Special Dividend and to declare Final Dividend on Equity Shares for the financial year ended 31st March, 2013.
3. To appoint a Director in place of Mr. Haresh Eidnani who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Darshan Singh Chadha who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. Joe Paul who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Auditors and to fix their Remuneration.

For and on behalf of the Board of Directors

Place: Mumbai
Dated: 24.06.2013

Amarpal Sethi
Chairman & Managing Director

NOTES

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company at the registered office not less than 48 hours before the time of the Meeting.
2. Register of Members and the transfer books of the Company will remain closed from Thursday 19th September, 2013 to Wednesday 25th September, 2013 (Both days inclusive).
3. Members desiring any information on the Accounts are requested to write to the Company at least one week before the Meeting so as to enable the management to keep the information ready. Replies will be provided only at the meeting.
4. Information pursuant to Clause 49 of the Listing Agreement for Re-appointment of Directors.

Name of the Directors	Date of Birth	Date of Appointment	Qualification	Directorship In other Companies incorporate in India	Chairman / Member of other committees of Companies
Mr. Haresh Eidnani	12.10.1964	21.09.1999	B.Sc	No	No
Mr. Darshan Singh Chadha	28.02.1942	29.12.2004	B.com	No	No
Mr. Joe Paul	08.03.1962	01.05.2000	B.com, MIRPM	No	No

Power Innovation Excellence

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

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

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

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

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

Organizational Mantra: Quality in everything we do

Our Motto: A Delighted Customer

DIRECTORS' REPORT

To

The members of PIX Transmissions Ltd,

The directors are pleased to present the THIRTY FIRST ANNUAL REPORT and the Audited Statement of Accounts for the year ended 31st March 2013, 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 2013:

(Rs. in lacs)

Particulars	As on 31.03.2013	As on 31.03.2012
Sales (Net – Excise)	23,209.19	21,610.82
Other income	561.09	212.10
	23,770.28	21,822.78
Profit before Depreciation	2,444.35	2,105.65
Depreciation	1,328.19	2,025.37
Profit before tax after depreciation	1,116.16	80.28
Exceptional Items	13,396.19	-
Less : Provision for taxation		
a) Current year	3,700.00	40.00
b) Deferred Tax Liability	158.11	(21.74)
	10,654.24	62.01
Less :		
Equity Dividend including Proposed Dividend	613.13	-
Preference Dividend	261.83	-
Tax on Dividend	141.94	-
	1,016.90	-
Total	9,637.34	62.01
Balance of Profit Brought down	838.14	776.13
Amount available for Appropriation & carried to Balance Sheet	10,475.48	838.14

The Company's Sales & Income during the Financial Year 2012-13 computed of the following:

(Rs. in lacs)

S. No.	Particulars	Current Year	Previous Year
1.	Belts	19,693	16,403
2.	Hoses	2,017	5,818
3.	End Fittings	1,60	203
4.	Other items	31	537
		21,901	22,961

Sale of Hose Division:

During the year the Company sold its Hose Division located at Bazargaon, Nagpur on Slump sale basis as at the close of 10th July, 2012. The Belt Line in Bazargaon is therefore being shifted/ relocated to a Green Field Site at Nagalwadi, Nagpur. Such relocation of Belt Plant is expected to be completed by September 2013.

Subsidiary - PIX Middle East FZC, UAE.

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

Joint Ventures**1. PIX Europe Limited, U.K. - Joint Venture**

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

2. PIX QCS Limited, Ireland - Joint Venture

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

Product Development Expenditure:

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 specialty belts for the hi-tech applications and innovations that are coming in the power transmissions industry and MF type belts for the new generation packaging machines and EPDM rubber cover belts for automotive industries. These would be able to withstand the temps and perform longer.

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

During the year the company has incurred expenditure on development of new products which are yet to be manufactured commercially. The expenses incurred during the year 2012/13 of 15.61 crore has been shown under Non-Current Assets.

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.

Dividend of Equity Share and Preference Shares:

The Board of Directors at their meeting held on 24th of June 2013 has recommended final dividend of 1.50 per equity share of Face Value of 10 each, for the financial year ended 31st March, 2013, subject to approval of the Share Holders. The total dividend for the year works out to 4.50 per equity share of Face Value of 10 each including Special Dividend of 3 per equity share paid on 14th December, 2012.

Arrears of Dividend on 6% cumulative preference shares up to the year 2012 has been paid during the year under review. Dividend on 6% cumulative Preference Shares for the year 2013 has not been provided for, and amount has been shown under Contingent Liability.

Directors' Responsibility Statement

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

- I) In the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures, and there are no any material departures.
- ii) Accounting Policies have been selected and applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the statement of affairs of the company at the end of the financial year and of the Profit or Loss of the company for that period.
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for 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 2013.

Insurance

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

Particulars of Employees

There is no employee who is in receipt of remuneration exceeding the limit specified under section 217 (2A) of the companies ACT, 1956.

Directors

To appoint Directors in place of Mr. Haresh Eidnani, Mr. Darshan Singh Chadha, Mr. Joe Paul, directors of the company who retire by rotation and being eligible offer themselves for re-appointment.

Auditor

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

Auditors' Report

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

Cost Auditor

As per the requirements of Central Government and in pursuance of Section 233B of the Companies Act, 1956, your Directors have appointed M/s. Manisha & associates, Nagpur, Cost Accountants, as cost auditors of the Company to carry out the audit of cost accounting records for the financial year 2012-13.

Conservation Of Energy And Technology Absorption

A. Conservation of Energy

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

- 1) Water
- 2) Steam
- 3) Electricity

1) Conservation of Water

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

2) Conservation of Steam

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

3) Conservation of Electricity

- 3.1 Optimum utilization of compressed air & chilled water, has contributed to saving of electricity.
- 3.2 Conversion of electric heating to steam heating has reduced the electricity consumption.

3.3 A conventional lighting system in plant and offices replaced by energy efficient electronic lighting system has reduced significant electricity consumption.

3.4 Maintaining the power factor to near unity level by continuous monitoring & proper maintenance resulting in conservation of electricity.

3.5 Seasonal switching off of cooling tower fans, water chillers & air conditioners, controlling the wastages and misuse helps to conservation of electricity.

4) Supply of better quality water and reduction of consumption of water steam / furnace oil and electricity have improved consumption ratio with respect to per ton of finished product, thereby conserving energy.

The Major sources of energy in the company are:

1. Furnace Oil
2. Electricity

1. Conservation of Furnace Oil:

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

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

2. Conservation of Electricity:

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

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

B. Technology absorption

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

C. 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.

Corporate Social Responsibilities:**Initiatives:**

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

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

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

The Company regularly organizes Blood Donation Camp twice a year.

Environmental Policy

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

Design & Development/Testing Laboratory

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

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

PIX has State of the Art facilities capable for validating and verifying the entire product range of

Belts and Allied Products that the organization has in its range and proposes to innovate.

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

Acknowledgments

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

For and on behalf of the Board of Directors

Amarpal Sethi
Chairman & Managing Director

Place: Mumbai
Date: 24.06.2013