



PIX

Power Transmission Solutions

Driving growth!

ANNUAL REPORT

2015-16



www.pixtrans.com

Board of Directors	: Mr. Amarpal Sethi (Chairman & Managing Director) Mr. Sonopal Sethi (Joint Managing Director) Mr. Rishipal Sethi (Joint Managing Director) Mr. Sukhpal Singh Sethi Mr. Karanpal Sethi Mr. Joe Paul Mr. Mohammed Adil Ansari Ms. Shirley Paul Mr. Haresh Eidnani Mr. Pradeep Havnur Mr. Aqueel A. Mulla Mr. Prakashchand Khasgiwala Mr. Nigel Savio Lobo Dr. Manoj Mohan Sajnani
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 (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 , Email: cosecretary@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	: One BKC, B Wing, 12th Floor, Unit No.1208, Bandra Kurla Complex, Bandra (East), Mumbai-400 051 Tel: 022-61383000
Share Transfer Agent	: Link Intime India 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 Fourth 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 28th September, 2016 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, 2016 and the Balance Sheet as on that date together with the Reports of Directors and Auditors thereon.
2. To declare a Final Dividend on Equity Shares for the Financial Year ended 31st March, 2016.
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 a Director in place of Mr. Joe Paul (DIN: 00129522), who retires by rotation and being eligible offers himself for re-appointment.
6. 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, 2017.

For and on behalf of the Board of Directors

Place: Mumbai

Dated: 28.05.2016

Amarpal Sethi

Chairman and 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. Register of Members and the transfer books of the Company will remain closed from Wednesday 21st September, 2016 to Wednesday 28th September, 2016 (both days inclusive).
3. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, 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, 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.

4. 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).
5. 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 of remote e-voting 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 Wednesday, 21st September, 2016, are entitled to vote on the Resolutions set forth in this Notice. The e-voting period will commence at 9.00 a.m. on Sunday, 25th September, 2016 and will end at 5.00 p.m. on Tuesday, 27th September, 2016. The Company has appointed Mr. Sahib Chauhan, practicing Chartered Accountant, 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.
6. The facility of Voting through Ballot paper at meeting is also provided to those members, who have not exercised their voting right through electronic means.
7. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

Procedure for E-Voting:

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

A. In case of members receiving e-mail:

If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.

- i) Log on to the e-voting website www.evotingindia.com.
- ii) Click on "Shareholders" tab to cast your votes.
- iii) Now, select the Electronic Voting Sequence Number - "EVSN" along with "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- iv) Now, fill up the following details in the appropriate boxes:

	For members holding shares in Demat form	For members holding shares in physical form
User ID	For NSDL: 8 character DP ID followed by 8 digits client ID	Folio number registered with the Company
	For CDSL: 16 digits beneficiary ID	
PAN*	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)	
DOB	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.	
Dividend Bank Details#	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. The default No. will be first two letters of shareholder's name followed by date of birth in dd/mm/yyyy format, For instance if your name is Rajesh Kumar and date of birth is 19/07/1985 the default No. will be RA19/07/1985.

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

v) After entering these details appropriately, click on "SUBMIT" tab.

vi) 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.

vii) Click on the relevant EVSN on which you choose to vote.

viii) 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.

ix) Click on the "Resolutions File Link" if you wish to view the entire resolutions.

x) 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.

xi) 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. (xi) 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 Sunday, 25th September, 2016 at 9.00 a.m. and ends on Tuesday, 27th September, 2016 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in Dematerialized form, as on Wednesday, 21st September, 2016, 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 under help section or write an email to 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.
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 23rd 2015 (date of last Annual General Meeting) on the website of the Company (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

Name of Directors	Date of Birth	Date of Appointment	Qualification	Directorship in other companies incorporated in India	Chairman / member of other committees of companies
Sukhpal Singh Sethi	11/06/1942	31/03/1993	I.Sc	No	No
Sonepal Sethi	16/09/1966	01/04/1989	B.Sc. Grad Pri(UK)	No	No
Joe Paul	08/03/1962	01/05/2000	B.Com, MIRPM	No	No

CHAIRMAN'S LETTER

Dear Shareholders,

It gives me great pleasure in reporting that our turnover and profitability are improving and we are able to continue to have sustainable growth and development. The economy is improving with favorable global scenario, slump in the oil prices, improving US and Europe conditions and stable market. The Mechanical Power industry will have reasonable growth in the coming financial years.

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

FY'16 Performances

- Consolidated revenue : 23,740.65
- PIX's EBITDA : 3,949.06
- Profit After Tax (PAT) : 653.63

FY'16 Financial Highlights

- Net Debt : ₹12533.08
- Interest and Financing cost decreased by 13% compared to previous year.
- Capital Expenditure made during the year. ₹ 1882.58 lacs as compared to ₹ 3804.82 Lacs in the previous year.

As a business, we viewed 2015/16 as a year of improvement. We have growth of 6.93 % in the turnover and 11.93% in the profitability as compared to previous financial year. We have enough capacity to cater to the need of the growing automobile market.

I see lot of potential for the products of the company both in India and abroad. We are putting all efforts to consolidate our position in the market. The cutting edge technology adoption in manufacturing and packing will improve quality of products and save costs. We are making our plant fully automated to save cost and improve upon production and productivity. We have hired best talents available in the industry both in production and marketing and expect reasonable growth in the production, sales which in turn will improve upon top line and bottom-line.

We are optimistic of turnaround of the global economy vis a vis Indian economy and growth and development of the automobile industry, machinery manufacturers and agriculture which will bring positive impact in our turnover and profitability.

The global scenario is changing day by day with cut throat competition and constrained margin is hampering product marketability. The products are marketable if it is innovative and falling in special category. The product research and development and quality control will only save us in grave situation and we are hopeful that our products will improve over the period of time and pass through the testing phase through which industry is passing.

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 Fourth Annual Report and the Audited Statement of Accounts for the year ended 31st March 2016, 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 2016:

Particulars	(₹ in lacs)	
	As on 31.03.16	As on 31.03.15
Sales (Net - Excise)	21775.68	20363.30
Other income	318.14	262.01
	22093.82	20625.32
Profit before Depreciation	1872.34	1792.36
Less: Depreciation	1202.75	1189.93
Profit before tax after depreciation	669.59	602.43
Exceptional Items	-	-
Less : Provision for taxationa)		
Current year	215.00	125.00
b) Deferred Tax Liability	88.55	132.54
	366.03	344.89
ss :		
Equity Dividend including Proposed Dividend	204.38	136.25
Tax on Dividend	41.61	26.00
Total Dividend	245.99	162.26
Balance Profit after appropriation	120.05	182.63

Subsidiaries:

1. PIX Middle East FZC, UAE.

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

2. PIX Transmissions Europe Limited, UK;

PIX Transmissions Europe Limited incorporated to carry 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 established 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 incorporated to carry on business of PIX Products and other products in the market of European Countries.

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 Accounting Standard (AS)-21 on Consolidated Financial Statements read with AS-27 on Financial Reporting of Interest in Joint Ventures, the audited consolidated financial statement is provided in the Annual Report.

A statement containing brief financial details of the company's subsidiaries for the financial year ended 31st March 2016 is included in the Annual Report and shown as ANNEXURE 1. The annual account of these subsidiaries will be available for inspection of members at the registered office of the company.

Dividend on Equity Share:

The Board of Directors at their meeting held on 18th March, 2016 has recommended and paid interim dividend of ₹ 1.00 per equity share of Face Value of ₹ 10 each, for the financial year ended 31st March, 2016. The Board recommends further dividend Re. 0.50 per equity share of face value of ₹ 10/- each making the total dividend @15% for the year subject to approval of the shareholders.

Directors' Responsibility Statement

Pursuant to section 134(5) of the Companies Act, 2013, The Board of Directors report that:

i) In the preparation of the annual accounts for the year March, 31, 2016, the applicable Accounting Standards read with requirements set out under Schedule III of the

Act, have been followed and there are no material departures from the same;

ii) Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March, 31 2016 and of the Profit or Loss Account for the year ended on that date;.

iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

iv) The Directors have prepared the Annual Accounts on a going concern basis;

v) The Directors have laid down internal financial control to be followed by the company and that such internal financial controls are adequate and are operating effectively; and

vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee the board is of the opinion that the company's internal financial controls were adequate and effective during the financial year 2015-16.

Public Deposits

The Company has not invited and accepted deposits from the public during the financial year ended 31st March 2016.

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 197(12) of the Companies

Act, 2013 read with Rule 5(2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel), 2014 read with Companies (Particulars of Employees) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is provided in the Annual Report as shown as ANNEXURE 2.

Directors and Key Managerial Personnel

In pursuance to the provisions of Act and Articles of Association of the company Mr. Sukhpal Singh Sethi, Mr. Sonopal Sethi and Mr. Joe Paul retire by rotation and being eligible offer themselves for re-appointment.

The company has received declaration from all the independent directors confirming that they meet the criteria of independence as prescribed both under the Act and Regulation 27 'of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 Listing Agreement with the Stock Exchange.

The company has devised a policy for the performance evaluation of independent directors, Board committees and other individual directors which include criteria for performance evaluation of non-executive directors and executive directors. The manner in which the evaluation is carried out has been explained in the Corporate Governance Report.

Meeting of the Board

During the year under review nine Board Meetings were held. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013. For further details please refer to Corporate Governance Report attached to this Annual Report.

Audit Committee

The Audit committee comprises Independent Directors namely Mr. Mohammed Adil Ansari (Chairman), Mr. Hareesh Eidnani, Mr. Pradeep Havnur and Mr. Amarpal Sethi (Executive Director) as other members. All the recommendations made by the Audit Committee were accepted by the Board.

Vigil Mechanism

The vigil mechanism of the company, which also incorporates a whistle blower policy in terms of the Listing Agreement, includes an ethics and Compliance Task Force comprising of senior executives of the company. It deals with instance of fraud and mismanagement, if any in the company. In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility. The whistle blower Policy ensures that strict confidentiality is maintained while dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprises of the Directors namely, Mr. Pradeep Havnur (Chairman), and Mr. Aqueel Ahmed Mulla, Mr. Haresh Eidnani as other members of the committee.

This committee recommends and reviews the appointment and remuneration of Directors. It has adopted a policy which deals with the appointment and remuneration of directors and key managerial persons. The adopted policy decides about the manner of selection of executive directors, key managerial persons, and independent directors. The policy also decides about the criteria to be followed for recommending the remuneration of directors and key managerial persons.

Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual directors pursuant to the provision of Act and the Corporate Governance requirement as prescribed by Securities and Exchange Board of India (SEBI) under Regulation 27 of the SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015. The performance of Board was evaluated by the Board after seeking inputs from all directors on the basis of criteria such as Board Composition & Structure, Effectiveness of Board Process, Information, and functioning, etc.

In a separate meeting of Independent directors' performance of Executive Directors, performance of the Board as whole and performance of Chairman was evaluated, taking into account the views of executivedirectors and non-executive directors.

Loans, Guarantees and Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements

Related Party Transaction

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large. The particulars of such related party transactions are annexed herewith as ANNEXURE - 3

Corporate Social Responsibility (CSR)

In terms of section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors of your Company has constituted a CSR Committee consisting of Mr. Rishipal Sethi (Chairman) and Mr. Joe Paul (Whole-time Director) and Mr. Aqueel A Mulla (Independent Director) as other members of the committee. The CSR Committee of the Board has developed a CSR Policy under education activity which is enclosed as part of this report ANNEXURE - 4. Additionally, the CSR Policy has been uploaded on the website of the Company at www.pixtrans.com. Out of prescribed 2% CSR expenditure of ₹ 9.37 lacs the company has spent ₹ 5.08 Lacs on blind education, and balance amount of ₹ 4.29 Lacs will be spent through agency for cataract operation under head differently-able and livelihood enhancement projects

Extract of Annual Return

As provided under Section 92(3) of the act, the extract of annual report is given in the ANNEXURE 5 in the prescribed Form MGT-9, which forms part of this report.