

PIX Transmissions Limited

March 04, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	7.27 (Reduced from 19.92)	CARE A+; Stable	Reaffirmed
Long-term / Short-term bank facilities	80.00	CARE A+; Stable / CARE A1+	Reaffirmed
Short-term bank facilities	26.50	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation in ratings assigned to bank facilities of PIX Transmissions Limited (PTL) considers healthy profitability margins, comfortable capital structure, debt coverage indicators and strong liquidity position marked by healthy cash and liquid investments resulting in negative net debt position.

Ratings also factor in expectations of sustained performance in the coming years driven by the company's significant market share in rubber transmission belts, geographically diversified revenue with diversified customer base, established track record of operations and long-standing experience of promoters. Ratings also factor in slight moderation expected in the revenue and profitability in FY26 owing to global headwinds led to reduction in the exports.

However, ratings continue to remain constrained by PTL's working capital intensive operations, moderate scale of operations despite growth registered in the past, overall business being vulnerable to cyclical with imposition of trade tariffs moderating the growth momentum in the near term. Exposure to foreign exchange fluctuation risk also constrain the rating.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant increase in scale of operations while sustaining profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin above 25% on a sustained basis.

Negative factors

- Decline in scale of operations below ₹400 crore and/or moderation in PBILDT margin below 18% on a sustained basis.
- Debt funded acquisition leading to deterioration in the capital structure with net debt to PBILDT above 1.00x.
- Substantial deterioration in the operating cycle, impacting liquidity position of the company

Analytical approach: Consolidated

CareEdge Ratings has taken a consolidated view of PTL and its subsidiaries PIX Middle East FZC and PIX Transmission (Europe) Limited and their step-down subsidiaries namely PIX Middle East Trading LLC and PIX Germany GmbH respectively. The consolidated view considers PTL's control over management and operations of subsidiaries with strong operational and financial synergies among them. These subsidiaries are marketing arms and are strategically important to PTL catering to the global market. Subsidiaries consolidated are listed under Annexure-6.

Outlook: Stable

The stable outlook reflects CARE Ratings Limited's (CareEdge Ratings) expectations that PTL will continue to maintain a comfortable financial risk profile backed by its long track record, diversified geographical presence and experienced promoters.

Detailed description of key rating drivers:

Key strengths

Experienced promoters and established market position in the industrial market segment of transmission belts

PTL is promoted by Amarpal S Sethi (Chairman and Managing Director), who has experience of over five decades in the mechanical power transmission belts and hoses industry. Second-generation promoters have also joined the business, ensuring business continuity and smooth succession. Promoters have contributed to creating an established market position in the industry. PTL has a wide product portfolio and exports products to over 100 countries. PTL's strong market position is further characterised by

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

limited number of major players globally, its ability to pass on increase in input prices and entry barriers to the industry such as high capital investment, technology and requirement of skilled labour. Promoters are well-supported by a professional second line of management.

Healthy profitability margins

PTL has demonstrated steady and healthy profit margins with PBILDT margin remaining consistent over 25% for five years ended FY25, translating into healthy return on capital employed of over 20% per annum. Consistent PBILDT margin demonstrates PTL's long-standing manufacturing experience and ability to pass on increase in prices of input costs, while maintaining relations with its distributors. Healthy profitability enabled the company generate gross cash accruals (GCA) of ₹80-100 crore per annum in the last few years, which support its overall cash flows and financial risk profile. PBILDT margin improved to 28.72% in FY25 against 25.51% in FY24 due to increase in the total operating income (TOI), which led to better absorption of fixed cost. Consequently, profit after tax (PAT) margin also improved to 18.89% in FY25 from 16.59% in FY24. However, considering global headwinds in the recent past, TOI expected to slightly reduce, expecting slight moderation in profit margins in the near term. PBILDT margin remained at 26.32% in 9MFY26.

Geographically diversified revenue and diversified customer base

PTL derives a significant portion of its revenue from the export market. Major export countries include the USA, Europe and Asia with no country contributing over 35% of the total exports. PTL has also setup subsidiaries in the UAE, the UK and Germany, which are PTL's marketing arm for the export market. Revenue in domestic market is also derived across India, considering its strong distribution network. The company's customer base remains diversified with top 10 customers contributing ~33% of the total revenue. Diversified revenue mix is expected to aid the company in mitigating risks arising from localised demand slowdowns.

Comfortable capital structure and debt coverage indicators

The company's capital structure remains comfortable marked by overall gearing at 0.06x as on March 31, 2025, compared to 0.09x as on March 31, 2024. Slight improvement was due to proportionately higher increase in tangible net worth and decrease in total debt in FY25. The total debt of the company comprised term loan and unsecured loans from promoters with no utilisation of working capital borrowings in the past.

Debt coverage indicators remain comfortable and slightly improved as marked by interest coverage ratio of 38.50x in FY25 compared to 23.17x in FY24. Interest coverage further improved to 52.08x in 9MFY26. Total debt to PBILDT improved to 0.21x in FY25 compared to 0.35x in FY24. Net debt to PBILDT remains negative, owing to sufficient liquid investments held by the company in liquid mutual funds and quoted equities. Capital structure and debt coverage indicators are expected to remain comfortable in the medium-term considering absence of major debt funded capex planned by the company.

Key weaknesses

Moderate but increasing scale of operations

PTL's scale of operations has grown steadily and remains moderate, with TOI, registering a compound annual growth rate (CAGR) of ~10% for three years ended FY25. TOI increased ~19% from ₹500.14 crore in FY24 to ₹597.63 crore in FY25 owing to higher realisation from export market. In 9MFY26, the company achieved TOI of ₹411.54 crore (₹427.52 crore in 9MFY25). Slight decrease in TOI is largely due to lower income from the export market amid recent geo-political uncertainty. Tangible net worth as on March 31, 2025, increased to ₹593.68 crore from ₹487.64 crore as on March 31, 2024, considering healthy accretion of profits to reserve. Revenue is expected to remain moderate in the near term considering slight reduction in export market sales.

Working capital intensive operations

The working capital cycle remains elongated with marginal improvement in FY25 at 143 days (PY:155 days). Long working capital cycle is due to high debtors and inventory period at 72 days (PY:79 days) and 96 days (PY:103), respectively. Inventory days tend to be on the higher side as PTL has a wide product portfolio catering to different applications. Risk of high inventory days is mitigated to some extent as its inventory has shelf life of over seven years. Working capital requirements are funded using internal accruals and utilisation of fund-based facility has been nil for 12 months ended December 2025.

Exposure to cyclical, raw material price volatility, foreign exchange rates and global tariffs

PTL is vulnerable to cyclical downturns. This impacts PTL's performance, though the company taken steps to enhance export and diversify its revenue streams. Business performance can also be affected by imposition of tariffs by importing countries. Profitability may be moderately affected by foreign exchange fluctuations. As PTL is a net exporter, it has a partial natural hedge. Balance remains unhedged owing to current strengthening of the US dollar.

Liquidity: Strong

The liquidity position remains strong characterised by sufficiently cushioned expected GCA against repayment obligations of ~₹12 crore in the near term and lower capital commitments towards maintenance capex. PTL has unencumbered cash balance of ₹66.43 crore and liquid investments in quoted equity shares and mutual funds of ₹127.84 crore as on March 31, 2025, which increased significantly in the last year. The cash & liquid investments further increased considerably to ₹238.43 crore as on September 30, 2025. Utilization of fund-based working capital borrowing remained nil for 12 months ended December 2025. Average utilisation of non-fund-based limits remained ~40% in the same period. Cash flow from operating activities stood positive at ₹93.95 crore in FY25. Current ratio and quick ratio remained comfortable at 6.56x and 4.81x respectively as on March 31, 2025, against 4.91x and 3.52x respectively as on March 31, 2024.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Consolidation & Combined Approach](#)

About the company and industry**Industry classification**

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital goods	Industrial products	Rubber

Incorporated in 1981, PTL is engaged in manufacturing mechanical power transmission products including rubber V-belts, cut-edge belts, ribbed belts, synchronous belts, and timing belts, among others, which find application in several end-user segments including industry, agriculture, horticulture, special application belts, taper pulleys, bush and couplings, and the automobiles. PTL has a well-diversified product range with an extensive range of tooling to cover a broad spectrum of belt construction types and sizes. It operates two manufacturing units at Hingna, Nagpur, an automated rubber mixing facility at Nagalwadi and a centralised logistics hub in Nagpur. PTL's products are sold in domestic and export market through its network of distributors and channel partners spread across 100 countries.

Brief Financials (Consolidated)**(₹ crore)**

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	December 31, 2025 (UA)
Total operating income	500.14	597.63	411.54
PBILDT	127.56	171.64	108.33
Profit after tax (PAT)	82.99	112.88	86.67
Overall gearing (x)	0.09	0.06	NA
Interest coverage (x)	23.17	38.50	52.08

A: Audited UA: Unaudited NA: Not available; Note: these are latest available financial results

Brief Financials (Standalone)**(₹ crore)**

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	December 31, 2025 (UA)
Total operating income	461.68	560.30	375.04
PBILDT	120.50	160.06	93.34
Profit after tax (PAT)	79.21	105.37	75.09
Overall gearing (x)	0.10	0.06	NA
Interest coverage (x)	22.28	36.84	45.09

A: Audited UA: Unaudited NA: Not available; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	January 2027	7.27	CARE A+; Stable
Fund-based - LT/ ST-CC/PC/Bill Discounting		-	-	-	55.00	CARE A+; Stable / CARE A1+
Fund-based - LT/ ST-CC/PC/Bill Discounting		-	-	-	25.00	CARE A+; Stable / CARE A1+
Non-fund-based - ST-BG/LC		-	-	-	26.50	CARE A1+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument /Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	7.27	CARE A+; Stable	-	1)CARE A+; Stable (18-Mar-25)	1)CARE A; Stable (31-Jan-24)	1)CARE A; Stable (05-Jan-23)
2	Fund-based - LT/ ST-CC/PC/Bill Discounting	LT/ST	55.00	CARE A+; Stable / CARE A1+	-	1)CARE A+; Stable / CARE A1+ (18-Mar-25)	1)CARE A; Stable / CARE A1 (31-Jan-24)	1)CARE A; Stable / CARE A1 (05-Jan-23)
3	Fund-based - LT/ ST-CC/PC/Bill Discounting	LT/ST	25.00	CARE A+; Stable / CARE A1+	-	1)CARE A+; Stable / CARE A1+ (18-Mar-25)	1)CARE A; Stable / CARE A1 (31-Jan-24)	1)CARE A; Stable / CARE A1 (05-Jan-23)
4	Non-fund-based - ST-BG/LC	ST	26.50	CARE A1+	-	1)CARE A1+ (18-Mar-25)	1)CARE A1 (31-Jan-24)	1)CARE A1 (05-Jan-23)

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	Fund-based - LT/ ST-CC/PC/Bill Discounting	Simple
3	Non-fund-based - ST-BG/LC	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	PIX Middle East FZC	Full	Wholly owned subsidiary
2	PIX Transmissions (Europe) Limited	Full	Wholly owned subsidiary
3	PIX Middle East Trading LLC	Full	Wholly owned subsidiary
4	PIX Germany GmbH	Full	Wholly owned subsidiary

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Ankur Sachdeva Senior Director CARE Ratings Limited Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in</p>	<p>Analytical Contacts</p> <p>Akhil Goyal Director CARE Ratings Limited Phone: 022-67543590 E-mail: akhil.goyal@careedge.in</p> <p>Ashish Kambli Associate Director CARE Ratings Limited Phone: 022-67543590 E-mail: Ashish.k@careedge.in</p> <p>Saurabh Darak Analyst CARE Ratings Limited E-mail: Saurabh.darak@careedge.in</p>
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