

# **PACE AUTOMATION LIMITED**

**TWENTY SEVENTH ANNUAL REPORT**

**2016 – 2017**

## BOARD OF DIRECTORS

**Shri. S.G.Chandru**  
Managing Director

**Shri.Srinivasan Arvind**  
Director

**Ms. Malathi Gopalakrishnan**  
Director

**Ms. R. Kanakathara**  
Director

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### REGD. & ADMINISTRATIVE OFFICE

CIN No.L29141TN1989PLC018133  
EmpeeTowers 5<sup>th</sup> Floor, No.59. Harris Road,  
Pudupet, Chennai – 600 002.  
Phone: 044-28514382  
E-mail: [paceauto@vsnl.com](mailto:paceauto@vsnl.com)  
Website: [www.paceautomation.com](http://www.paceautomation.com)

### REGISTRAR AND SHARE TRANSFER AGENTS

CAMEO CORPORATE SERVICE LIMITED  
“Subramanian Buildings”  
1, Club House Road,  
Chennai-600 002.  
Phone: 28460390.  
Mail- [cameo@cameoindia.com](mailto:cameo@cameoindia.com)

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### AUDITORS

Shri. N.Subramanian  
“Murugesu Naicker Office Complex”  
No.81, Greams Road, Chennai-600 006

### SECRETARIAL AUDITORS

Lakshmmi Subramanian & Associates  
“Murugesu Naicker Office Complex”  
No.81, Greams Road, Chennai-600 006

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CONTENTS	PAGE NO
Notice	1
Director's Report	6
Independent Auditor Report	21
Balance Sheet	25
Statement of Profit & Loss	26
Cash flow Statement	27
Notes to Financial Statements	28

# PACE AUTOMATION LIMITED

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NOTICE is hereby given that the 27<sup>th</sup> Annual General Meeting of Pace Automation Limited will be held on Monday the 18<sup>th</sup> September 2017 at Bharatiya Vidya Bhavan, 20 & 22 East Mada Street, Mylapore, Chennai – 600004, Tamilnadu at 3.00 P.M to transact the following business:

## ORDINARY BUSINESS

1-To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2017 together with the Reports of the Board of Directors and the Auditors thereon,

2-To appoint a Director in the place of Mr.S.G.Chandru (having Din.00814605) who retires from office by rotation and being eligible offers herself for reappointment.

3-To appoint Auditors of the Company and to fix their remuneration

Explanation:- The Companies Act 2013 ( 'the Act' ) was notified effective April 1, 2014. Section 139 of the Act lays down the criteria for appointment and mandatory rotation of statutory auditors. Pursuant to section 139 of the Act and rules made thereunder, it is mandatory to rotate the statutory auditors on completion of two terms of five consecutive years. The rules also lay down the transitional period that can be served by the existing auditors depending on the number of consecutive years for which an audit firm has been functioning as auditor in the same company. The incumbent auditor, Mr.N.Subramanian, Chartered Accountant (Membership number: 021628) has served the company for over 10 years before the Act was notified and will be completing the maximum number of transitional period ( three years) at the ensuing 27<sup>th</sup> AGM.

The Audit committee of the company has proposed and the Board has recommended the appointment of Mr.T.S.R.Sivasubramanian, Chartered Accountant ( Membership Number:22713 ) as statutory auditor of the company. Mr. T.S.R.Sivasubramanian will hold office for a period of five consecutive years from the conclusion of the 27<sup>th</sup> Annual General Meeting of the company till the conclusion of the 32<sup>nd</sup> Annual General Meeting to be held in 2022. The first year of audit will be of the financial statements for the year ending March 31,2018, which will include the audit of the quarterly financial statements for the year.

Therefore, shareholders are requested to consider and if thought fit, to pass the following resolution as ordinary resolution

RESOLVED THAT pursuant to Sections 139,142 and other applicable provisions, if any, of the Companies Act 2013 and the rules made thereunder, as amended from time to time, pursuant to the proposal of the audit committee of the Board and recommendation of the Board Mr. T.S.R.Sivasubramanian. Chartered Account ( Membership Number 22713 ) be and is hereby appointed as statutory auditor of the Company, to hold office for a period of five consecutive years commencing from the financial year 2017-18, on a remuneration that may be determined by the audit committee in consultation with the auditor and that such remuneration may be paid on a progressive billing basis.

**By and on behalf of Board of Directors**

**For Pace Automation Limited**

Place: Chennai  
Date:14.08.2017

**Sd/-  
S.G.Chandru  
Managing Director**

## NOTES:

- 1- A member entitled to attend and vote at AGM is entitled to appoint a proxy to attend and vote in the meeting instead of himself/herself and the proxy need not be a member of the company. A person can act as a proxy on behalf of a maximum of 50 members and holding in aggregate not more than 10% of the total share capital of the Company. A Member holding more than 10% percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy, provided that the person does not act as proxy for any other person or shareholder.
- 2- Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the company or upload it on the e-voting portal, authorizing their representative to attend and vote on their behalf at the meeting.
- 3- The instrument appointing the proxy, duly completed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for the AGM is enclosed.
- 4- During the period beginning 24 hours before the time fixed for the commencement of the AGM and until the conclusion of the meeting, a member would be entitled to inspect the proxies lodged during the business hours of the company, provided that not less than three days of notice in writing is given to the company.
- 5- Members / proxies / authorized representatives should bring the duly filled attendance slip enclosed herewith to attend the meeting.

# PACE AUTOMATION LIMITED

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- 6- The register of Directors and Key Managerial Personnel and their shareholding, maintained under section 170 of the Companies Act, 2013 ( the Act ), and the Register of contracts or arrangements in which the directors are interested, maintained under section 189 of the Act, will be available for inspection by the members at the AGM.
- 7- The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 11<sup>th</sup> September, 2017 to Monday, 18<sup>th</sup> September, 2017 ( both days inclusive ) for the purpose of AGM.
- 8- Members are requested to notify immediately any change in their address to the Registrar and Share transfer Agent – M/s. Cameo Corporate Services Ltd., “Subramanian Buildings”, 1, Club House Road, Chennai-600 002.
- 9- The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively) has undertaken a Green Initiative in Corporate Governance and allowed Companies to share documents with its shareholders through an electronic mode. A recent amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email addresses for the said purpose. Hence Members are requested to register their e-mail addresses with the Company by sending their details relating to name, folio no./DP Id/Client Id to the company's email id : [paceauto@vsnl.com](mailto:paceauto@vsnl.com)
- 10- Members who hold shares in physical form are requested to dematerialize their holdings to make the Company's shares traded in normal segment.
- 11- Information about Directors retired by rotation.

Name of the Director	S.G.Chandru
Din	00814605
Age	73 years
Date of appointment	18.10.2002
Experience	15 years
No.of shares as on 31.03.2017	650606
Directorship in other public companies	Nil
Chairman/Member of committees of company	3
Relationship with any other Director	Malathi Gopalakrishnan
Brief History	He was inducted to the Board initially on 18.10.2002. Thereafter he was elevated to the post of Managing Director. As a MD, he oversees the Key function of Production, Marketing & Administration. He drives the continuous renewal of Key process systems and policies across the company in client relationship management, Sales effectiveness, delivery excellence, quality, talent management and leadership development. Since, he is a director retiring by rotation and being eligible, he offers himself for reappointment. Further he will continue as the Managing Director.

- 12-- Electronic copy of the AGM Notice of the Company inter alia indicating the process and manner of e-voting along with Attendance slip and Proxy form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the Company inter alia indicating the process and manner of e-voting along with Attendance slip and Proxy form is being sent in the permitted mode.

### 13- Voting through Electronic Means

In compliance with provisions of Section 108 of the Companies Act 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer E-Voting facility as an alternate, for its shareholders to enable them to cast their votes electronically at the 27<sup>th</sup> Annual General Meeting (AGM) through e-voting service provided by Central Depository Services (India) Limited. E-Voting is optional. The procedure and instructions for the same are as follows:

**The Company will provide the e-voting facility through CDSL. The e-voting procedures are set out below:**

**The instructions for members for voting electronically are as under:-**

- (i) The voting period begins on 15.09.2017 at 9.00 a.m. and ends on 17.09.2017 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off

# PACE AUTOMATION LIMITED

date (record date) 11.09.2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The Shareholders should log on the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iii) Click on " Shareholders " tab
- (iv) Now, select the " PACE AUTOMATION LIMITED " from the drop down menu and click on " SUBMIT"
- (v) Now enter your user ID
  - a. For CDSL: 16 digits beneficiary ID
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the image verification as displayed and click on Login
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

## For Members holding shares in Demat Form and Physical Form

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>•Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li><li>•In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li></ul>
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. <ul style="list-style-type: none"><li>•Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter <b>the member id / folio number in the Dividend Bank details field as mentioned in instruction (v)</b></li></ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for Pace Automation Limited
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non-Individual Shareholders and Custodians

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

# PACE AUTOMATION LIMITED

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•A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.  
(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Question ("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)

**16-Please note that by virtue of providing the e-voting facility by the company as per Rule 20 of Companies (Management and Administration) Rules, 2014 the following will be applicable:**

- (i) The manner of voting for the members being present in the General Meeting will be on "proportion principle" i.e. one share – one vote unlike one person one vote principle, further, as per the provision of the Companies Act, 2013, demand for poll will not be relevant.
- (ii) The option of voting by show of hands will not be available for members presenting the General Meeting in view of clear provision of section 107 of the Companies Act, 2013, i.e. voting by show of hands would not be allowable in cases where Rule 20 of Companies (Management and Administration) Rules, 2014 is applicable.
- (iii) Any member who has voted through e-voting facility provided by the company may also participate in the General Meeting in person, but such a member will not be able to exercise his vote again in the meeting, and the earlier vote casted through electronic means will be treated as final.
- (iv) The facility for voting through ballot form shall be made available to all the shareholders who could not exercise their vote through e-voting. The ballot paper in Form MGT-12 is being sent to all the members, along with this report. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 11.09.2017.

A Member desiring to exercise vote by ballot paper should complete the Ballot Form attached with this report and send it to : Pace Automation Limited, Empee Tower, 5<sup>th</sup> Floor, No.59, Harris Road, Pudupet, Chennai-600002.

Please return the form duly completed through post or courier, so as to reach the company on or before the close of working hours of between 10.00 a.m and 5.00 p.m on 17.09.2017.

The facility of voting through ballot form shall also be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the meeting through ballot form

- (v) Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares on the cut-off date i.e. 11.09.2017 may obtain the login ID and password by sending an email to [investor@cameoindia.com](mailto:investor@cameoindia.com) or [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) by mentioning their Folio No./DP ID and Client ID. However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote
- (vi) The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days after the conclusion of the AGM, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (vii) The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.paceautomation.com](http://www.paceautomation.com) and website of CDSL <http://www.evotingindia.com> and also forward the same to the Metropolitan Stock Exchange of India Limited simultaneously, where the Company's shares are listed.

**By and on behalf of Board of Directors**

**For Pace Automation Limited**

Place: Chennai

Date:14.08.2017

Sd/-

**S.G.Chandru**

**Managing Director**

## DIRECTORS' REPORT

Ladies and Gentlemen,

Your Directors have pleasure in presenting the 27<sup>th</sup> Annual Report of your Company together with the Audited Statement of Accounts and the Auditors' Report for the Financial Year ended 31<sup>st</sup> March, 2017. The summarized financial results for the Financial Year are as under:

### **FINANCIAL SUMMARY**

	<b>2016-2017 (Rs in lakh)</b>	<b>2015-2016 (Rs in lakh)</b>
Gross Profit /(Loss)	59.10	61.45
Depreciation	5.01	5.98
Profit / ( Loss ) before tax	54.09	55.47
Tax- current year	15.17	15.08
Tax-Deferred tax	1.43	6.46
Net profit for the year	37.48	33.93

### **PERFORMANCE AND STATE OF COMPANY'S AFFAIRS OF THE COMPANY**

During the year under review, the Company has earned a net profit of Rs.37.48 lakhs as against a profit of Rs 33.93 lakhs in the previous year.

#### **BUSINESS OPERATIONS:**

The company is at present carrying on the business of software solution, to such non banking companies and business of micro finance activities & software/ information technology related activities.

#### **DIVIDEND**

Considering the current insufficient profits, the Board of Directors is not recommending any dividend for the year 2016-2017.

#### **TRANSFER OF PROFIT TO RESERVES**

During the year your company has transferred the profit of Rs 37.48 lakh to the reserve account.

#### **MATERIAL CHANGES AND COMMITMENTS OF THE COMPANY**

There were no material changes and commitments affecting the financial position of the Company between the end of financial year ( March 31,2017 ) and the date of the Report and there is no significant and material orders passed by the regulators or courts or tribute impacting the going concern status and company's operations in future.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS U/S 186:**

The Company has not given any loan, guarantee and investment under section 186 of the act during the year 2016-17 to any person / body corporate.

#### **SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES**

The Company does not have any subsidiaries, associates and joint venture companies

#### **THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo as required under section 134 (3) (m) of the Companies Act 2013 are attached as **Annexure -1**:

### **DIRECTORS AND OTHER KEY MANAGERIAL PERSONNEL (KMPs)**

#### **Board Composition and Independent Directors**

The Board consists of one Managing Director, one Non Executive Director and two Independent Director.

Independent Directors are appointed for a term of five years and are not liable to retire by rotation.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of the SEBI Listing Regulations.

#### **Retirement by Rotation**

Pursuant to Section 152 of the Companies Act, 2013 S.G.Chandru who retire by rotation at the forthcoming AGM and is eligible for re-appointment.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are Mr. S.G.Chandru Managing Director , Mr.V. Rama Seshan, Company Secretary.

#### **DECLARATION OF INDEPENDENT DIRECTORS**

As per the Companies Act 2013, your company had appointed two Independent Directors and they have declared that they meet the criteria of independence in terms of Section 149(6) of the Companies Act 2013 and that there is no change in their status of Independence.

## **POLICY OF DIRECTORS APPOINTMENT AND REMUNERATION**

Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under section 178 of the Act are covered under the Board's policy formulated by the Company.

## **INFORMATION U/s 197(12) OF THE COMPANIES ACT 2013**

The information required under section 197 (12) of the Act read with rule 5(1) & 5(2) of the Companies ( Appointment and Remuneration of Managerial Personnel ) Rules, 2014 is attached herewith as **Annexure-2**.

## **STATUTORY AUDITOR:**

The Companies Act 2013 ('the Act' ) was notified effective April 1, 2014. Section 139 of the Act lays down the criteria for appointment and mandatory rotation of statutory auditors. Pursuant to section 139 of the Act and rules made thereunder, it is mandatory to rotate the statutory auditors on completion of two terms of five consecutive years. The rules also lay down the transitional period that can be served by the existing auditors depending on the number of consecutive years for which an audit firm has been functioning as auditor in the same company. The incumbent auditor, Mr.N.Subramanian, Chartered Accountant (Membership number: 021628) has served the company for over 10 years before the Act was notified and will be completing the maximum number of transitional period ( three years) at the ensuing 27<sup>th</sup> AGM.

The Audit committee of the company has proposed and the Board has recommended the appointment of Mr.T.S.R.Sivasubramanian, Chartered Accountant ( Membership Number:22713 ) as statutory auditor of the company for the approval of Members in the AGM.

## **SECRETARIAL AUDITOR**

Pursuant to the requirements of Section 204(1) of the Companies Act 2013 and Rule 9 of the Companies ( Appointment and Remuneration of Managerial Personnel ) Rule 2014, the company has appointed Mrs Lakshmmi Subramanain & Associates , Practicing Company Secretaries to conduct the secretarial audit for the financial year 2016-17. The Secretarial Audit report as received from the secretarial auditor is annexed to this report as **Annexure-3**

## **COMMENT ON SECRETARIAL AUDITOR REPORT**

With reference to the remarks made by the secretarial auditor, Mrs. Lakshmmi Subramanian, Practicing Company Secretary, in her secretarial audit report, the company has taken corrective measures during the current financial year.

## **INTERNAL CONTROL AND ITS ADEQUACY**

The Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control. The internal auditor of the Company regularly conduct audit and submits his quarterly reports, which are reviewed by the Audit Committee. The Company has an adequate Internal Control system, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

## **RELATED PARTY TRANSACTIONS U/S 188 (1)**

During the year 2016-2017, the Company had not entered into any material transaction with related parties as per section 188 of the Companies Act 2013. Hence the question of reporting under the requirement of said section does not arise.

## **EXTRACT OF THE ANNUAL RETURN:**

The details forming part of the extracts of Annual Return in form MGT-9 as provided under sub-section (3) of section 92 of the Companies Act is annexed herewith as **Annexure- 5** to this report.

## **RISK MANAGEMENT POLICY**

Your Company has an established Enterprise Risk Management function that engages with all the business verticals for risk assessment , ensures that the risk mitigation plans are in place and validates the risk mitigation status regularly . Action plans are incorporated into the corporate plans of your company. The steering committee consisting of core Business vertical Heads oversees the Risk Management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting, The Committee, Chaired by the Managing Director, reviews on a quarterly basis the enterprise risks to the achievement of the business objectives. The steering Committee updates the Risk Management Committee comprising of independent directors and non-executive director on the enterprise risks and the action taken thereon

## **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behavior. The Board of Directors are responsible for redressal of complaints related to sexual harassment. During the year ended 31 March 2017, the Board did not receive any complaints pertaining to sexual harassment.



## **DEPOSIT FROM PUBLIC**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on date of the balance sheet.

## **CORPORATE GOVERNANCE REPORT**

Since your company's paid up equity capital and Net worth is less than Rs.10 Crores and Rs.25 Crores respectively, the provisions of clause 27 of the SEBI LODR, 2015 relating to Corporate Governance, vide SEBI circular dated CIR/CFD/POLICY CELL/7 is not applicable to the Company.

## **BOARD MEETINGS HELD DURING THE YEAR**

The Board met four times during the financial year, and the intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

## **ANNUAL BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and in terms of Regulation 17(10) of the SEBI Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of the Audit and the Nomination and Remuneration Committees.

## **PERFORMANCE EVALUATION OF BOARD, COMMITTEE AND DIRECTORS**

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of the Audit and Nomination & Remuneration Committees and the same was based on questionnaire and feedback from all the Directors on the Board as a whole, Committees and self-evaluation.

A structured questionnaire was prepared after taking into consideration of the inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interests of the Company and its minority shareholders etc.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman of the Board and the Executive Directors was carried out by the Independent Directors.

## **CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT**

The Board of Directors had adopted a Code of Conduct for the Board Members and employees of the company. This code helps the Company to maintain the standard of business ethics and ensure compliance with the legal requirements of the company

The code is aimed at preventing any wrongdoing and promoting ethical conduct at the Board and employees. The Compliance officer is responsible to ensure adherence to the Code by all concerned

The code lays down the standard of conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders

All the Board Members and the Senior Management personnel have confirmed compliance with the Code

## **WHISTLE BLOWER POLICY/VIGIL MECHANISM**

Pursuant to section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies ( Meetings of Board and its Powers ) Rules,2014 and clause 49 of the Listing Agreement, the Board of Directors had approved the policy on vigil mechanism / whistle blower and the same was hosted on the website of the Company. The policy inter-alia provides a direct access to the Chairman of the Audit Committee.

Your Company hereby affirms that no Director / employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year

## **BOARD COMMITTEES**

The Board had constituted the following committees Viz Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee

## **CORPORATE SOCIAL RESPONSIBILITY ( CSR )**

Your company is not having profits more than Rs. 5 crores, in the year 2016-17 and therefore Constituting of a CSR Committee and its compliance in accordance with the provisions of Section 135 of the Act, does not arise.

## **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/ COURTS/ TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

During the year, there were no such instances of significant and material orders passed by the regulators, courts or tribunals.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **Industry structure and Developments**

The company is at present carrying on the business of software solution, to such non banking companies and business of micro finance activities & software/ information technology related activities

### **Opportunities and Threats**

Our company project has resulted in high quality output which has resulted to tie up long term contracts with the customers. Increased competition in the market may affect the margin.

# PACE AUTOMATION LIMITED

## Segment wise performance

The performance of the products of the company namely Software solutions are satisfactory and the only problem faced by the company is power interruption and power failure which are beyond control.

## Risks and Concerns:

Our main concern is continuous competition from Service Providers operating in the same line of business by reducing the price in the market due to which the company has to reduce the price to retain its share in the market.

## Internal control system and their adequacy

The company maintains its adequate internal controls to have efficient operations. Also the company maintains all statutory rules, regulations, laws as applicable from time to time and protection of resources and assets.

## Financial performance with respect to operational performance

Summary of statement of profit and loss account is given below

Revenue	31.03.2017	31.03.2016
Revenue from Operation	4,53,55,826	46,101,255
Other income	22,46,898	836,908
Total Revenue	4,76,02,724	46,938,163
<b>Expenses</b>		
Employees benefit expenses	2,55,54,532	23,976,016
Finance cost	8,30,609	892,643
Depreciation and amortization	5,01,738	598,518
Other expenses	1,53,06,406	15,924,190
Total expenses	4,21,93,285	41,391,367
Profit / ( Loss) before tax	54,09,439	5,546,796

## Revenue:

Your company's net revenue decreased by 1.61% due to decrease of sale of product while comparing the previous year and other income has increased by 1.68%

## Expenses:

Employees benefit expenses increased by 0.06% due to salary increase to existing employees .

Finance cost decreased by 6.95% due to repayment of borrowing.

Depreciation and Amortization cost decreased by 16.16% due to non- installation of new machinery

Other expenses decreased by 3.87% due to implementation of cost reduction in some non productive centre in the Company

Total expenses increased by 0.02% .which is reasonable while comparing the increase in overall cost of various inputs / services..

## Material developments in human resources / Industrial relations front:

Training on all sectors are given to its employees periodically and motivated to work in line with the development of the Industry. The willingness and commitment of the employees help the company to stand tall among its customer in quality and service. The company has a total employee strength of 77.

## DIRECTORS' RESPONSIBILITY STATEMENT:

As required under Section 134 (5) of the Companies Act, 2013, the Board of Directors hereby confirm:-

- That in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- That the Directors had 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 the affairs of the Company at the end of the Financial Year and of the profit of the Company for that period;
- That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the Directors had prepared the Annual Accounts on a going-concern basis;
- That proper internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating effectively.
- That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from the business constituents during the year under review.

By Order of the Board,

PLACE : Chennai  
DATE : 14.08.2017

Sd/-  
Malathi Gopalakrishnan  
Director

Sd/-  
S.G.Chandru  
Managing Director

**ANNEXURE –1**

**Details relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:**

**(A) Conservation of energy**

- (i) Introduction of efficient lighting system and special capacitor banks for improvement of power factor
- (ii) Improvements in operating efficiency and reduction of losses at workers level
- (iv) Capital investment on energy conservation equipments: NIL

**(B) Technology absorption**

- (i) The efforts made towards technology absorption: NIL
- (II) Benefits derived
  - Production improvement : NIL
  - Cost Reduction: NIL
  - Product development or Import substitution ; NIL
- (III) Imported Technology ; NIL
- (iv) Expenditure Incurred on Research and Development ; NIL

**(C) Foreign exchange earnings and outgo:**

	2016-17	2015-16
Earnings in Foreign Exchange :	Nil	NIL
Expenditure in Foreign Exchange:	Rs.4,32,000	Rs. 2,481,000.
CIP Value of imports	NIL	Rs. 148,000.

**By Order of the Board,**

PLACE : Chennai  
DATE : 14.08.2017

**Sd/-  
Malathi Gopalakrishnan  
Director**

**Sd/-  
S.G.Chandru  
Managing Director**

**ANNEXURE- 2**

**A-**The information under section 197 of the Companies Act 2013 read with Rule 5(1) of the Companies ( Appointment and Remuneration of Managerial Personnel ) Rules, 2014 are given below:

a) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year

Executive Directors	Ratio to Median Remuneration
Mr. S.G.Chandru- Managing Director	16.92

b) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	Nil
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c) The percentage increase in the median remuneration of employees in the financial year: 5.00

d) The number of permanent employees on the rolls of the company: 72

e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial remuneration:

There is no significant change in the average percentile increase in the remuneration payable to Employees and Managerial Personnel

f) Affirmation that the remuneration is as per the remuneration policy of the Company:

The company affirms the remuneration is as per the remuneration policy of the company

**B-**The information under Rule 5(2) of the Companies ( Appointment and Remuneration of Managerial Personnel ) Rules, 2014 are given below:

# PACE AUTOMATION LIMITED

Name	Qualification	DOB	DOJ	Experience	Designation	Salary per month
S.Nirmala	MCA	04.11.1968	16.08.1991	26 Yrs	President & CTO	325,000
P.Sundaram	MCA	12.03.1976	12.06.2000	21 Yrs	Associate Director- Web Application	100,000
V.Raman	CA IIB	16.08.1991	15.02.2016	1 Yrs	Director- Retail Market operation	100,000
Shreeveni S A	B.E.	30.05.1971	01.01.2003	14 Yrs	Associate Director- Host Application	90,000
B.Mani	MCA	10.06.1972	16.02.2004	13 Yrs	Associate Director- Process Re- Engineering	90,000
M.Ramkumar	M.Sc	21.04.1979	20.09.2006	11 Yrs	Senior Associate- Quality Assurance	57,000
B.Raju	M.Sc	16.09.1978	24.08.2005	12 Yrs	Senior Associate- Host Application	50,000
R.Arunkumar	B.E	10.05.1982	15.12.2004	11 Yrs	Senior Associate- Web Application	46,000
E.Sakthiya Prabhu	I.T.I	17.12.1982	12.11.2003	13 Yrs	Senior Associate- Net work	46,000
S.K.Rajkumar	B.Sc	06.08.1988	21.04.2011	6 Yrs	Engineer- Multimedia	40,000

By Order of the Board,

PLACE : Chennai  
DATE : 14.08.2017

Sd/-  
Malathi Gopalakrishnan  
Director

Sd/-  
S.G.Chandru  
Managing Director

**Annexure- 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31.03.2017**  
*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

**To the Members**

**Pace Automation Limited**  
**Empee Towers, 5<sup>th</sup> FLOOR, No.59, Harris Road**  
**Pudupet**  
**Chennai -600 002**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Pace Automation Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Pace Automation Limited ("the Company") for the financial year ended on 31st March, 2017 according to the provisions as applicable to the Company during the period of audit:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder and the Companies Act 1956 to the extent applicable

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Securities and Exchange Board of India ( Prohibition of Insider Trading Regulations, 2015.

(c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;

(v) The Listing Agreement entered into by the Company with the Stock Exchanges where the Securities of the Company are listed and the uniform listing agreement with the said stock exchanges pursuant to the provisions of the SEBI ( Listing obligations and Disclosure Requirements ) Regulations 2015.

(vi) Secretarial Standard with respect to Meetings of Board of Directors ( SS-1 ) and General Meetings ( SS-2 ) issued by the Institute of Company Secretaries of India.

(vii) In our opinion and as identified and informed by the Management of the Company the following laws as being specifically applicable to the Company

1- The Information Technology Act, 2000

2- Policy relating to Software Technology Parks of India and its Regulations

3- The Indian Copyright Act, 1957

4-The Trademarks Act, 1957

It is reported that during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines as mentioned above except :

- SEBI ( LODR ) Regulations 2015 in certain areas
- There have been a few cases of delay in filing of certain e-forms filed with MCA

# PACE AUTOMATION LIMITED

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- The company, being a listed entity, has not appointed certain KMP's in terms of Section 203 of the Companies Act,2013

We further report that there were no actions / events in pursuance of

(a) The Securities and Exchange Board of India ( Share Based employee Benefits ) Regulations, 2014 and Employees Stock Option Scheme, 2007 approved under the provisions of the Securities and Exchange Board of India ( Employee Stock Option Scheme and Employee Stock Purchase Scheme ) Guidelines, 1999

(b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009

(c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

(d) Foreign Exchange Management Act, 1999 and the rules and regulations.

(e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; requiring compliance thereof by the Company during the Financial Year under review

We further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, in our opinion, the Company has adequate systems and control mechanism in the company to monitor and ensure compliance with applicable other general laws including Human Resources & Labour Laws and in certain areas the process is being strengthened.

We further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

We further report that:

The Board of Directors of the Company is generally well constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were delivered and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that during the audit period, no events have occurred during the year, which have a major bearing on the Company's affairs.

**For LAKSHMMI SUBRAMANIAN & ASSOCIATES**

**Place : Chennai**  
**Date:14.08.2017**

**Lakshmmi Subramanian**  
**Senior Partner**  
**FCS No. 3534- C.P.No.1087**

**Note: This report is to be read with our letter of even date which is annexed as Annexure A and form forms an integral part of this report.**

**To the Members  
PACE AUTOMATION LIMITED  
EMPEE TOWERS,5<sup>TH</sup> FLOOR  
No.59, HARRIS ROAD, PUDUPET  
Chennai -600 002**

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc..
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For LAKSHMMI SUBRAMANIAN & ASSOCIATES**

**Lakshmmi Subramanian  
Senior Partner  
FCS No. 3534  
C.P.NO. 1087**

**Place: Chennai  
Date: 14.08.2017**

**ANNEXURE – 4  
Form No. MGT-9  
EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on 31.03.2017**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

CIN	L29141TN1989PLC018133
Registration Date	29.09.1989
Name of the Company	Pace Automation Limited
Category / Sub-Category of the Company	Public
Address of the Registered office and contact details	Empee Towers, 5 <sup>th</sup> Floor, No.59, Harris Road, Pudupet, Chennai-600002
Whether listed company Yes / No	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Cameo Corporate Services Limited "Subramanian Building " 1, Club House Road, Chennai-600 002 Ph:- 044-28460390- 6 Lines Fax:- 044- 28460129

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Computer Software design	42	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No	Name and Address of the company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	Nil	Nil	Nil	Nil	Nil

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	5916670	54305	5970975	63.19	5916670	54305	5970975	63.19	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	489285	489285	5.18	0	489285	489285	5.18	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0



# PACE AUTOMATION LIMITED

<b>Sub-total (A) (1):-</b>	5916670	543590	6460260	68.37	5916670	543590	6460260	68.37	0
(2) <b>Foreign</b>	0	0	0	0	0	0	0	0	0
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total (A)(2)</b>	0	0	0	0	0	0	0	0	0
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	5916670	543590	6460260	68.37	5916670	543590	6460260	68.37	0
<b>B. Public Shareholding</b>	0	0	0	0	0	0	0	0	0
1. <b>Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	00	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	00	0	0	0	0	0	0
0e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	00	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture	0	0	0	0	0	0	0	0	0
Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	0	0	0	0	0	0	0	0	0

# PACE AUTOMATION LIMITED

2. Non-Institutions a) Bodies Corp. i) Indian	0	24425	24425	0.25	0	24425	24425	0.25	0
ii) Overseas									
b) Individuals i) Individual shareholders holding nominal share capital up to Rs 1 lakh	7802	2760648	2768450	29.30	9802	2776748	2786550	29.49	0.2
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	100000	91300	191300	2.03	100000	73200	173200	1.83	(0.2)
c) Others (specify) (C-i) Clearing member (C-ii) Trust (C-iii) Foreign Nationals (C-iv) HUF (C-v) Non-Resident Indians Others	0	3600	3600	0.03	0	3600	3600	0.03	0
<b>Sub-total (B)(2):-</b>	107802	2879973	2987775	31.61	109802	2877973	2987775	31.62	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	107802	2879973	2987775	31.61	109802	2877973	2987775	31.62	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	6024472	3423563	9448035	100	6026472	3421563	9448035	100	0

## ii) Share Holding of Promoters

SL. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change In Shareholding during the year
		No of Shares	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	No of Shares	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	

# PACE AUTOMATION LIMITED

1	Malathi Gopalakrishnan	2704769	28.63	0	2704769	28.63	0	0
2	Meera Chandru	2615600	27.68	0	2615600	27.68	0	0
3	S.G.Chandru	650606	6.89	0	650606	6.69	0	0
4	Electronic Corporation of Tamilnadu Ltd	489285	5.18	0	489285	5.18	0	0
	<b>Total</b>	6460260	68.38	0	6460260	68.36	0	0

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

No Change during the financial year 2016-17

**iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of Total shares of the company	No of Shares	% of Total shares of the company
1	Nirmala S At the beginning of the year-1.4.16 At the end of the year-31.03.2016	100000 100000	1.0584 1.0584	100000 100000	1.0584 1.0584
2	Khwaja Nizamuddin At the beginning of the year-1.4.16 At the end of the year-31.03.2016	50000 50000	0.5292 0.5292	50000 50000	0.5292 0.5292
3	Sankar D JT-I-1 Prema Sankar At the beginning of the year-1.4.16 At the end of the year-31.03.2016	23200 23200	0.2455 0.2455	23200 23200	0.2455 0.2455
4	Madala Anita At the beginning of the year-1.4.16 At the end of the year-31.03.2016	18100 18100	0.1915 0.1915	18100 18100	0.1915 0.1915
5	Prithvi Securities Limited At the beginning of the year-1.4.16 At the end of the year-31.03.2016	6700 6700	0.0709 0.0709	6700 6700	0.0709 0.0709
6	Arun Kumar Goenka At the beginning the year 1.4.16 At the end of the year-31.03.2016	5000 5000	0.0529 0.0529	5000 5000	0.0529 0.0529
7	Govindabhai Baldevbhai Desai At the beginning of the year-1.4.16 At the end of the year-31.03.2016	5000 5000	0.0529 0.0529	5000 5000	0.0529 0.0529
8	Pallavi A Patel At the beginning of the year-1.4.19 At the end of the year-31.03.2016	5000 5000	0.0529 0.0529	5000 5000	0.0529 0.0529
9	Pratibha A Patel At the beginning of the year-1.4.16 At the end of the year-31.03.2016	5000 5000	0.0529 0.0529	5000 5000	0.0529 0.0529
10	Parthasarathy M At the beginning of the year-1.4.16 At the end of the year-31.03.2016	5000 5000	0.0529 0.0529	5000 5000	0.0529 0.0529

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of Total shares of the company	No of Shares	% of Total shares of the company

# PACE AUTOMATION LIMITED

1	S.G.Chandru At the beginning of the year-1.4.16 At the end of the year -31.03.2016	650606 650606	6.8862 6.8862	650606 650606	6.8862 6.8862
2	Malathi Gopalakrishnan At the beginning of the year-1.4.16 At the end of the year-31.03.2016	2704769 2704769	28.6278 28.6278	2704769 2704769	28.6278 28.6278

## V. INDEBTEDNESS

### Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>		0	0	4969176
i. Principal Amount	4969176			
ii. Interest due but not paid				
iii. Interest accrued but not due				
<b>Total (i+ii+iii)</b>	4969176	0	0	4969176
Change in Indebtedness during the financial year				
· Addition	11788311	0	0	11788311
· Reduction				
<b>Net Change</b>	11788311	0	0	11788311
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	16757487	0	0	16757487
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	16757487	0	0	16757487

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SI.No	Particulars of Remuneration	Name of MD/WTD/MANAGER	Total Amount
1	Gross salary  (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	S.G..Chandru-MD	40,81,518
2	Stock Option		Nil
3	Sweat Equity		Nil
4	Commission - as % of profit - others, specify...		Nil
5	Others, please specify		Nil
	Total (A)		41,81,518
	Ceiling as per the Act		

### B. Remuneration to other directors:

SI.No	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors · Fee for attending board / committee meetings · Commission · Others, please specify	<b>Sitting fees</b> Shri S Arvind Shri R Kanakathara	20,000 20,000

# PACE AUTOMATION LIMITED

	Total (1)		40,000
2	Other Non-Executive Directors · Fee for attending board / committee meetings · Commission · Others, please specify	<b>Sitting fees</b> Ms Malathi Gopalakrishnan	20,000
	Total (2)		60,000
	Total (B)=(1+2)		NIL
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		

## C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl.No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961		1,20,000	Nil	Nil
			Nil	Nil	Nil
			Nil	Nil	Nil
2	Stock Option		Nil	Nil	Nil
3	Sweat Equity		Nil	Nil	Nil
4	Commission - as % of profit - others, specify...		Nil	Nil	Nil
5	Others, please specify		Nil	Nil	Nil
	Total (A)		1,20,000	Nil	Nil

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

By Order of the Board,

PLACE : Chennai  
DATE : 14.08.2017

Sd/-  
Malathi Gopalakrishnan  
Director

Sd/-  
S.G.Chandru  
Managing Director

## INDEPENDENT AUDITORS REPORT

### To the Members of Pace Automation Limited on the Financial Statements

I have audited the accompanying standalone financial statements of PACE AUTOMATION LIMITED ('the Company'), which comprises the Balance Sheet as at March 31, 2017 and the Statement of Profit & Loss and the Cash flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards referred to in Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, 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.

#### **Auditors' Responsibility**

My responsibility is to express an opinion on these standalone financial statements based on my audit.

I have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under Section 143(11) of the Act.

I conducted my audit in accordance with Standards on Auditing specified under section 143 (10) of the Act. 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgements, including the assessment of the risks of material misstatements 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 Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

#### **Opinion**

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid 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, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017, its profit and its cash flows for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, I report that

- a) I have sought and obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purposes 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, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In my opinion, the standalone financial statements comply with the Accounting Standards specified in Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to my separate Report in 'Annexure A'. My report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in my opinion and to the best of my information and according to the explanations given to me:
- (i) The Company does not have any pending litigations which would impact its financial position;
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - (iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
  - (iv) The Company has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation I report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management. Refer Other Notes No. 11 to the financial statements.

As required by the Companies (Auditor's Report) Order 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Companies Act, 2013 I give in "Annexure B" a statement on the matters specified in paragraphs 4 and 5 of the said order.

Place: Chennai  
Date: 30.05.2017

N.SUBRAMANIAN  
Chartered Accountant  
Membership No. 21628

## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to Paragraph 1(f) under "Report on Other Legal and Regulatory Requirements' section of my report of even date).

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013.

1. I have audited the internal financial controls over financial reporting of Pace Automation Limited ("the Company") as of March 31, 2017 in conjunction with my audit of the standalone financial statements of the company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to company policies the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information as required under the Companies Act, 2013.

### **Auditors' Responsibility**

3. My responsibility is to express an opinion on the company's internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by Institute of Chartered Accountants of India and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that I comply with ethical requirements and plan to perform the audit to obtain reasonable assurance about whether adequate internal controls over financial reporting was established and maintained and if such controls operated effectively in all material aspects.

4. My audit involves performing Procedures to obtain audit evidence about the adequacy of the internal financial controls systems over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and

evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected on the auditor's judgement of the financial including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of internal Financial Controls over Financial Reporting**

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail accurately, and fairly reflect the transaction and disposition of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

8. In my opinion, to the best of my information and according to the explanations given to me, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on audit of internal Financial control Over financial reporting issued by the Institute of Chartered Accountants of India.

Place: Chennai  
Date: 30.05.2017

N.SUBRAMANIAN  
Chartered Accountant  
Membership No. 21628

#### **ANNEXURE - B**

##### **Re: PACE AUTOMATION LIMITED**

The Annexure referred to my Independent Auditor's Report to the members of the company on the standalone financial statements for the year ended March 31, 2017, I report that:

1. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets;  
  
(b) The fixed assets were physically verified during the year by the Management in accordance with a phased programme of verification, which, in my opinion provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the company, nature and value of its fixed assets. According to the information and explanations given to me, no material discrepancies were noticed on such verification.  
  
(c) The Company does not hold any immovable properties in its name.
2. According to the information and explanations provided to me, the physical verification of inventory has been conducted during the year at reasonable intervals by the management. The discrepancies, if any, on such verification as compared records have been properly dealt with in the books of the company.
3. According to the information and explanations given to me, the company had not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. 2013 during the year.
4. According to the information and explanations given to me, the company has not accepted deposit during the year within the meaning of section 2(31) of the Act.



## PACE AUTOMATION LIMITED

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5. According to the information and explanations given to me, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act for the services rendered by the company.
6. According to the information and explanations given to me and the books of account examined by me, the company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax cess and any other statutory dues with the appropriate authorities. There were no undisputed amounts payable in respect of the aforesaid statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
7. In my opinion and according to the information and explanations given to me, the Company has not defaulted in repayment of dues to bank, government or debenture holders.
8. In my opinion and according to the information given to me and explanations provided, the Company had not availed any term loan during the year from any bank/ financial institution.
9. To the best of my knowledge and belief and according to the information and explanations given to me, and considering the size and nature of the Company's operations, no fraud of material significance on the Company by its officers or employees has been noticed or reported during the year.
10. In my opinion and according to the information and explanations given to me, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
11. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
12. In my opinion and according to the information and explanations given to me, the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
13. During the year, the Company had not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
14. In my opinion and according to the information and explanations given to me, during the year, the Company has not entered into any non-cash transactions with the directors or persons connected with him and hence provisions of section 192 of the Act, 2013 is not applicable.
15. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Place: Chennai  
Date: 30.05.2017

N.SUBRAMANIAN  
Chartered Accountant  
Membership No. 21628

# PACE AUTOMATION LIMITED

## BALANCE SHEET AS AT 31-03-2017

	Note	As At 31.03.2017 ₹	As At 31.03.2016 ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	119,480,350	119,480,350
(b) Reserves and Surplus	3	(70,004,222)	(73,752,302)
		<b>49,476,128</b>	<b>45,728,048</b>
<b>(2) Non-Current Liabilities</b>			
(a) Deferred Tax Liabilities	4	349,722	206,319
(a) Other Long Term Liabilities	5	823,023	848,023
		<b>1,172,745</b>	<b>1,054,342</b>
<b>(3) Current Liabilities</b>			
(a) Short Term borrowings	6	16,757,487	4,969,176
(b) Trade payables	7	1,235,896	1,325,750
(c) Other Current Liabilities	8	4,276,583	4,042,857
(d) Short Term Provisions	9	3,262,974	1,725,857
		<b>25,532,940</b>	<b>12,063,640</b>
<b>TOTAL</b>		<b>76,181,813</b>	<b>58,846,030</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	10A	1,277,731	1,704,469
(ii) Intangible Assets	10B	---	---
(iii) Capital Work In Progress		15,026,164	12,247,216
		<b>16,303,895</b>	<b>13,951,685</b>
(b) Long term Loans and advances	11	2,281,858	2,281,858
		<b>18,585,753</b>	<b>16,233,543</b>
<b>(2) Current Assets</b>			
(a) Inventories	12	3,567,936	---
(b) Trade Receivables	13	21,549,339	14,958,891
(c) Cash and cash equivalents	14	27,853,648	17,889,031
(d) Short Term Loans and Advances	15	4,625,137	9,764,565
		<b>57,596,060</b>	<b>42,612,487</b>
<b>TOTAL</b>		<b>76,181,813</b>	<b>58,846,030</b>

Significant Accounting Policies 1

The accompanying notes form an integral part of the financial statements

Vide my report of even date attached

**N. Subramanian**  
Chartered Accountant  
M. No: 021628

**S G Chandru**  
Managing Director

**Malathi Gopalakrishnan**  
Director

**V Ramaseshan**  
Company Secretary

Place: Chennai  
Date: May 30, 2017

# PACE AUTOMATION LIMITED

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2017

	Note	For the Year ended 31.03.2017 ₹	For the Year ended 31.03.2016 ₹
<b>I Revenue from Operations</b>	16	45,355,826	46,101,255
<b>II Other Income</b>	17	2,246,898	836,908
<b>III Total Revenue (I+II)</b>		<b>47,602,724</b>	<b>46,938,163</b>
<b>IV Expenses :</b>			
Cost of Materials Consumed		---	---
Employee benefits expense	18	25,554,532	23,976,016
Finance Costs	19	830,609	892,643
Depreciation and amortization expense	10	501,738	598,518
Other expense	20	15,306,406	15,924,190
<b>Total Expenses</b>		<b>42,193,285</b>	<b>41,391,367</b>
<b>V Profit before exceptional and extraordinary items and taxes (III-IV)</b>		<b>5,409,439</b>	<b>5,546,796</b>
<b>VI Exceptional Items</b>			---
<b>VII Profit before extraordinary items and taxes (V-VI)</b>		<b>5,409,439</b>	<b>5,546,796</b>
<b>VIII Extraordinary Items</b>			---
<b>IX Profit before Tax (PBT) (VII-VIII)</b>		<b>5,409,439</b>	<b>5,546,796</b>
<b>X Tax Expense</b>			
Current Tax		1,517,956	1,507,641
Deferred Tax		143,403	646,064
<b>XI Profit/(loss) for the period from continuing operations</b>		<b>3,748,080</b>	<b>3,393,091</b>
<b>XII Profit/(loss) for the period</b>		<b>3,748,080</b>	<b>3,393,091</b>
<b>XIII Earnings per equity share</b>			
(1) Basic		0.40	0.36
(2) Diluted		0.40	0.36

The accompanying notes form an integral part of the financial statements

As per my report of even date

**N Subramanian**  
Chartered Accountant  
M. No: 021628

**S G Chandru**  
Managing Director

**Malathi Gopalakrishnan**  
Director

**V Ramaseshan**  
Company Secretary

Place: Chennai  
Date: May 30, 2017

# PACE AUTOMATION LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017

	For the Year ended 31.03.2017 ₹	For the Year ended 31.03.2016 ₹
<b>Cash Flow from Operating Activities</b>		
Net Profit Before Tax and Extraordinary Items	3,748,080	3,393,091
<b>Adjustments For -</b>		
Depreciation	501,738	598,518
Deferred Tax	143,403	439,745
Bad Debts Written Off	37,125	85,197
Excess Provision Written Back	---	42,863
Interest Expenses	830,609	892,643
<b>Operating Profit before Changes in Working capital</b>	<b>5,260,955</b>	<b>5,452,057</b>
<b>(Increase)/ Decrease in Working Capital</b>		
Sundry Debtors	(6,590,448)	(2,906,017)
Inventories	(3,567,936)	---
Loans and Advances	5,139,429	1,015,743
Current Liabilities & Provisions	13,407,175	5,334,755
	<b>8,388,220</b>	<b>3,444,481</b>
<b>Net Cash Flow from Operating Activities</b>	<b>A 13,649,175</b>	<b>8,896,538</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(75,000)	(332,650)
Capital Work-in-Progress	(2,778,948)	(354,955)
	<b>B (2,853,948)</b>	<b>(687,605)</b>
<b>Cash Flow from Financing Activities</b>		
Interest Charges	(830,609)	(892,643)
	<b>C (830,609)</b>	<b>(892,643)</b>
<b>Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>A+B+C 9,964,618</b>	<b>7,316,290</b>
<b>Cash and Cash Equivalents at the Beginning of the year</b>	<b>17,889,031</b>	<b>10,572,741</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>27,853,649</b>	<b>17,889,031</b>

As per my report of even date

**N Subramanian**  
Chartered Accountant  
M. No: 021628

**S G Chandru**  
Managing Director

**Malathi Gopalakrishnan**  
Director

**V Ramaseshan**  
Company Secretary

Place: Chennai  
Date: May 30, 2017

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Basis of Preparation of financial statements

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis concept. GAAP comprises mandatory accounting standards as prescribed under section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

#### 1.2 Use of Estimates

The preparation of Financial Statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of amounts of income and expenses during the period. Examples of such estimates include computation of percentage of completion which requires the company to estimate the efforts or cost expended to date as a proportion of the total efforts or costs to be expensed, provision for doubtful debts, further obligations under employee retirement benefit plans, income taxes and the useful lives of fixed assets and intangible assets, Actual results could differ from these estimates. Differences between the actual results and estimates are recognized in the period in which the results are known/materialized. Management believes that the estimates used in preparation of financial statements are prudent and reasonable.

#### 1.3 Revenue Recognition

Revenue is primarily derived from software development and related services. Arrangements with customers for software related services are either on a fixed price, fixed timeframe or on a time and material basis. Annual technical services revenue from fixed-price on-line service contracts are recognized over the period in which the services are rendered. The Company presents revenues net of indirect taxes in the Statement of Profit and Loss.

#### 1.4 Provisions and Contingent Liabilities

A provision is recognized when an enterprise has a potential obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to the current best estimates.

#### 1.5 Tangible assets and capital work-in-progress

Tangible assets are stated at cost less accumulated depreciation and impairment, if any. Direct costs are capitalized until such assets are ready for use. Capital work-in-progress comprises the cost of fixed assets that are not yet ready for their intended use at the reporting date.

#### 1.6 Intangible Assets

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

Research costs are expenses as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company had an intention and ability to complete and use or sell the product with the software and the costs can be measured reliably.

#### 1.7 Depreciation and amortization

Depreciation on tangible assets is provided on the straight-line method over the useful life of the assets estimated by the management. The company follows Schedule II to the Companies Act, 2013 is determining the useful life of the tangible assets. Depreciation on assets purchased/ sold during a period is proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives on straight-line basis, commencing from the date the asset is available to the Company for its use.

#### 1.8 Retirement Benefits to employees

##### Gratuity

The Company provides for gratuity, a defined retirement benefit plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employees, of an amount based on the respective employee's salary and the tenure of employment with the company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary at each Balance Sheet date using the projected unit credit method. The Company fully contribute all ascertained liabilities to the Pace Automation Employees' Gratuity Fund Trust ('the

Trust'). Trustees administer contributions made to the Trust and contributions are invested in a scheme with Life Insurance Corporation of India, as permitted by law. The Company recognizes the net obligation of the gratuity plan in the Balance Sheet as an asset or liability, respectively in accordance with the Accounting Standard (AS) 15, 'Employee Benefits'.

Contribution to Provident Fund and Employees State Insurance Corporation is made every month at the prescribed rate, to the Provident Fund Commissioner and Employees State Insurance Corporation and debited to Profit & Loss Account on accrual basis.

There is no benefit in the nature of short / long term compensated absence.

## **1.9 Foreign Currency Transactions**

Foreign exchange transactions are normally recorded at the exchange rate prevailing at the time of transaction. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining the net profit for the period in which the transaction is settled.

## **1.10 Income Taxes**

Current Tax is determined in accordance with the Income Tax Act, 1961. Deferred Tax arising on timing difference between the book and tax profit is accounted for using the tax rates and laws as of the Balance Sheet date. Deferred Tax Assets are reassessed and recognised on prudence, based on reasonable certainty of future taxable income.

Both Deferred tax liability and asset are recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. In the case of deferred tax asset, the same will be recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income available against which such deferred tax assets can be realised.

## **1.11 Earnings per Share**

Earnings considered in ascertaining the Company's earnings per share comprise of the net profit after tax. The number of shares used in computing the basic earnings per share is weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average share considered for deriving basic earnings per share, and also the weighted average number of shares, if any, which would have been issued on the conversion of dilutive potential equity shares, if any.

## **1.12 Investments**

Trade investments are the investments made to enhance the Company's business interests. Investments are classified as current or long term based on management's intention. Long-term investments are stated at cost, less depreciation, if any. Short-term investments are valued at lower of cost or market value.

Income from investment: Interest income is accounted for on accrual basis.

## **1.13 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash and cash on deposit with banks and corporation. The company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

## **1.14 Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows, The cash flows from operating, investing and financing activities of the Company are segregated.

# PACE AUTOMATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
<b>2.(A) Share Capital</b>		
<b>(a) Authorised Share Capital</b>		
(i) 95,00,000 (Previous Year: 95,00,000) Equity Shares of Rs.10/- each	95,000,000	95,000,000
(ii) 25,00,000 (Previous year: 25,00,000) 5% 2019 Redeemable Preference Shares of Rs.10/- each.	25,000,000	25,000,000
<b>(b) Issued &amp; Subscribed Share Capital</b>		
(I) 94,48,035 Equity Shares of Rs.10/- each fully paid up	94,480,350	94,480,350
(II) 25,00,000 5% 2019 Redeemable Preference Shares of Rs.10/- each fully paid up	25,000,000	25,000,000
<b>(c) Paid-up Share Capital</b>		
(I) 94,48,035 Equity Shares of Rs.10/each fully paid up	94,480,350	94,480,350
(II) 25,00,000 5% 2019 Redeemable Preference Shares of Rs.10/- each fully paid up	25,000,000	25,000,000
	<b>119,480,350</b>	<b>119,480,350</b>

## 2.(B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

### Number of shares outstanding as the beginning of the year

Equity Shares	94,48,035	94,48,035
Redeemable Preference Shares	25,00,000	25,00,000

### Number of shares outstanding as at the end of the year

Equity Shares	94,48,035	94,48,035
Redeemable Preference Shares	25,00,000	25,00,000

## 2.(C) Shares in the company held by each shareholder holding more than 5% shares as on the balance sheet date

	31-03-2017		31-03-2016	
	No of Shares held	Percentage of Shares held	No of Shares held	Percentage of Shares held
<b>Equity Shares</b>				
Mr S G Chandru	650,606	6.89%	650,606	6.89%
Mrs Meera Chandru	26,15,600	27.68%	26,15,600	27.68%
Ms Malathi Gopalakrishnan	27,04,769	28.65%	27,04,769	28.65%
Electronics Corporation of Tamil Nadu Ltd	4,89,285	5.18%	4,89,285	5.18%
<b>Redeemable Preference Shares</b>				
Mrs Meera Chandru	25,00,000	100%	25,00,000	100%

	As At 31.03.2017 ₹	As At 31.03.2016 ₹
<b>3. Reserves and Surplus</b>		
<b>(A) Capital Reserves</b>		
<b>(i) Export Market Development Grant</b>		
Opening Balance	192,839	192,839
Add: Transfer from Profit and Loss Account	---	---
Closing Balance	<b>192,839</b>	<b>192,839</b>
<b>(ii) Capital Subsidy</b>		
Opening Balance	2,309,000	2,309,000
Add: Transfer from Profit and Loss Account	---	---
Closing Balance	<b>2,309,000</b>	<b>2,309,000</b>

# PACE AUTOMATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
Balance of Profit / (Loss) brought forward	(76,254,141)	(79,647,232)
Add: Profit / (Loss) for the period	3,748,080	3,393,091
Closing Balance	<u>(72,506,061)</u>	<u>(76,254,141)</u>
Balance carried to Balance Sheet	<u>(70,004,222)</u>	<u>(73,752,302)</u>
<b>4. Deferred Tax Liabilities / (Assets)</b>		
Opening Balance	206,319	(439,745)
Additions during the year on account of depreciation benefits	143,403	646,064
<b>Closing Balance</b>	<u>349,722</u>	<u>206,319</u>
<b>5. Other Long Term Liabilities</b>		
Trade Deposits	823,023	848,023
	<u>823,023</u>	<u>848,023</u>
<b>6. Short Term Borrowings</b>		
<b>Secured Loans</b>		
(Secured by a lien on the fixed deposits held by the Company with banks for less than 12 months)	16,757,487	4,969,176
	<u>16,757,487</u>	<u>4,969,176</u>
<b>7. Trade Payables</b>		
Trade Creditors	1,235,896	1,325,750
	<u>1,235,896</u>	<u>1,325,750</u>
<b>8. Other Current Liabilities</b>		
Amount payable to Directors	605,000	605,000
Other payables		
- PF payable	100,646	98,262
- ESI payable	9,813	8,306
- Service Tax Cenvat	280,346	407,721
- TDS payable	316,225	187,725
- Other Creditors	2,964,553	2,735,843
	<u>4,276,583</u>	<u>4,042,857</u>
<b>9. Short Term Provisions</b>		
For Income Tax	3,025,597	150,764
For Bonus	237,377	218,216
	<u>3,262,974</u>	<u>1,725,857</u>



# PACE AUTOMATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017

### 10A. FIXED ASSETS – TANGIBLE

Name of Asset	GROSS BLOCK			DEPRECIATION / IMPAIRMENT			NET BLOCK	
	As At 01.04.2016	Additions	As At 31.03.2017	As At 01.04.2016	For the Year	Up to 31.03.2017	As At 31.03.2017	As At 31.03.2016
	₹	₹	₹	₹	₹	₹	₹	₹
Plant & Machinery	20,091,204	---	20,091,204	19,133,530	226,466	19,359,996	731,208	957,674
Computers & Printers	64,238,910	75,000	64,313,910	63,645,181	249,823	63,895,004	418,906	593,729
Office Equipments	3,726,441	---	3,726,441	3,624,113	6,804	3,630,917	95,524	102,328
Furniture & Fittings	6,572,013	---	6,572,013	6,521,275	18,645	6,539,920	32,093	50,738
<b>Total</b>	<b>94,628,568</b>	<b>75,000</b>	<b>94,703,568</b>	<b>92,924,099</b>	<b>501,738</b>	<b>93,425,837</b>	<b>1,277,731</b>	<b>1,704,469</b>
Previous Year	94,295,918	332,650	94,628,568	92,325,581	598,518	92,924,099	1,704,469	1,970,337

### 10B. FIXED ASSETS –INTANGIBLE

Name of Asset	GROSS BLOCK			DEPRECIATION / IMPAIRMENT			NET BLOCK	
	As At 01.04.2016	Additions	As At 31.03.2017	As At 01.04.2016	For the Year	Up to 31.03.2017	As At 31.03.2017	As At 31.03.2016
	₹	₹	₹	₹	₹	₹	₹	₹
Software Developed	64,560,658	---	64,560,658	64,550,658	---	64,550,658	---	---
<b>Total</b>	<b>64,560,658</b>	<b>---</b>	<b>64,560,658</b>	<b>64,550,658</b>	<b>---</b>	<b>64,550,658</b>	<b>---</b>	<b>---</b>
Previous Year	64,560,658	---	64,560,658	64,550,658	---	64,550,658	---	---

# PACE AUTOMATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
<b>11. Long-Term Loans And Advances</b>		
<b>Security Deposits</b>		
(i) Secured, Considered good	325,045	325,045
(ii) Unsecured, Considered good	1,956,813	1,956,813
	<b>2,281,858</b>	<b>2,281,858</b>
<b>12. Inventories</b>		
(i) Raw Material	---	---
(ii) Work-in-Progress	---	---
(iii) Finished Goods	3,567,936	---
(iv) Stores & Spares	---	---
	<b>3,567,936</b>	<b>---</b>
<b>13. Trade Receivables</b>		
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, Considered good	975,288	652,017
<b>Others</b>		
Unsecured, Considered good	20,574,051	14,306,874
	<b>21,549,339</b>	<b>14,958,891</b>
<b>14. Cash And Cash Equivalents</b>		
<b>(A) Balance with Scheduled Banks</b>		
(i) Current Account	2,147,950	2,371,410
(ii) Fixed Deposit	25,702,000	15,512,000
<b>(B) Cash on hand</b>		
	3,698	5,621
	<b>27,853,648</b>	<b>17,889,031</b>
<b>Note</b>		
(1) Earmarked Bank Balances	---	---
(2) Bank balances held as margin money or as security	25,690,000	15,500,000
(3) Repatriation restrictions	---	---
(4) Bank Deposit with more than 12 months maturity	12,000	12,000
<b>15. Short-Term Loans And Advances</b>		
<b>Others</b>		
Unsecured, Considered good	4,625,137	9,764,565
	<b>4,625,137</b>	<b>9,764,565</b>
<b>16. Revenue from Operations</b>		
Sales of Material	12,000	---
IT related services	45,343,826	46,101,255
	<b>45,355,826</b>	<b>46,101,255</b>
<b>16.1 Particulars of IT related services</b>		
Licence Fee Receipts	---	---
Transaction Processing Charges	45,343,826	46,101,255
Off Shore Software Dev Charges	---	---
	<b>45,343,826</b>	<b>46,101,255</b>
<b>17. Other Income</b>		
(A) Interest income	2,246,898	794,045
(B) Gain on Foreign Exchange Fluctuation	---	---
(C) Miscellaneous income	---	42,863
(D) Other non-operating income (net of expenses directly attributable to such income)	---	---
	<b>2,246,898</b>	<b>836,908</b>

# PACE AUTOMATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017

	As at 31.03.2017 ₹	As at 31.03.2016 ₹
<b>18. Employee Benefit Expenses</b>		
Salaries and wages	19,293,121	18,344,849
Remuneration to Directors	4,060,000	2,884,648
Contribution to PF and other funds	1,492,623	1,503,281
Staff Welfare Expenses	484,630	331,467
Gratuity	224,158	911,771
	<b>25,554,532</b>	<b>23,976,016</b>
<b>19. Finance Costs</b>		
Interest Expense	819,069	876,212
Bank Charges	11,540	16,431
	<b>830,609</b>	<b>892,643</b>
<b>20. Other Expenses</b>		
Rent	4,736,880	4,736,880
Printing & Stationery	26,237	29,748
Repairs and Maintenance Others	678,530	752,821
Communication Expenses	1,680,923	1,683,860
Electricity Charges	1,971,662	2,385,943
Virtual Server Charges	3,232,650	2,548,911
Professional Charges	1,091,897	922,063
Rates & Taxes	59,491	560,599
Postage & Courier Expenses	39,563	60,137
Registrations & Renewals	14,639	16,401
Miscellaneous Expenses	811,470	508,345
Payment to statutory auditors:		
- As Auditors	60,000	60,000
- Taxation Matters	15,000	15,000
- Reimbursement of expenses	10,000	10,000
Travelling and Conveyance	757,950	1,413,806
Selling and Distribution expenses	82,389	134,479
Bad Debts Written Off	37,125	---
Advances Written Off	---	85,197
	<b>15,306,406</b>	<b>15,924,190</b>

**20. Contingent Liabilities and Commitments to the Extent not provided for**      **NIL**      **NIL**

## 21. OTHER NOTES FORMING PART OF FINANCIAL STATEMENT

	(₹. in Lacs)	
1. Adjustment to the carrying amount of investments	---	---
2. Net gain/loss on foreign currency transaction and translation (other than considered as finance cost)	---	---
3. Value of imports calculated on CIF basis by the company during the financial year in respect of Material	---	1.48
4. Expenditure in foreign currency during the financial year	4.32	24.81
5. The amount remitted during the year in foreign currencies on account of dividends	---	---
6. Earnings in foreign exchange	---	---
7. Other Liabilities include Deposits from customers of ₹.8.23 lacs (previous year : ₹.8.48 lacs)		
8. Sundry Debtors/Creditors and advances are subject to confirmation/reconciliation		
9. In the opinion of the Board, Current Assets, Loans and Advances are realisable approximately at the values stated in the Balance Sheet in the ordinary course of business		

# PACE AUTOMATION LIMITED

10. List of Key Managerial Personnel as defined under Accounting Standard (AS 18), "Related party disclosure"

**Whole-Time Director**

Mr S G Chandru

**Executive Officers**

Ms S Nirmala President & CTO  
Mr V Rama Seshan Company Secretary

The compensation details of Key Management Personnel as defined under Accounting Standard (AS 18), "Related Party Disclosure", which comprise Directors and Executive Officers are as follows

	For the year ended	
	31.03.2017	31.03.2016
	₹. in Lacs	
Salary and other employee benefits to Whole-Time Directors and Executive Officers	80.81	65.31

11. Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016 as provided in the table below:

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	--	6,318	6,318
(+) Permitted receipts	--	86,348	86,348
(-) Permitted payments	--	86,238	86,238
(-) Amount deposited in Banks	--	--	--
Closing cash in hand as on 30.12.2016	--	6,428	6,428

12. The company has adopted AS-15 (Revised) and an amount of ₹.2.24 lacs paid on this account during the year is charged to the Profit & Loss Account.

Other disclosure as required under AS-15 (Revised):		2016 – 17	2015 – 16
i)	Present value of projected benefit obligation as at 1.4.2016	1,738,428	1,480,017
ii)	Service cost	146,880	130,832
iii)	Interest cost	139,074	118,402
iv)	Actuarial Gain / (Loss)	(103,974)	723,985
v)	Benefits paid	(15,577)	(714,808)
vi)	Present value of projected benefit obligation as at 31.3.2017/2016	1,904,831	1,738,428
vii)	Fair value of Plan Assets as at 31.3.2017	2,019,974	1,672,216
viii)	Liability / (Asset) recognised in the Balance Sheet	115,142	(66212)
ix)	Amount charged to Profit & Loss Account (Gross)	31,328	834,802
x)	Actuarial assumptions:		
a)	Discount rate	8%	8%
b)	Future Salary Escalation	7%	7%
c)	Expected rate of return on Plan assets	8%	8%

13. Details of Earnings per Share:

	31.03.2017	31.03.2016
Profit / (Loss) after tax (in ₹)	3,748,080	3,393,091
No of equity shares at the beginning of the year	94,48,035	94,48,035
No of equity shares at the end of the year	94,48,035	94,48,035
Face value of per share (in ₹)	10.00	10.00
Earnings per share (in ₹) – Basic and Diluted	0.40	0.36

14. Quantitative details concerning goods traded:

		For the year ended 31.03.2017		For the year ended 31.03.2016	
		Qty (Nos)	Value (₹. in Lacs)	Qty (Nos)	Value (₹. in Lacs)
(A)	OPENING STOCK	---	---	---	---
(B)	PURCHASES	---	35.68	---	---
(C)	SALES	---	---	---	---
(D)	CLOSING STOCK	---	35.68	---	---

## PACE AUTOMATION LIMITED

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- 15 Previous year's figures have been regrouped or reclassified wherever necessary to conform to the current period
16. The Company's operation predominantly relate to providing a single segment of software related technical services to enable clients to enhance business performance. Geographic segmentation is based on business sourced from India only and hence segment reporting in this case is not applicable.

As per my report of even date

**N Subramanian**  
Chartered Accountant  
M. No: 021628

**S G Chandru**  
Managing Director

**Malathi Gopalakrishnan**  
Director

**V. Ramaseshan**  
Company Secretary

Place: Chennai  
Date: May 30, 2017

# PACE AUTOMATION LIMITED

## PACE AUTOMATION LIMITED

Regd. Office: Empee Towers, 5<sup>th</sup> Floor, No.59, Harris Road, Pudupet, Chennai-600002  
CIN:L29141TN1989PLC018133

### PROXY FORM

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

CIN: L29141TN1989PLC018133

Name of the Company : Pace Automation Limited

Registered Office: Empee Towers, 5<sup>th</sup> Floor, No.59, Harris Road, Pudupet, Chennai-600002

Name of the Member (s):

Registered address:

E-mail Id:

Folio No. / Client Id:

DP ID:

I/We, being the member(s) of ..... shares of the above named company , hereby appoint

1. Name:

Address:

E-mail Id

Signature:.....or failing

2. Name:

Address:

E-mail Id

Signature:.....or failing

3. Name:

Address:

E-mail Id

Signature:.....or failing

As my /our proxy to attend and vote ( on a poll ) for me/us and on my / our behalf at the 27<sup>th</sup> Annual General Meeting, to be held on Monday, the 18<sup>th</sup> September 2017 at 3.00 p.m. at Bharatiya Vidya Bhavan, 20 & 22, East Mada Street, Mylapore, Chennai, Tamilnadu-600004 and at any adjournment thereof in respect of such resolutions as are indicated below:

#### Description of Resolution

I/We assent to the  
Resolution ( FOR)

I/We dissent to the  
Resolution ( AGAINST)

#### Ordinary Resolution

1. Consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2017, the Reports of the Board of Directors and the Auditors' thereon,

#### Ordinary Resolution

2. Re-appointment of Mr. S.G.Chandru ( having DIN 00814605 ) , who retires from office by rotation and being eligible offers himself for reappointment.

#### Ordinary Resolution

3. Appointment of Mr. T.S.R.Siva Subramanian , Chartered Accountant as statutory auditor and fixing their remuneration.

Signed this .....day of .....2017

Signature of shareholder

Signature of Proxy Holder(s)

1.Rs  
Revenue  
Stamp

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

# PACE AUTOMATION LIMITED

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## PACE AUTOMATION LIMITED

Regd. Office: Empee Towers, 5<sup>th</sup> Floor' No.59 Harris Road, Pudupet, Chennai-600002

CIN:L29141TN1989PLC018133

### ATTENDANCE SLIP

I hereby record my Presence at the 27<sup>th</sup> Annual General Meeting of the Company being held at Bharatiya Vidya Bhavan, 20 & 22 East Mada Street, Mylapore, Chennai, Tamilnadu-600004 on Thursday, the 18<sup>th</sup> September, 2017 at 3.00 p.m

Full Name of the Member attending / Proxy

Signature

Folio No. / DP.ID / CL.ID

No. of Shares held.

#### NOTE:

Members attending the meeting in person are requested to complete the attendance slip and hand it over at the entrance of the meeting hall. No attendance slip will be issued at the time of Meeting.

# PACE AUTOMATION LIMITED

## PACE AUTOMATION LIMITED

[CIN-L29141TN1989PLC018133]

Regd.office: Empee Towers,5<sup>th</sup> Floor, No.59, Harris Road, Pudupet, Chennai-600002

E-mail: [paceauto@vsnl.com](mailto:paceauto@vsnl.com), Website: [www.paceautomation.com](http://www.paceautomation.com)

Phone: 044-28514382

### BALLOT FORM [ in lieu of e-voting ]

- 1 Name and Registered address of the sole/  
First named shareholder (in block letters)
- 2 Name(s) of Joint Shareholder(s), if any
- 3 Registered Folio No./DP ID No/ Client ID No
- 4 Number of shares held

I/We hereby exercise my/ our vote in respect of the Resolutions to be passed at the 27<sup>th</sup> Annual General Meeting of the Company to be held on 18<sup>th</sup> September,2017 for the business stated in the Notice of the meeting dt. 14.08.2017 by conveying my /our assent or dissent to the said Resolutions by placing tick mark at the appropriate box below:

Resolu tion No.	Description of Resolution	Type of Resolution	Number of shares held	I/We assent to the Resolution ( FOR)	I/We dissent to the Resolution (AGAINST)
1	Adoption of audited financial statements for the financial year ended 31 <sup>st</sup> March, 2017	Ordinary			
2	To appoint a director in the place of Mr.S.G.Chandru, who retires by rotation and being eligible, offers himself for reappointment	Ordinary			
3	Appointment of Mr. T.S.R.Siva Subramanian, Chartered Accountant as the statutory auditor of the company	Ordinary			

Place

Date

[ Signature of the Shareholder]

#### IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measures, members who have not registered their e-mail addresses, so far, are requested to give their consent by providing their e-mail Id to the Company's Registrar and Share Transfer Agent, M/s. Cameo Corporate Services Ltd, to the e-mail ID i.e., [kandhimathi@cameoindia.com](mailto:kandhimathi@cameoindia.com)

The Annual Report of the Company will be available in the Company's Website [www.paceautomation.com](http://www.paceautomation.com).

Even after registering for e-communication, members are entitled to receive such communication in Physical form, upon making a request for the same at Company's e-mail **Id-paceauto@vsnl.com**

For members who have not registered their email address, physical copies of the Notice of the Company inter alia indicating the process and manner of e-voting along with Attendance slip and Proxy form is being sent in the permitted mode.