

PACE AUTOMATION LIMITED

TWENTY EIGHTH ANNUAL REPORT

BOARD OF DIRECTORS

Shri. S.G.Chandru
Managing Director

Shri.Srinivasan Arvind
Independent Director

Ms. Malathi Gopalakrishnan
Director

Ms. R. Kanakathara
Independent Director (upto 14.02.2018)

Ms Suguna Raghavan
Independent Director (commencing from 14.08.2018)

Company Secretary

Mr V Ramaseshan

Audit Committee

Shri.Srinivasan Arvind
Independent Director (Chairman)

Ms. R. Kanakathara
Independent Director

Ms. Malathi Gopalakrishnan
Director

Stake Holders Relationship Committee

Shri.Srinivasan Arvind
Independent Director (Chairman)

Ms. R. Kanakathara
Independent Director

Ms. Malathi Gopalakrishnan
Director

Nomination & Remuneration Committee

Shri.Srinivasan Arvind
Independent Director (Chairman)

Ms. R. Kanakathara
Independent Director

Ms. Malathi Gopalakrishnan
Director

Statutory Auditor

Shri T S R Sivasubramanian,
Chartered Accountant
Flat C, Ground Flr,6A, Ayya Flats
9th Cross Street
Dhandeeswaram Nagar,
Velacherry
Chennai-600042

Secretarial Auditors

M/s Lakshmmi Subramanian &
Associates
Company Secretaries
Murugesu Naicker office complex,
No.81, Greams Road, Chennai-
600006

Internal Auditor

Shri N Subramanian
No.81, Greams Road,
Chennai

Regd. & Administrative Office
CIN No.L29141TN1989PLC018133
EmpeeTowers 5th Floor, No.59.
Harris Road,
Pudupet, Chennai – 600 002.
Phone: 044-28514382
E-mail: paceauto@vsnl.com
Website: www.paceautomation.com
Investor Relations Email ID:
paceauto@vsnl.com

Registrar & Share Transfer Agents
CAMEO CORPORATE SERVICE
LIMITED
“Subramanian Buildings”
1, Club House Road,
Chennai-600 002.
Phone: 044 28460390.
Mail- cameo@cameoindia.com

**Stock Exchanges Where
Company's Securities are
listed**
Metropolitan Stock Exchange
Exchange Square
Suren Road, Chakala
Andheri (East)
Mumbai - 400 093

Principal Bankers

- Axis Bank, Chennai
- Syndicate Bank, Chennai
- IDBI Bank, Chennai
- Punjab National Bank, Chennai

CONTENTS	PAGE NO
Notice	2
Director's Report	7
Independent Auditor Report	22
Balance Sheet	26
Statement of Profit & Loss	27
Cash flow Statement	28
Notes to Financial Statements	29

PACE AUTOMATION LIMITED

NOTICE is hereby given that the 28th Annual General Meeting of Pace Automation Limited will be held on Friday the 28th September, 2018 at Bharatiya Vidya Bhavan, 20&22 East Mada Street, Mylapore, Chennai-600004 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, 2018 together with the Reports of the Board of Directors and the Auditors thereon,
2. To appoint a Director in the place of Smt.Malathi Gopalakrishnan (having Din. 00841 108) who retires from office by rotation and being eligible offers herself for reappointment

SPECIAL BUSINESS

3. To consider the appointment of Ms.Suguna Raghavan, as an Independent Director of the Company

To consider and if thought fit to pass with or without modification, the following resolution as an ordinary resolution

"RESOLVED THAT pursuant to the provisions of Sections 149,150,152 and other applicable provision of the Companies Act, 2013, if any, and Articles Of Association of the company, Ms. Suguna Raghavan (holding DIN: 06601230), who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 14.08.2018 and who holds office up to the date of ensuing Annual General Meeting of the Company and in respect of whom a notice has been received from the member in writing and based on the recommendation of the Nomination & Remuneration committee and Board, be and is hereby appointed as an Independent Director of the Company for a period of five years from the date of appointment. "

"RESOLVED FURTHER THAT Mr. S.G.Chandru, Managing Director of the company be and is hereby authorized to do all such acts, deeds and things as may be required for the above resolution."

By and on behalf of Board of Directors

For Pace Automation Limited

Place: Chennai
Date:14.08.2018

**Sd/-
V Ramaseshan
Company Secretary**

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 duly certified copy of the Board resolution on the letter head of the company, signed by one of the Directors or Company Secretary or any other authorized signatory and / or duly notarized power of Attorney, authorizing their representatives 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.
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.

PACE AUTOMATION LIMITED

7. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 21st September, 2018 to Friday, 28th September, 2018 (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. SEBI (LODR) Regulations 2015 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
10. Members holding shares in physical form and in electronic mode are requested to immediately notify change in their address and updates of savings bank account details, if any, to their respective Depository Participant(s) and to Registrar and Share Transfer Agents, M/s. Cameo Corporate Services Ltd., “Subramanian Buildings”, 1, Club House Road, Chennai-600 002 quoting their folio number.
11. Pursuant to section 72 of the Companies Act 2013, Shareholders holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant
12. Members desirous of obtaining any information concerning the accounts of the Company are requested to address their queries to the Company Secretary at least seven days in advance of the Meeting so that the information required can be readily made available at the meeting.
13. All documents referred to in the accompanying notice and the explanatory statement requiring the approval of the members at the AGM and other statutory registers shall be available for inspection at the Registered office of the Company during business hours on all days, except Saturdays, Sundays and National Holidays from the date hereof up to the date of AGM
14. Information about Directors retired by rotation.

Name of the Director	Malathi Gopalakrishnan
Din	00841108
Age	76years
Date of appointment	31.08.2006
Experience	40 years
No.of shares as on 31.03.2018	2704769
Directorship in other public companies	Nil
Chairman/Member of committees of company	3
Relationship with any other Director	S.G.Chandru – Managing Director
Brief History	She is a promoter of the company. As a Director, she oversees the Key function of Office Management & HR activities. She drives the continuous renewal of Key process systems and policies across the company in client relationship management. Since, she is a director retiring by rotation and being eligible, she offer herself for reappointment.

15. With effect from 1st April 2014, inter alia, provisions of Section 149 of Companies Act 2013 has been brought into force. In terms of the said section read with section 152(6) of the Act, the provisions of retirement by rotation are not applicable to Independent Directors.
16. The route map showing directions to reach the venue of the 28th AGM is annexed
17. 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.

18. 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 28th 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:

- (i) The voting period begins on 25.09.2018 at 9.00 A.M. and ends on 27.09.2018 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 date (record date) 21.09.2018, 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
- (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 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"> •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. •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.
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"> • 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 the member id / folio number in the Dividend Bank details field as mentioned in instruction (v)

- (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 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.
 - 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 and on approval of the accounts they would be able to cast their vote.
 - 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.
 - 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 under help section or write an email to helpdesk.evoting@cdslindia.com
19. 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” ie 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, ie 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 their shares of the paid up equity share capital of the Company as on 21.09.2018.

A Member desiring to exercise vote by ballot paper should complete the Ballot Form attached with this report and sent it to : Pace Automation Limited, Empee Towers,V-Floor, 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 27.09.2018

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. 21.09.2018 may obtain the login ID and password by sending an email to investor@cameoindia.com or 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

PACE AUTOMATION LIMITED

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 and website of CDSL <http://www.evotingindia.com> and also forward the same to the Bombay 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:14.08.2018

**Sd/-
V Ramaseshan
Company Secretary**

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT,2013

Item No.3

Ms.Suguna Raghavan, aged 68, years, was appointed as an additional director at the Board Meeting held on 14.08.2018. The company has received a notice from a member proposing Ms.Suguna Raghavan as a candidate for the office of a director of the company. Also Ms. Suguna Raghavan has given declaration under section 149(7) of the companies act, 2013 that she fulfills the conditions specified in section149(6) of the companies act 2013 read with rules made there under for her appointment as an independent director of the company and is independent of the management.

The Board, based on the experience / expertise declared by Ms. Suguna Raghavan, is of the opinion that she has the requisite qualification to act as an independent director of the company. Accordingly, the board recommends the resolution for the appointment of Ms. Suguna Raghavan as the independent director of the company, for the approval by the shareholders of the company. A brief details of Ms. Suguna Raghavan is given below:

Name of the Director	Suguna Raghavan
Din	06601230
Age	68 years
Date of appointment	14.08.2018
Experience	25 years
No.of shares as on 31.03.2018	Nil
Directorship in other public companies	2
Chairman/Member of committees of company	0
Relationship with any other Director	Nil

Ms.Suguna Raghavan does not hold by herself or for any other person on a beneficial basis, any shares in the company as per declaration given by him.

Ms.Suguna Raghavan holds membership in the Audit committee and Stakeholders Relationship committee and Nomination and Remuneration committee of the company.

None of the Directors and Key Managerial Person of the company and their relatives is concerned or interested, financial or otherwise, in this resolution except Ms.Suguna Raghavan.

By and on behalf of Board of Directors

For Pace Automation Limited

Place: Chennai
Date:14.08.2018

**Sd/-
V Ramaseshan
Company Secretary**

ROUTE MAP



PACE AUTOMATION LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting 28th Annual Report of Pace Automation Limited along with Audited Financial Statements for the year ended 31st March, 2018.

FINANCIAL SUMMARY

	2017-2018 (Rs in lakh)	2016-2017 (Rs in lakh)
Profit / (Loss) before interest and depreciation.	67.68	67.41
Less: Interest	17.27	8.30
Profit before depreciation	50.41	59.11
Less Depreciation	4.52	5.02
Profit /(Loss) before tax	45.89	54.09
Exceptional Item	---	---
Tax- current year (Provision)	11.00	15.18
Tax-Deferred tax (Provision)	0.92	1.43
MAT Credit Entitlement	---	---
Net profit for the year transferred to Reserve account	33.97	37.48
Profit /(Loss) carried over to Balance Sheet	33.97	37.48

PERFORMANCE AND STATE OF AFFAIRS OF THE COMPANY

During the year under review, the Company has earned a net profit of Rs.33.97 lakh as against profit of Rs 37.48 lakh in the previous year.

During the year under review there is no change in the nature of activity of the Company

BUSINESS PERFORMANCE:

Pace Automation provides restaurant retail automation services to more than 3,500 restaurant outlets in India and abroad. It has developed and deployed best-in-class solutions in Sales Force Automation, Business Process Automation, Small, Medium as well as Large Format Retailing, Petroleum Retail, Online Lottery and Turf Club Automation and Remote Digital Content Delivery to the granularity of a single display and so on.

The latest offering is "Retail Smart", a solution to "IT" enable the Kirana shops across the country. The company's vision is to have more than 150,000 Kirana merchants in its network by the year 2020. This will be the first time that any company will create such a large digitally connected network and will be known as the SmartKirana Network.

The entire suite of solutions are cloud based and hosted on the IBM Cloud infrastructure with physically separated identical IBM cloud infrastructure for disaster recovery and business continuation. The backend processing engines are homegrown, fine honed, reliable and very powerful providing seamless transaction collection, processing and dissemination of MIS, Analytics and Business Intelligence to its stake holders in real time.

SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2018 was Rs.11,94,80,350. No additions and alterations to the capital were made during the financial year 2017-18

DIVIDEND

With a view to conserve the resources, your Board of Directors do not recommend any dividend to the shareholders for the financial year ended 31.03.2018.

TRANSFER OF PROFIT TO RESERVES

During the year your company has transferred the profit of Rs.33.97 lakh to the reserve account.

MATERIAL CHANGES AND COMMITMENTS OF THE COMPANY

There are no material changes and events during the financial year.

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

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

There have been no loan, guarantees and investment given or made by the company under section 186 of the act during the year 2017-18

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company doesn't 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 KEY MANAGERIAL PERSONNEL BOARD COMPOSITION

The Board is well constituted with composition of two executive and two non- executive independent directors in the meeting

Category	Name of Director
Executive Directors	S.G.Chandru
Non Executive Director	Malathi Gopalakrishnan
Independent Directors	Shri Srinivasan Arvind Smt R. Kanakathara-(up to 14.02.2018)

BOARD COMMITTEES

- a) Audit Committee
- b) Nomination & Remuneration Committee
- c) Stakeholders' Relationship Committee

DIRECTORS

Retirement by Rotation

In terms of Section 152 of the Companies Act 2013, Ms.Malathi Gopalakrishnan, retires by rotation at the forthcoming AGM and is eligible for re-appointment. Ms.Malathi Gopalakrishnan offered herself for re-appointment.

Brief profile of Ms.Malathi Gopalakrishnan is given in the Notice of forthcoming Annual General Meeting of the Company.

During the year Ms.Kanakathara Independent Director resigned on 14th February, 2018

The Board placed on record its appreciation for her services during her tenure as Director of the Company.

Appointment of Ms.Suguna Raghavan

Ms.Suguna Raghavan was appointed as Additional Director in the Independent Category subject to the approval of the shareholders, on 14.08.2018 and her term shall expire at this Annual General Meeting. Pursuant to section 149 of the Companies Act 2013, her term of appointment is for five years. Brief profile of Ms.Suguna Raghavan is given in the Notice of the AGM

Independent Directors, Declaration

All independent Directors have given declarations that they meet the criteria of the independence as laid down in section 149 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements)Regulation 2015 in respect of financial year ended 31st March 2018 which has been relied on by the Company and placed at the Board Meeting.

KEY MANAGERIAL PERSONAL

The Key Management Personnel of the company are as under

- 1-Mr.S.G.Chandru - Managing Director
- 2-Mr. Ramaseshan - Company Secretary

STATUTORY AUDITORS:

Mr. TSR Sivasubramanian, Chartered Accountant, (Registration Number:022713) was appointed as statutory auditors of the company for the term of five years in 27th Annual General Meeting held on 18th September 2017, and he continues to be the Auditor.

COMMENT ON STATUTORY AUDITOR REPORT

There are no qualifications, reservations, remarks or disclaimers made by Mr.TSR Sivasubramanian, Statutory Auditor, in their audit report. The Statutory Auditor has not reported any incident of fraud to the Audit Committee of the Company during the financial year 2017-18 and has given unmodified report

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, Ms. Lakshmmi Subramanian of Mrs Lakshmmi Subramanain & Associates , Practicing Company Secretaries (Membership No.3534) was appointed to conduct secretarial audit for the financial year 2017-18.

The Secretarial Audit report as received from the secretarial auditor is annexed to this report as Annexure-3

COMMENT ON SECRETARIAL AUDITOR REPORT

The Comments given by the Secretarial Auditor and action taken by the company are given below

1- Non compliance of section 203 of the companies act 2013 regarding the appointment of CFO

Action is being taken

2- There have been a few cases of delay in filing of certain e-forms with MCA

Action is being taken to avoid such delay in future

INTERNAL CONTROL AND ITS ADEQUACY

The internal auditors of the Company regularly conduct audit and submitted their quarterly reports, which are reviewed by the Audit Committee. The auditor also reported in his IFC report 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. 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 2017-18, the Company had not entered into any material transaction with related parties pursuant to the provisions of 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- 4 to this report.

RISK MANAGEMENT POLICY

The risk management is overseen by the Audit Committee of the company on a continuous basis. Major risks, if any, identified by the business and functions are systematically addressed through mitigating action on a continuous basis. The Risk Management policy is available in the company website www.paceautomation.com

PERSONNEL

The information required under section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014, in respect of employees of the Company, forms part of this report as Annexure-2

The information of employees as per rule 5(2) of the said act for the year is "NIL"

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

The company has not constituted a separate committee under the Sexual Harassment of Woman at Work place (Prevention, Prohibition and Redressal) Act 2013. However the company has Zero tolerance for sexual harassment at work place.

During the financial year 2017-18, the company has not received any sexual harassment complaints

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 Corers respectively, the provisions of revised clause 49 relating to Corporate Governance vide SEBI Circular Number CIR/CFD/POLICY CELL/7 2014 dt.15th September 2014 are not applicable to the Company

NUMBER OF MEETINGS OF BOARD

5 (five) Meetings of the Board of Directors of the Company were held during the year 2017-18, which were on 30.05.2017, 14.08.2017, 14.09.2017, 14.11.2017 and 14.02.2018. The maximum time gap between any two consecutive meetings did not exceed 120 days

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 Regulation 34(3), 18(3) and 46 of (SEBI (LODR) Regulation 2015, 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

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 and is available on the Company website www.paceautomation.com

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your company is not having profits more than 5 crore , in the year 2017-18 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.

HUMAN RESOURCES

The well-disciplined workforce which has served the company lies at the very foundation of the company's major achievements and shall well continue for the years to come. The management has always carried out systematic appraisal of performance and imparted training at periodic intervals. The company has always recognized talent and has judiciously followed the principle of rewarding performance.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry structure and Developments

Presently the company provides restaurant retail automation services to more than 3,500 restaurant outlets in India and abroad. It has developed and deployed best-in-class solutions in Sales Force Automation, Business Process Automation, Small, Medium as well as Large Format Retailing, Petroleum Retail, Online Lottery and Turf Club Automation and Remote Digital Content Delivery to the granularity of a single display and so on.

Opportunities and Threats

Our company project has resulted in high quality output which has resulted to tie up long term contracts with the customers. Our main concern is, continuous competition from other service providers in the same line.

Segment wise performance

Presently the company has one service segment to provide restaurant retail automation services to restaurant outlets in India and abroad. The products are very useful to hotels and retail outlets. Our products are in competitive position in the market

Risks and Concerns:

Our main concern is, continuous competition from other service providers in the same line of service 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:

Your company net revenue increased by 8.88% due to increase of sales while comparing the previous year and other income has decreased by 15.93%

Expenses:

Purchase of traded goods increased by 88.91

Change in inventories of finished goods increased by -93.03% due to change in the production cycle

Employees benefit expenses increased by 4.18% due to salary increase to existing employees and new recruitment of staffs.

Depreciation cost decreased by 9.94% due to Change of Accounting policy as per the Companies Act, 2013 and inputs of capital assets.

Finance cost increased by 107.96% due to increase of borrowings.

Other expenses increased by 15.84% due to cost increase of other overheads.

Total expenses increased by 10.63% which is reasonable while comparing the production and cost escalation of variable and fixed overheads

Material developments in human resources / Industrial relations front:

Training on all sectors are given to its employees periodically and motivated to work inline 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 the total employee strength of 75.

Listing with Stock Exchange

The shares of the company are listed in the Metropolitan Stock Exchange Limited

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 134 (5) of the Companies Act, 2013, the Board of Directors hereby confirm:-

- (i) That in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) That they 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;
- (iii) That they 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;
- (iv) That they had prepared the Annual Accounts on a going-concern basis;
- (v) That they laid down internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating properly.
- (vi) That they have 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 wish to place on record their appreciation of the contributions made by employees at all levels, towards the continued growth and prosperity of your company.

Directors also take this opportunity to convey their thanks to all the valued shareholders of the company and to the Bankers for their valuable services.

**By and on behalf of Board of Directors
For Pace Automation Limited**

Place: Chennai
Date:14.08.2018

**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
- (iii) 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
- (iii) Expenditure Incurred on Research and Development ; NIL

(C) Foreign exchange earnings and outgo:

	2017-2018 (Rs in lakh)	2016-2017 (Rs in lakh)
Earnings in Foreign Exchange	---	---
Expenditure in Foreign Exchange	2.13	4.32
CIF Value of imports	8.98	8.23

**By and on behalf of Board of Directors
For Pace Automation Limited**

Place: Chennai
Date:14.08.2018

**Sd/-
Malathi Gopalakrishnan
Director**

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

ANNEXURE- 2

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	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
---	-----
- c) The percentage increase in the median remuneration of employees in the financial year: 5.00
The number of permanent employees on the rolls of the company: 72
- d) 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.
- e) No major annual increase to employees and Managerial Personnel has been given to for the past two years
- f) Affirmation that the remuneration is as per the remuneration policy of the Company:
- g) The company affirms the remuneration is as per the remuneration policy of the company
- h) None of the other employee is in receipt of remuneration exceeding 85,00,000/- p.m or 1,02,00,000 /- p.a as prescribed under sub rule 2 of the Rule 5 of Companies (Appointment & Remuneration) Rules, 2014

**By and on behalf of Board of Directors
For Pace Automation Limited**

Place: Chennai
Date:14.08.2018

**Sd/-
Malathi Gopalakrishnan
Director**

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

Annexure- 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2018
[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, 5th 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, 2018, 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 the Company for the financial year ended on 31st March, 2018 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;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client to the extent of securities issued;
- (iv) The Listing Agreements entered into by the Company with the Stock Exchanges, where the equity shares of the Company are listed;
- (v) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (vi) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (vii) In our opinion and as identified and informed by the Management of the Company the following laws are specifically applicable to the Company based on their sector/industry;
 - 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, 1999

It is reported that during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards, etc. As mentioned above, except-

PACE AUTOMATION LIMITED

- The Company is in the process of appointing a Key Managerial Personnel (CFO) as required under Section 203 of the Companies Act, 2013.
- Delay in filing certain forms with Ministry of Corporate Affairs.
- The Company is required to appoint another Independent Director to meet the minimum number of Independent Directors on the Board.

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

- (i) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014
- (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
- (iii) The Securities Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008
- (iv) The Securities Exchange Board of India (Delisting of Equity Shares) Regulation, 2009
- (v) The Securities Exchange Board of India (Buyback of Securities) Regulation, 1998
- (vi) Foreign Exchange Management Act, 1999 and its rules and Regulations.

requiring compliance thereof by the Company during the Financial Year under review.

We further report that, on examination of the relevant documents and records and based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, in our opinion, adequate systems and processes and control mechanism exist 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 not constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors for the last quarter of the financial year. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance of the provisions of the Companies Act, 2013.

Notices were given to all directors to schedule the Board Meetings, Committee 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 no events have occurred during the financial year which have a major bearing on the Company's affairs.

For LAKSHMMI SUBRAMANIAN & ASSOCIATES

Place : Chennai
Date:14.08.2018

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.

ANNEXURE-A

To the Members
PACE AUTOMATION LIMITED
EMPEE TOWERS, 5TH 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 the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on 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 and law, rules and regulations and the happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the effectiveness with which the management has concluded the affairs of the Company.

For **LAKSHMMI SUBRAMANIAN & ASSOCIATES**

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

Place: Chennai
Date: 14.08.2018

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

As on the financial year ended on 31.03.2018

[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 th Floor, No.59, Harris Road, Puduket, 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

PACE AUTOMATION LIMITED

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	
A. Promoters									
(1) Indian									
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
Sub-total (A) (1):-	5916670	543590	6460260	68.37	5916670	543590	6460260	68.37	0
(2) Foreign									
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
Sub-total (A)(2)	0	0	0	0	0	0	0	0	0

PACE AUTOMATION LIMITED

Total shareholding of Promoter (A) = (A)(1)+(A)(2)	5916670	543590	6460260	68.37	5916670	543590	6460260	68.37	0
B. Public Shareholding	0	0	0	0	0	0	0	0	0
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	00	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
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions	0	24425	24425	0.25	0	24425	24425	0.25	0
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals	9802	2758648	2768450	29.30	9802	2776748	2786550	29.30	0
i) Individual shareholders holding nominal share capital up to Rs 1 lakh									

PACE AUTOMATION LIMITED

ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	100000	91300	191300	2.03	100000	91300	191300	2.03	0
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
Sub-total (B)(2):-	109802	2879973	2987775	31.62	109802	2877973	2987775	31.62	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	109802	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	
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
	Total	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 2017-18

PACE AUTOMATION LIMITED

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-1.4.17 At the end of the year-31.03.2018	100000 100000	1.0584 1.0584	100000 100000	1.0584 1.0584
2	Khwaja Nizammudin At the beginning of the year-1.4.17 At the end of the year-31.03.2018	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-1.4.17 At the end of the year-31.03.2018	23200 23200	0.2455 0.2455	23200 23200	0.2455 0.2455
4	Madala Anita At the beginning of the year-1.4.17 At the end of the year-31.03.2018	18100 18100	0.1915 0.1915	18100 18100	0.1915 0.1915
5	Prithvi Securities Limited At the beginning of the year-1.4.17 At the end of the year-31.03.2018	6700 6700	0.0709 0.0709	6700 6700	0.0709 0.0709
6	Arun Kumar Goenka At the beginning the year 1.4.17 At the end of the year-31.03.2018	5000 5000	0.0529 0.0529	5000 5000	0.0529 0.0529
7	Govindabhai Baldevbhai Desai At the beginning of the year-1.4.17 At the end of the year-31.03.2018	5000 5000	0.0529 0.0529	5000 5000	0.0529 0.0529
8	Pallavi A Patel At the beginning of the year-1.4.17 At the end of the year-31.03.2018	5000 5000	0.0529 0.0529	5000 5000	0.0529 0.0529
9	Pratibha A Patel At the beginning of the year-1.4.17 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-1.4.17 At the end of the year-31.03.2018	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
1	S.G.Chandru At the beginning of the year-1.4.17 At the end of the year -31.03.2018	650606 650606	6.8862 6.8862	650606 650606	6.8862 6.8862
2	Malathi Gopalakrishnan At the beginning of the year-1.4.17 At the end of the year-31.03.2018	2704769 2704769	28.6278 28.6278	2704769 2704769	28.6278 28.6278

PACE AUTOMATION LIMITED

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year		0	0	16,757,487
i. Principal Amount	16,757,487			
ii. Interest due but not paid				
iii. Interest accrued but not due				
Total (i+ii+iii)	16,757,487	0	0	16,757,487
Change in Indebtedness during the financial year		CCCCCCCC		
· Addition	5,182,203	0	0	5,182,203
· Reduction				
Net Change	5,182,203	0	0	5,182,203
Indebtedness at the end of the financial year				
i) Principal Amount	21,939,690	0	0	21,939,690
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	21,939,690	0	0	21,939,690

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	41,96,938
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		42,00,000

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	Sitting fees Shri S Arvind Shri R Kanakathara	25,000 25,000
	Total (1)		50,000
2	Other Non-Executive Directors · Fee for attending board / committee meetings · Commission	Sitting fees Ms Malathi Gopalakrishnan	25,000

PACE AUTOMATION LIMITED

	· Others, please specify		
	Total (2)		25,000
	Total (B)=(1+2)		75,000
	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)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
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 : 14.08.2018

Sd/-
Malathi Gopalakrishnan
Director

Sd/-
S Arvind
Director

INDEPENDENT AUDITORS REPORT

To the Members of Pace Automation Limited on the Standalone 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, 2018 and the Statement of Profit & Loss, the Cash flow Statement and the Statement of Changes in Equity 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 Ind AS 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 (Ind As) 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 standalone Ind AS 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 Ind AS financial statements based on my audit.

In conducting 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.

I conducted my audit of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgements, including the assessment of the risks of material misstatements of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true fair view in order to design audit procedures that are appropriate in the circumstances. 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 standalone Ind AS 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 standalone Ind AS 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 31st March, 2018, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the previous auditor and his report for the year ended March 31, 2017 and March 31, 2016 respectively, expressed an unmodified opinion on those standalone financial statements and have been restated to comply with Ind AS. Adjustments made to the previously issued said statutory financial information for the differences in the accounting principles adopted by the Company on transition to the Ind AS have been audited by me.

My opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") and issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, I give in the Annexure A, a statement on the matters specified in paragraph 3 and 4 of the said Order, to the extent applicable.
2. 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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
- d) In my opinion, the standalone Ind AS 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) The going concern matter described in Emphasis of Matters paragraph above, in my opinion, may have adverse effect on the functioning of the Company.
- f) On the basis of written representations received from the directors, as on 31st March, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) 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 – 'B'**. My report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- h) 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 as on date.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Chennai
Date: May 30, 2018

T.S.R.Siva Subramanian
Chartered Accountant
Membership No.022713

ANNEXURE - A

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, 2018, I report that:

1. (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) According to the information and explanations given to me, fixed assets have been physically verified by the management at reasonable intervals. According to the information and explanations given to me, no material discrepancies were noticed on such verification and the same have been properly dealt with in the books of account;
 - (c) The Company do not hold any fixed assets in its own name.
2. (a) According to the information given to me and explanations provided, the Physical verification of inventory has been conducted during the year at reasonable intervals by the management.
 - (b) The procedures followed by the management for physical verification of inventory are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The company is maintaining proper records of inventory and there is no material discrepancy noticed on physical verification and the same have been properly dealt within the books of account;
3. According to the information given to me and explanations provided, the company had not granted any fresh unsecured loans 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 given to me and explanations provided, the company has not accepted deposit during the year within the meaning of section 2(31) of the Act.
5. According to the information given to me and explanations provided, 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. (a) According to the information given to me and explanations provided, the company is regular in depositing undisputed statutory dues including income tax deducted at source, sales-tax, duty of customs, duty of excise, cess and other statutory dues with the appropriate authorities.

- (b) According to the information and explanation given to me, the Company is liable to pay Rs.61.71 lakhs together with interest due for the delayed payment of tax in respect of income tax relating to the assessment year 2002-03 which is pending before the first level of appeal, viz., CIT (Appeals), Chennai.
- (c) According to the information given to me and explanations provided, there are no amounts required to be transferred to investor education and protection fund during the year in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules thereunder.
7. In my opinion and according to the information given to me and explanations provided, the company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
 8. In my opinion and according to the information given to me and explanations provided, the company has not given any guarantee for loans taken by others from bank or financial institutions.
 9. 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.
 10. To the best of my knowledge and belief and according to the information given to me and explanations provided no material fraud on or by the company has been noticed or reported during the year.
 11. 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.
 12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
 13. 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.
 14. 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.
 15. 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.
 16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Place: Chennai
Date: May 30, 2018

T.S.R. Sivasubramanian
Chartered Accountant
Membership No. 022713

ANNEXURE “B” 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, 2018 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 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 transaction 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on
 - (i) Existing policies and procedures adopted by the company for ensuring orderly and efficient conduct of business.
 - (ii) Continuous adherence to Company's policies.
 - (iii) Existing procedures in relation to safeguarding of Company's fixed assets, receivables, loans and advances made & Cash and Bank Balances.
 - (iv) Existing system to prevent and detect fraud & errors.
 - (v) Accuracy and completeness of Company's accounting records; and
 - (vi) Existing capacity to prepare timely and reliable financial information.

Place: Chennai
Date: May 30, 2018

T.S. R. Sivasubramanian
Chartered Accountant
Membership No. 022713

PACE AUTOMATION LIMITED

BALANCE SHEET AS AT 31-03-2018

ASSETS	Note	As At 31.03.2018 ₹	As At 31.03.2017 ₹	As At 31.03.2016 ₹
Non-Current Assets				
Property, Plant and Equipment	2	1,024,792	1,277,731	1,704,469
Capital work-in-progress	2	18,135,240	15,026,164	12,247,216
Intangible assets	2	---	---	---
		19,160,032	16,303,895	13,951,685
Financial Assets				
Investments		---	---	---
Loans	3	2,281,858	2,281,858	2,281,858
Other Financial Assets		---	---	---
Deferred tax assets (net)		---	---	---
Other non-current assets		---	---	---
Total Non-Current Assets		21,441,890	18,585,753	16,233,543
Current Assets				
Financial Assets				
Inventories	4	1,749,026	3,567,936	---
Trade receivables	5	27,381,908	21,549,339	14,958,891
Cash and cash equivalents	6	27,000,001	27,853,648	17,889,031
Bank balances other than (6) above		---	---	---
Loans	7	9,371,282	4,625,136	9,764,565
Other financial assets		---	---	---
Total Current Assets		65,502,217	57,596,059	42,612,487
Total Assets		86,944,107	76,181,812	58,846,030
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	8	119,480,350	119,480,350	119,480,350
Other Equity	9	(66,606,920)	(70,004,222)	(73,752,302)
		52,873,430	49,476,128	45,728,048
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
Deferred Tax Liabilities	10	441,866	349,722	206,319
Borrowings		---	---	---
Provisions		---	---	---
Other Non-Current Liabilities	11	898,023	823,023	848,023
Total Non-Current Liabilities		1,339,889	1,172,745	1,054,342
Current Liabilities				
Financial Liabilities				
Borrowings	12	21,939,690	16,757,487	4,969,176
Trade Payables	13	1,593,272	1,235,896	1,325,750
Other financial Liabilities	14	5,071,844	4,276,582	4,042,857
Provisions	15	4,125,982	3,262,974	1,725,857
Total Current Liabilities		32,730,788	25,532,939	12,063,640
Total Liabilities		34,070,677	26,705,684	13,117,982
Total Equity & Liabilities		86,944,107	76,181,812	58,846,030

The accompanying notes form an integral part of the financial statements
As per my report of even date

T S R Siva Subramanian
Chartered Accountant
M. No: 022713

S G Chandru
Managing Director

Malathi Gopalakrishnan
Director

V Ramaseshan
Company Secretary

Place: Chennai
Date: May 30, 2018

PACE AUTOMATION LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2018

	Note	For the Year ended		
		31.03.2018	31.03.2017	31.03.2016
		₹	₹	₹
I Revenue from Operations	16	49,383,009	45,355,826	46,101,255
II Other Income	17	1,888,941	2,246,898	836,908
III Total Revenue (I+II)		51,271,950	47,602,724	46,938,163
IV Expenses :				
Cost of Materials Consumed		---	---	---
Purchase of Traded Goods	18	395,737	3,567,936	---
Changes in Inventories of Finished goods	19	(248,389)	(3,567,936)	---
Employee benefits expense	20	26,624,107	25,554,532	23,976,016
Marketing Distribution and promotional expenses		---	---	---
Finance Costs	21	1,727,319	830,609	892,643
Depreciation and amortization expense	2	451,822	501,738	598,518
Other expense	22	17,731,523	15,306,406	15,924,190
Total Expenses		46,682,119	42,193,285	41,391,367
V Profit before exceptional and extraordinary items and taxes (III-IV)		4,589,831	5,409,439	5,546,796
VI Exceptional Items		---	---	---
VII Profit before extraordinary items and taxes (V-VI)		4,589,831	5,409,439	5,546,796
VIII Extraordinary Items		---	---	---
IX Profit before Tax (PBT) (VII-VIII)		4,589,831	5,409,439	5,546,796
X Tax Expense				
Current Tax		1,100,385	1,517,956	1,507,641
Deferred Tax		92,144	143,403	646,064
XI Profit/(loss) for the period from continuing operations		3,397,302	3,748,080	3,393,091
XII Profit/(loss) for the period		3,397,302	3,748,080	3,393,091
XIII Earnings per equity share				
(1) Basic		0.36	0.40	0.36
(2) Diluted		0.36	0.40	0.36

The accompanying notes form an integral part of the financial statements

As per my report of even date

T S R Siva Subramanian
Chartered Accountant
M. No: 022713

S G Chandru
Managing Director

Malathi Gopalakrishnan
Director

V Ramaseshan
Company Secretary

Place: Chennai
Date: May 30, 2018

PACE AUTOMATION LIMITED

CASH FLOW STATEMENT

	For the Year ended		
	31.03.2018	31.03.2017	31.03.2016
	₹	₹	₹
Cash Flow from Operating Activities			
Net Profit Before Tax and Extraordinary Items	3,397,302	3,748,080	3,393,091
Adjustments For -			
Depreciation	451,822	501,738	598,518
Deferred Tax	-	-	439,745
Bad Debts Written Off	1,147,728	37,125	85,197
Excess Provision Written Back	-	-	42,863
Interest Received	(1,841,657)	(2,246,898)	(794,045)
Interest Expenses	1,727,319	830,609	892,643
Operating Profit before Changes in Working capital	4,882,514	2,870,654	4,658,012
(Increase)/ Decrease in Working Capital			
Sundry Debtors	(6,980,297)	(6,590,448)	(2,906,017)
Inventories	1,818,911	(3,567,936)	---
Loans and Advances	(4,746,147)	5,139,429	1,015,743
Current Liabilities & Provisions	2,182,790	13,550,577	5,334,755
	(7,724,743)	8,531,622	3,444,481
Net Cash Flow from Operating Activities	A	(2,842,229)	11,402,276
Cash Flow from Investing Activities			
Purchase of Fixed Assets	(198,883)	(75,000)	(332,650)
Capital Work-in-Progress	(3,109,076)	(2,778,948)	(354,955)
Net Cash Flow from Investing Activities	B	(3,307,959)	(2,853,948)
Cash Flow from Financing Activities			
Loan availed	5,182,203	---	---
Interest Income	1,841,657	2,246,898	794,045
Interest paid on Long-Term Borrowings	(1,727,319)	(830,609)	(892,643)
Increase/(Reduction) of Long term provision	5,182,203	---	---
Net Cash Flow from Financing Activities	C	5,296,541	1,416,289
Increase/(Decrease) in Cash and Cash Equivalents	A+B+C	(853,647)	9,964,617
Cash and Cash Equivalents at the Beginning of the year		27,853,648	17,889,031
Cash and Cash Equivalents at the end of the year		27,000,001	27,853,648

As per my report of even date

T S R Siva Subramanian
Chartered Accountant
M. No: 022713

S G Chandru
Managing Director

Malathi Gopalakrishnan
Director

V Ramaseshan
Company Secretary

Place: Chennai
Date: May 30, 2018

STATEMENT OF CHANGES IN EQUITY

a) Equity Share Capital

	₹
As at 01.04.2016	11,94,80,350
Changes in Equity Capital	---
As at 01.04.2017	11,94,80,350
Changes in Equity Capital	---
As at 01.04.2018	11,94,80,350

b) Other Equity

	General Reserve	Capital Reserve	Export Market Development Grant	Total
As at 01.04.2015	(79,647,232)	2,309,000	192,839	(77,145,393)
Add: Profit for the year 2015-16	3,393,091	---	---	3,393,091
Balance as at 31.03.2016	(76,254,141)	2,309,000	192,839	(73,752,302)
Add: Profit for the year 2016-17	3,748,080	---	---	3,748,080
Balance as at 31.03.2017	(72,506,061)	2,309,000	192,839	(70,004,222)
Add: Profit for the year 2017-18	3,397,302	---	---	3,397,302
Balance as at 31.03.2018	(69,108,759)	2,309,000	192,839	(66,606,920)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2018

1. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies mentioned herein are relating to standalone financial statements of the Company.

a) Brief description of the Company

Pace Automation Limited is a public limited company incorporated and domiciled in India. It is engaged in providing on-line transaction processing services to various clients. Its shares are listed in stock exchanges.

b) Basis of Preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act. The financial statements have been prepared on the historical cost convention under accrual basis of accounting except for certain financial assets and liabilities (as per accounting policy below), which have been measured at fair value. The financial statements up to year ended March 31, 2017 were prepared in accordance with accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act. These financial statements are the first financial statements of the Company under Ind AS. Refer Other Note No17 for an explanation of how the transition from the previous GAAP to Ind AS has affected the Company's financial position and financial performance.

c) 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.

d) 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.

e) 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.

f) Property, Plant and Equipment

All items of Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation/ amortization and impairment, if any. Cost includes purchase price, taxes and duties, labour cost and directly attributable overheads incurred up to the date the asset is ready for its intended use. However, cost excludes Excise Duty, Value Added Tax to the extent credit of the duty or tax is availed of. Subsequent costs are included in the asset's carrying amount or recognised as separate asset, as appropriate, only when it is probable that future economic benefit associated with the item flows to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repair and maintenance are charged to Profit and Loss during the reporting period in which they are incurred.

g) Depreciation and amortization

1) Depreciation on tangible fixed assets is charged over the estimated useful life of the asset or part of the asset) on straight line method, in accordance with Part A of Schedule II of the Companies Act, 2013. On tangible fixed assets added/ disposed off during the year, depreciation is charged on pro-rata basis from the date of addition/ till the date of disposal.

2) 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.

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.

h) 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.

i) 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.

j) 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.

k) 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.

l) 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..

m) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

n) 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.

o) 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

2. FIXED ASSETS – Property, Plant and Equipment

Name of Asset	GROSS BLOCK			DEPRECIATION / IMPAIRMENT			NET BLOCK	
	As At 01.04.2017	Additions	As At 31.03.2018	As At 01.04.2017	For the Year	Up to 31.03.2018	As At 31.03.2018	As At 31.03.2017
	₹	₹	₹	₹	₹	₹	₹	₹
Plant & Machinery	20,091,204	---	20,091,204	19,359,996	166,506	19,526,502	564,702	731,208
Computers & Printers	64,313,910	185,983	64,499,893	63,895,004	257,619	64,152,623	347,270	418,906
Office Equipments	3,726,441	12,900	3,739,341	3,630,917	9,052	3,639,969	99,372	95,524
Furniture & Fittings	6,572,013	---	6,572,013	6,539,920	18,645	6,558,565	13,448	32,093
Total	94,703,568	198,883	94,902,451	93,425,837	451,822	93,877,659	1,024,792	1,277,731
Previous Year	94,628,568	75,000	94,703,568	92,924,099	501,738	93,425,837	1,277,731	1,704,469

2. FIXED ASSETS – Capital Work in Progress

	₹
At Cost as at 01.04.2017 – Development of Hardware	15,026,164
Additions during the year	3,109,076
Closing as at 31.03.2018	<u>18,135,240</u>

2. FIXED ASSETS – Intangible Assets

Name of Asset	GROSS BLOCK			DEPRECIATION / IMPAIRMENT			NET BLOCK	
	As At 01.04.2017	Additions	As At 31.03.2018	As At 01.04.2017	For the Year	Up to 31.03.2018	As At 31.03.2018	As At 31.03.2017
	₹	₹	₹	₹	₹	₹	₹	₹
Software Developed	64,560,658	---	64,560,658	64,550,658	---	64,550,658	---	---
Total	64,560,658	---	64,560,658	64,550,658	---	64,550,658	---	---
Previous Year	64,560,658	---	64,560,658	64,550,658	---	64,550,658	---	---

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2018

3. Non-Current Assets - Loans

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
	₹	₹	₹
Security Deposits			
(i) Secured, Considered good	325,045	325,045	325,045
(ii) Unsecured, Considered good	1,956,813	1,956,813	1,956,813
(iii) Doubtful	---	---	---
Less: Allowance for bad and doubtful advances	---	---	---
	2,281,858	2,281,858	2,281,858

4. Current Assets - Inventories

(a) Raw Material	---	---	---
(b) Work in Progress	---	---	---
(c) Finished Goods	1,749,026	3,567,936	---
(d) Stores & Spares	---	---	---
	1,749,026	3,567,936	---

5. Current Assets – Trade Receivables

(A) Outstanding for a period exceeding six months from the date they are due for payment:

(i) Secured, Considered good	---	---	---
(ii) Unsecured, Considered good	48,408	975,288	652,017
(iii) Doubtful	---	---	---
Less: Allowance for bad and doubtful advances	---	---	---
Total (A)	48,408	975,288	652,017

(B) Others

(i) Secured, Considered good	---	---	---
(ii) Unsecured, Considered good	27,333,500	20,574,051	14,306,874
(iii) Doubtful	---	---	---
Less: Allowance for bad and doubtful advances	---	---	---
Total (B)	27,333,500	20,574,051	14,306,874

Total (A+B)

	27,381,908	21,549,339	14,958,891
--	-------------------	-------------------	-------------------

6. Cash and cash equivalents

Balances with banks in current accounts	1,292,607	2,147,950	2,371,410
Fixed Deposits with Banks	25,702,000	25,702,000	15,512,000
Cash on hand	5,394	3,698	5,621
	27,000,001	27,853,648	17,889,031

7. Current Assets - Loans

(A) Loans and Advances to related parties	---	---	---
(B) Others			
(i) Secured, Considered good	---	---	---
(ii) Unsecured, Considered good			
Deposits	---	---	---
Others	9,371,282	4,625,136	9,764,565
(iii) Doubtful	---	---	---
Less: Allowance for bad and doubtful advances	---	---	---
	9,371,282	4,625,136	9,764,565

PACE AUTOMATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2018

8. Equity Share Capital

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
	₹	₹	₹
(A) Share Capital			
(a) Authorised Share Capital			
(i) 95,00,000 (Previous Years: 95,00,000) Equity Shares of Rs.10/- each	95,000,000	95,000,000	95,000,000
(ii) 25,00,000 (Previous Years: 25,00,000) 5% 2019 Redeemable Preference Shares of Rs.10/- each.	25,000,000	25,000,000	25,000,000
(b) Issued & Subscribed Share Capital			
(i) 94,48,035 Equity Shares of Rs.10/- each fully paid up	94,480,350	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	25,000,000
(c) Paid-up Share Capital			
(i) 94,48,035 Equity Shares of Rs.10/- each fully paid up	94,480,350	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	25,000,000
(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	94,48,035
Redeemable Preference Shares	25,00,000	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	94,48,035
Redeemable Preference Shares	25,00,000	25,00,000	25,00,000

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

	31-03-2018		31-03-2017		31-03-2016	
	No of Shares held	%	No of Shares held	%	No of Shares held	%
Equity Shares						
Mr S G Chandru	650,606	6.89%	650,606	6.89%	650,606	6.89%
Mrs Meera Chandru	26,15,600	27.68%	26,15,600	27.68%	26,15,600	27.68%
Ms Malathi Gopalakrishnan	27,04,769	28.65%	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%	4,89,285	5.18%
Redeemable Preference Shares						
Mrs Meera Chandru	25,00,000	100%	25,00,000	100%	25,00,000	100%

9. Other Equity

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
	₹	₹	₹
(i) General Reserve	(69,108,759)	(72,506,061)	(76,254,141)
(ii) Capital Reserve	2,309,000	2,309,000	2,309,000
(iii) Export Market Development Grant	192,839	192,839	192,839
	(66,606,920)	(70,004,222)	(73,752,302)

10. Non-Current Liabilities – Deferred Tax Liability (Net)

Opening Balance	349,722	206,319	(439,745)
Additions during the year on account of depreciation benefits	92,144	143,403	646,064
Closing Balance	441,866	349,722	206,319

PACE AUTOMATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2018

11. Non-Current Liabilities - Others

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
	₹	₹	₹
Trade Deposits	898,023	823,023	848,023
	898,023	823,023	848,023

12. Current Liabilities – Borrowings

SECURED LOANS

(Secured by a lien on the fixed deposits held by the Company with banks for less than 12 months)

	21,939,690	16,757,487	4,969,176
--	------------	------------	-----------

	21,939,690	16,757,487	4,969,176
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13. Current Liabilities – Trade Payables

Trade Creditors

	1,593,272	1,235,896	1,325,750
--	-----------	-----------	-----------

	1,593,272	1,235,896	1,325,750
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14. Current Liabilities – Other Financial Liabilities

Current maturities of long term debt

	---	---	---
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Advance against Sales

	---	---	---
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Amount Payable to Directors

	302,500	302,500	302,500
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Other payables

- PF payable

	117,047	100,646	98,262
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- ESI payable

	10,905	9,813	8,306
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- GST Payable

	1,111,383	280,346	407,721
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- TDS Payable

	321,965	316,225	187,725
--	---------	---------	---------

- Other Creditors

	3,208,044	3,267,052	3,038,343
--	-----------	-----------	-----------

	5,071,844	4,276,582	4,042,857
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15. Current Liabilities – Provisions

For Income Tax

	4,125,982	3,025,597	1,507,641
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For Bonus

	---	237,377	218,216
--	-----	---------	---------

	4,125,982	3,262,974	1,725,857
--	------------------	------------------	------------------

16. Revenue from Operations

Sales of Material

	169,450	12,000	---
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IT related services – Transaction Processing Charges

	49,213,559	45,343,826	46,101,255
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	49,383,009	45,355,826	46,101,255
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17. Other Income

Interest Income

	1,841,657	2,246,898	794,045
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Miscellaneous Income

	47,284	---	42,863
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	1,888,941	2,246,898	836,908
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18. Purchase of Traded Goods

Electronic Goods

	395,737	3,567,936	---
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	395,737	3,567,936	---
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19. Change in Inventory of Finished Goods

Opening Stock

	3,567,936	---	---
--	-----------	-----	-----

Less: Material Rejected / Returned

	2,067,299	---	---
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Closing Stock of Finished Goods

	1,749,026	3,567,936	---
--	-----------	-----------	-----

	(248,389)	(3,567,936)	---
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2018

20. Employee Benefits Expense

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
	₹	₹	₹
Salaries, wages and bonus	20,553,506	19,293,121	18,344,849
Remuneration to Directors	3,848,000	4,060,000	2,884,648
Contribution to PF and other funds	1,661,247	1,492,623	1,503,281
Staff Welfare Expenses	508,221	484,630	331,467
Gratuity	53,133	224,158	911,771
	26,624,107	25,554,532	23,976,016

21. Finance Costs

Interest Expense	1,702,856	819,069	876,212
Bank Charges	24,463	11,540	16,431
	1,727,319	830,609	892,643

22. Other Expense

Rent	4,736,880	4,736,880	4,736,880
Printing & Stationery	20,570	26,237	29,748
Repairs and Maintenance Others	994,044	678,530	752,821
Communication Expenses	1,067,387	1,680,923	1,683,860
Electricity Charges	1,782,889	1,971,662	2,385,943
Virtual Server Charges	3,106,452	3,232,650	2,548,911
Rates & Taxes	22,113	59,491	560,599
Professional Charges	3,038,741	1,091,897	922,063
Postage & Courier Expenses	24,488	39,563	60,137
Registrations & Renewals	8,871	14,639	16,401
Miscellaneous Expenses	1,113,469	811,470	508,345
Payment to statutory auditors:			
- As Auditors	60,000	60,000	60,000
- Taxation Matters	15,000	15,000	15,000
- Reimbursement of expenses	10,000	10,000	10,000
Travelling and Conveyance	488,089	757,950	1,413,806
Selling and Distribution Expenses	53,451	82,389	134,479
Project Expenses Written Off	41,351	---	---
Bad Debts Written Off	1,147,728	37,125	85,197
	17,731,523	15,306,406	15,924,190

23. Contingent Liabilities and Commitments to the Extent not provided for

NIL NIL NIL

24. 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	5.99	---	1.48
4. Expenditure in foreign currency during the financial year	2.13	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	8.98	8.23	8.48
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			
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

11. 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:

Salary and other employee benefits to Whole-Time Directors and Executive Officers	80.30	80.81	65.31
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12. The company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Company has created an Employees' Group Gratuity Fund which has taken a Group Gratuity Assurance Scheme with the Life Insurance Corporation of India. Company's contributions are based on actuarial valuation arrived at the end of each year and charged to Profit and Loss Statement. An amount of Rs.0.53 lacs paid on this account during the year is charged to the Profit & Loss Statement. Defined benefit plans as per actuarial valuation is given below:

	(Amount in Rupees)		
	31.03.2018	31.03.2017	31.03.2016
i. Present value of projected benefit obligation as at the beginning of each year	1,904,831	1,738,428	1,480,017
ii. Service cost	156,309	146,880	130,832
iii. Interest cost	152,387	139,074	118,402
iv. Actuarial Gain / (Loss)	729,451	(103,974)	723,985
v. Benefits paid	(144,231)	(15,577)	(714,808)
vi. Present value of projected benefit obligation as at the end of each year	2,798,747	1,904,831	1,738,428
vii. Fair value of Plan Assets as at the end of each year	2,066,471	2,019,974	1,672,216
viii. Liability / (Asset) recognised in the Balance Sheet	(732,275)	115,142	(66,212)
ix. Amount charged to Profit & Loss Account (Gross)	887,938	31,328	834,802
x. Actuarial assumptions:			
a) Discount rate	8%	8%	8%
b) Future Salary Escalation	7%	7%	7%
c) Expected rate of return on Plan assets	8%	8%	8%

13. Details of Earnings per Share:

	31.03.2018	31.03.2017	31.03.2016
Profit / (Loss) after tax (in ₹)	3,397,302	3,748,080	3,393,091
No of equity shares at the beginning of the year	94,48,035	94,48,035	94,48,035
No of equity shares at the end of the year	94,48,035	94,48,035	94,48,035
Face value of per share (in ₹)	10.00	10.00	10.00
Earnings per share (in ₹) – Basic and Diluted	0.36	0.40	0.36

14. Previous year's figures have been regrouped or reclassified wherever necessary to conform to the current period.

15. 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.

16. Micro, Small and Medium Enterprises Disclosure

On the basis of the information and records available with the Company, the Company had not paid any interest during the year to any parties who are classified as Micro, Small and Medium Enterprises on account of default in payment of their dues. Also there are no amounts outstanding as on 31.03.2018 in excess of Rs.1,00,000/- to any party classified as Micro, Small and Medium Enterprises.

17. Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note No.1 have been applied in preparing the financial statements for the year ended March 31, 2018, the Comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of opening Ind AS balance sheet. The Company had adjusted the amounts reported previously in financial

statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position and financial performance is set out in the notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied to the transition from previous GAAP to Ind AS.

A – 1: Ind As optional exemptions

Deemed Cost – Property, Plant and Equipment and Intangibles

Ind AS 101 permits first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 – Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at previous GAAP carrying value.

A – 2: Deemed Cost – Equity Investments

Ind AS 101 permits first time adopter to elect to measure the investments in subsidiaries, associates and joint venture at cost determined in accordance with Ind AS 27 or deemed cost. Deemed cost for the purpose of transition shall mean fair value of the investment at the entity's date of transition to Ind AS or previous GAAP carrying amount at that date (previous GAAP cost). A first-time adopter may choose either fair value or Previous GAAP carrying amount in each subsidiary, joint venture or associate that it elects to measure using a deemed cost.

Accordingly, the company has elected to measure equity investments in its domestic subsidiaries at its previous GAAP carrying cost.

A – 3: Business Combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date.

The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

A – 4: Ind AS mandatory exceptions

Estimates: An entity's estimates with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to collect any difference in accounting policies), unless there is objective evidences that those estimates were in error. Ind AS estimates as on 01.04.2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

Investment in equity instruments

Impairment of financial assets based on expected credit loss model

As per my report of even date

T.S.R.Siva Subramanian
Chartered Accountant
M. No: 022713

S G Chandru
Managing Director

Malathi Gopalakrishnan
Director

V. Ramaseshan
Company Secretary

Place: Chennai
Date: May 30, 2018

PACE AUTOMATION LIMITED

PACE AUTOMATION LIMITED

Regd. Office: Empee Towers, 5th 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, 5th 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 28th Annual General Meeting, to be held on Friday, the 28th September 2018 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, 2018, the Reports of the Board of Directors and the Auditors' thereon,		
Ordinary Resolution 2. Re-appointment of Ms Malathi Gopalakrishnan (having DIN 00841108), who retires from office by rotation and being eligible offers herself for reappointment.		
Ordinary Resolution – Special Business 3. Appointment of Ms Suguna Raghavan as an Independent Director for a period of five years		

Signed thisday of2018

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

PACE AUTOMATION LIMITED

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

ATTENDANCE SLIP

I hereby record my Presence at the 28th Annual General Meeting of the Company being held at Bharatiya Vidya Bhavan, 20 & 22 East Mada Street, Mylapore, Chennai, Tamilnadu-600004 on Friday, the 28th September, 2018 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

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[CIN-L29141TN1989PLC018133]

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

E-mail: paceauto@vsnl.com, Website: 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 28th Annual General Meeting of the Company to be held on 28th September,2018 for the business stated in the Notice of the meeting dt. 14.08.2018 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 st March, 2018	Ordinary			
2	To Re-appoint Ms Malathi Gopalakrishnan, who retires from office by rotation and being eligible offers herself for reappointment.	Ordinary			
3	Appointment of Ms Suguna Raghavan as an Independent Director for a period of five years	Ordinary Special Business			

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

The Annual Report of the Company will be available in the Company's Website 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.