

PACE AUTOMATION LIMITED

TWENTY NINETH ANNUAL REPORT

BOARD OF DIRECTORS

Mr. S.G.Chandru
Managing Director

Mr. Srinivasan Arvind
Independent Director (upto 28.05.2019)

Ms. Malathi Gopalakrishnan
Director

Ms Suguna Raghavan
Independent Director (commenced from 14.08.2018)

Company Secretary

Mr V Ramaseshan (upto 28.05.2019)

CFO

Mr Narauanan Sripathi (commenced from 28.05.2019)

Audit Committee	Stake Holders Relationship Committee	Nomination & Remuneration Committee
Mr.Srinivasan Arvind Independent Director (Chairman) (upto 28.05.2019)	Mr.Srinivasan Arvind Independent Director (Chairman) (upto 28.05.2019)	Mr.Srinivasan Arvind Independent Director (Chairman) (upto 28.05.2019)
Ms. Suguna Raghavan Independent Director (commenced from 14.08.2018)	Ms. S.G.Chandru Director	Ms. Suguna Raghavan Independent Director (commenced from 14.08.2018)
Ms. Malathi Gopalakrishnan Director	Ms. Malathi Gopalakrishnan Director	Ms. Malathi Gopalakrishnan Director
Statutory Auditor Shri T S R Sivasubramanian, Chartered Accountant Flat C, Ground Flr,6A, AyyaFlats 9 th Cross Street Dhandeeswaram Nagar, Velacherry Chennai-600042	Secretarial Auditors M/s Lakshmmi Subramanian & Associates Company Secretaries Murugesu Naicker officecomplex, No.81, Greams Road, Chennai- 600006	Internal Auditor Shri N Subramanian No.81, Greams Road, Chennai
Regd. & Administrative Office CIN No.L29141TN1989PLC018133 EmpeeTowers 5 th 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, 4th floor, Vibgyor tower, Opposite Trident Hotel, Bandra-Kurla Complex, Mumbai PIN: 400098

Principal Bankers

- Axis Bank, Mylapore, Chennai
- Syndicate Bank, T Nagar, Chennai
- IDBI Bank, Greams Road, Chennai
- Punjab National Bank, Purasawalkam, Chennai

CONTENTS	PAGE NO
Notice	2
Director's Report	9
Independent Auditor Report	24
Balance Sheet	29
Statement of Profit & Loss	31
Cash flow Statement	33
Notes to Financial Statements	36

NOTICE is hereby given that the 29th Annual General Meeting of Pace Automation Limited will be held on Thursday, the 12th December, 2019 at ASHA NIVAS No. 9, Rutland Gate 5th Street, Nungambakkam, Chennai-600 006 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 31,2019 together with the Reports of the Board of Directors and the Auditors thereon,
2. To appoint a Director in the place of Mr.Sriperambadur Gopalakrishnan Chandru (having Din. 00814605) who retires from office by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

3. To consider re-appointment of Mr. S G Chandru as Managing Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to provisions of Sections 149, 152, 161, 196, 197, 198, 203 read with Schedule V and other applicable provisions if any of the Companies Act, 2013 (including any statutory modifications, enactments, or re-enactments, thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended, and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, the Consent of the Company be and is hereby accorded for re-appointment of Mr. S G Chandru (DIN: 00814605), as the Managing Director of the Company for a period of 5 (five) years on payment of remuneration as detailed in the Explanatory Statement, subject to retirement by rotation.”

“RESOLVED FURTHER THAT the aggregate of the remuneration payable to Mr. S G Chandru shall be subject to overall ceilings laid down under Schedule V of the Companies Act, 2013 and the Board be and is hereby authorized to vary, alter and modify the terms and conditions of remuneration/remuneration structure of Mr. S G Chandru as Managing Director including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.”

“FURTHER RESOLVED THAT in event of absence or inadequacy of profit in any financial year during the tenure of the appointment, the Board of Directors / Nomination and Remuneration Committee constituted by the Board, do accept to pay the above remuneration as the minimum remuneration to Mr. S G Chandru, Managing Director.”

“FURTHER RESOLVED THAT the Board of Directors and the Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required and delegate all or any of its powers herein conferred to any committee of directors or director(s) to give effect to the above resolution.”

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

Place: Chennai
Date:04.11.2019

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

NOTES:

1. A member entitled to attend and vote at AGM is entitled to appoint a proxy to attend and vote in the meeting instead of himself / herself and the proxy need not be a member of the company. A person can act as a proxy on behalf of a maximum of 50 members and holding in aggregate not more than 10% of the total share capital of the Company. A Member holding more than 10% percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy, provided that the person does not act as proxy for any other person or shareholder.
2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a 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.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 5th December, 2019 to Thursday, 12th December, 2019 (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-600002.
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 email 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	S.G.Chandru
Din	00814605
Age	76years
Date of appointment	18/10/2002
Experience	More than 40 years
No.of shares as on 31.03.2019	650606
Directorship in other public companies	Nil
Chairman/Member of committees of company	0
Relationship with any other Director	Malathi Gopalakrishnan–Director
Brief History	<p>He is a promoter of the company. Since, he is a director retiring by rotation and being eligible, he offer himself for reappointment.</p> <p>He has decades of industry experience at various levels of responsibilities, focusing more on envisioning new solutions and strategizing to enter new verticals. He has rich experience, expertise and knowledge in areas such as product vision, engineering and product management, business administration and human resources. He pioneered concepts such as SaaS, Cloud computing and Transactional Intelligence even when they had not even entered technology lexicon.</p>

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 29th 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 29th 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 09.12.2019 at 9.00 A.M. and ends on 11.12.2019 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)05.12.2019, 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 ClientID
 - 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) IfDemataccountholderhasforgottenthechangedpasswordthenEntertheUserIDandtheim age verificationcodeandclickonForgotPassword&enterthedetailsaspromptedbythesystem.
 - (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.
 - Incaseyouhaveanyqueriesorissuesregarding e-voting,youmayrefertheFrequentlyAsked 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’ i.e. one share – one vote unlike one person one vote principle, further, as per the provision of the Companies Act, 2013, demand for poll will not be relevant.
 - (ii) TheoptionofvotingbyshowofhandswillnotbeavailableformemberspresentingtheGeneralMeeting 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 05.12.2019.

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, EmpeeTowers,V-Floor, 59, Harris Road, Pudupet, Chennai-600002Please return the form duly completed through postor 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 11.12.2019.

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. 05.12.2019 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 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:04.11.2019

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

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

Item No.3

Mr. S G Chandru, aged 76 years, has decades of industry experience at various levels of responsibilities, focusing more on envisioning new solutions and strategizing to enter new verticals. He has rich experience, expertise and knowledge in areas such as product vision, engineering and product management, business administration and human resources. He pioneered concepts such as SaaS, Cloud computing and Transactional Intelligence even when they had not even entered technology lexicon.

Mr. S G Chandru is a Director in M/S Spur Venture Funds Private Limited. He holds 55,506 shares in the Company.

As per the provisions of Section 203 of the Companies Act, 2013, the Company should have atleast one Key Managerial Personnel. Keeping in view his rich experience, it was recommended to re-appoint Mr. S G Chandru as the Managing Director of the Company subject to Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), with the following terms and conditions:

- a. Term of re-appointment is 5 years with effect from 29th September 2019.
- b. Rs.60,00,000 /- Per annum inclusive of perquisites and other allowances. The overall limit of the salary inclusive of perquisites and other allowances shall not exceed the ceiling as provided in Schedule V of the Companies Act 2013.

In the event of absence or inadequacy of profit in any financial year during the tenure of the appointment, the Board of Directors / Nomination and Remuneration Committee constituted by the Board, do accept to pay the above remuneration as the minimum remuneration to Mr. S G Chandru, Managing Director.”

Copy of documents pertaining to re-appointment and payment of remuneration of Mr. S G Chandru as Managing Director of the Company setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board recommends the Resolution to be passed as a Special Resolution.

Mr. S G Chandru may be deemed to be concerned or interested, financially or otherwise, to the extent of the aforesaid shareholding in respect of his re-appointment as Managing Director. Ms. Malathi Gopalakrishnan who is his relative and Directors of the Company, to the extent of their shareholding interest in the Company, may be deemed to be concerned or interested in the re-appointment of Mr. S G Chandru as Managing Director of the Company.

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

Place: Chennai
Date:04.11.2019

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

PACE AUTOMATION LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting 29th Annual Report of Pace Automation Limited along with Audited Financial Statements for the year ended 31st March, 2019.

FINANCIAL SUMMARY

	2018-2019 (Rs in lakh)	2017-2018 (Rs in lakh)
Profit / (Loss) before interest and depreciation.	97.12	67.68
Less: Interest	20.37	17.27
Profit before depreciation	76.75	50.41
Less Depreciation	5.92	4.52
Profit /(Loss) before tax	70.83	45.89
Exceptional Item	0	0
Tax- current year (Provision)	15.90	12.76
Tax-Deferred tax (Provision)	2.50	1.10
MAT Credit Entitlement	0	0
Net profit for the year transferred to Reserve account	52.42	32.03
Profit /(Loss) carried over to Balance Sheet	52.42	32.03

PERFORMANCE AND STATE OF AFFAIRS OF THE COMPANY

During the year under review, the Company has earned a net profit of Rs. 52.42 lakh as against profit of Rs.33.97 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, 2019 was Rs.11,94,80,350. No additions and alterations to the capital were made during the financial year 2018-19.

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 31.03.2019.

TRANSFER OF PROFIT TO RESERVES

During the year your company has transferred the profit of Rs.52.42 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 2018-19

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 Directors (one executive and one non- executive respectively) and an independent director.

Category	Name of Director
Executive Directors	Mr. S.G.Chandru
Non Executive Director	Ms. Malathi Gopalakrishnan
Independent Directors	Ms. Suguna Raghavan (commenced from 14.08.2018) Mr. Srinivasan Arvind (resigned on 28.05.2019)

KEY MANAGERIAL PERSONAL

The Key Management Personnel of the company are as under

- 1-Mr.S.G.Chandru - Managing Director
- 2-Mr. Narauanan Sripathi - CFO

During the year, Mr. Srinivasan Arvind, Independent Director resigned on 28th May 2019. The Board placed on record its appreciation for his services during his tenure as Independent Director of the Company.

During the year, Mr. Ramaseshan, Company Secretary resigned on 28th May 2019. The Board placed on record its appreciation for his services during his tenure as Company Secretary of the Company.

DIRECTORS

Retirement by Rotation

In terms of Section 152 of the Companies Act 2013, Mr. S.G.Chandru, retires by rotation at the forthcoming ACM and is eligible for re-appointment. Mr. S.G.Chandru offered himself for re-appointment.

Brief profile of Mr. S.G.Chandru is given in the Notice of forthcoming Annual General Meeting of the Company.

Independent Directors' Declaration

The independent Directors have given declaration 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 2019 which has been relied on by the Company and placed at the Board Meeting.

PACE AUTOMATION LIMITED

BOARD COMMITTEES

a) Audit Committee

Mr. Srinivasan Arvind	Independent Director (Chairman) (upto 28.05.2019)
Ms. Suguna Raghavan	Independent Director, (commenced from 14.08.2018)
Ms. Malathi Gopalakrishnan	Director

b) Nomination & Remuneration Committee

Mr. Srinivasan Arvind	Independent Director (Chairman) (upto 28.05.2019)
Ms. Suguna Raghavan	Independent Director, (commenced from 14.08.2018)
Ms. Malathi Gopalakrishnan	Director

c) Stakeholders' Relationship Committee

Mr. Srinivasan Arvind	Independent Director (Chairman) (upto 28.05.2019)
Mr. S.G.Chandru	Managing Director
Ms. Malathi Gopalakrishnan	Director

The formulation of the Committees is as per Companies Act, 2013 and is exempted from Regulation 15 g of SEBI (LODR).

STATUTORY AUDITORS:

Mr. TSR Sivasubramanian, Chartered Accountant, (Registration Number:022713) was appointed as statutory auditor of the company for the term of five years in 27th Annual General Meeting held on 18th August 2017, and he continue 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 2018-19 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 M/s Lakshmmi Subramanain & Associates , Practicing Company Secretaries (Membership No.3534) was appointed to conduct secretarial audit for the financial year 2018-19. The Secretarial Audit report as received from the secretarial auditor is annexed to this report as Annexure-3.

COMMENT ON SECRETARIAL AUDITOR REPORT

Action is being taken by the Company to rectify the irregularities pointed out by the Secretarial Auditor in their report.

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 2018-19, 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.

PACE AUTOMATION LIMITED

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 2018-19, the company has not received any sexual harassment complaints.

COST AUDITORS

The Provisions of the Companies Act, 2013 relating to the appointment of Cost Auditor are not applicable to the Company.

DEPOSIT FROM PUBLIC

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

CORPORATE GOVERNANCE REPORT

Since your company's paid up equity capital and Net worth is less than Rs.10 Crores and Rs.25 Crores respectively, the provisions of 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

4 (four) Meetings of the Board of Directors of the Company were held during the year 2018-19, which were on 30.05.2018, 14.08.2018, 13.11.2018 and 13.02.2019. 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

PACE AUTOMATION LIMITED

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 2018-19 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 0.27% due to increase of sales while comparing the previous year and other income has decreased by 5.79%

Expenses:

Purchase of traded goods increased by 39.37%.

Change in inventories of finished goods increased by -44.81% due to change in the production cycle

Employees benefit expenses increased by 1.73% due to salary increase to existing employees and new recruitment of staffs.

Depreciation cost increased by 31% due to Change of Accounting policy as per the Companies Act, 2013 and inputs of capital assets.

Finance cost increased by 17.96% due to increase in interest expense.

Other expenses decreased by 18.65% due to cost decrease of other overheads.

Total expenses decreased by 5.03%.

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;

PACE AUTOMATION LIMITED

- (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 Order of the Board,

PLACE : Chennai

Sd/-

Sd/-

DATE :04.11.2019

Malathi Gopalakrishnan
Director

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:

	2018-2019 (Rs in lakh)	2017-2018 (Rs in lakh)
Earnings in Foreign Exchange	--	---
Expenditure in Foreign Exchange	4.95	2.13
CIF Value of imports	8.68	8.98

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

Place: Chennai
Date: 04.11.2019

**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
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- 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: 04.11.2019

**Sd/-
Malathi Gopalakrishnan
Director**

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

ANNEXURE – 4
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31.03.2019
[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, Pudupet, Chennai-600002
Whether listed company Yes / No	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Cameo Corporate Services Limited “Subramanian Building “ 1, Club House Road, Chennai-600 002 Ph:- 044-28460390- 6 Lines Fax:- 044- 28460129

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
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

PACE AUTOMATION LIMITED

Sub-total (A) (1):-	5916670	543590	6460260	68.37	5916670	543590	6460260	68.37	0
(2) Foreign	0	0	0	0	0	0	0	0	0
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A)(2)	0	0	0	0	0	0	0	0	0

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	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	00	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	00	0	0	0	0	0	0
0e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	00	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture	0	0	0	0	0	0	0	0	0
Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0

PACE AUTOMATION LIMITED

2. Non-Institutions a) Bodies Corp. i) Indian	0	24425	24425	0.25	0	24425	24425	0.25	0
ii) Overseas									
b) Individuals i) Individual shareholders holding nominal share capital up to Rs1 lakh	9802	2758648	2768450	29.30	9802	2776748	2786550	29.30	0

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	

PACE AUTOMATION LIMITED

1	Malathi Gopalakrishnan	2704769	28.63	0	2704769	28.63	0	0
2	Meera Chandru	2615600	27.68	0	2615600	27.68	0	0
3	S.G.Chandru	650606	6.89	0	650606	6.69	0	0
4	Electronic Corporation of Tamilnadu Ltd	489285	5.18	0	489285	5.18	0	0
	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 2016-17

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

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of Total shares of the company	No of Shares	% of Total shares of the company
1	Nirmala S At the beginning of the year-1.4.18 At the end of the year-31.03.2019	100000 100000	1.0584 1.0584	100000 100000	1.0584 1.0584
2	KhwajaNizamuddin At the beginning of the year-1.4.18 At the end of the year-31.03.2019	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-1.4.18 At the end of the year-31.03.2019	23200 23200	0.2455 0.2455	23200 23200	0.2455 0.2455
4	Madala Anita At the beginning of the year-1.4.18 At the end of the year-31.03.2019	18100 18100	0.1915 0.1915	18100 18100	0.1915 0.1915
5	Prithvi Securities Limited At the beginning of the year-1.4.18 At the end of the year-31.03.2019	6700 6700	0.0709 0.0709	6700 6700	0.0709 0.0709
6	Arun Kumar Goenka At the beginning of the year 1.4.18 At the end of the year-31.03.2019	5000 5000	0.0529 0.0529	5000 5000	0.0529 0.0529
7	GovindabhaiBaldevbhai Desai At the beginning of the year-1.4.18 At the end of the year-31.03.2019	5000 5000	0.0529 0.0529	5000 5000	0.0529 0.0529
8	Pallavi A Patel At the beginning of the year-1.4.18 At the end of the year-31.03.2019	5000 5000	0.0529 0.0529	5000 5000	0.0529 0.0529
9	Pratibha A Patel At the beginning of the year-1.4.18 At the end of the year-31.03.2019	5000 5000	0.0529 0.0529	5000 5000	0.0529 0.0529
10	Parthasarathy M At the beginning of the year-1.4.18 At the end of the year-31.03.2019	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-1.4.18 At the end of the year -31.03.2019	650606 650606	6.8862 6.8862	650606 650606	6.8862 6.8862

PACE AUTOMATION LIMITED

2	Malathi Gopalakrishnan At the beginning of the year-1.4.18 At the end of the year-31.03.2019	2704769 2704769	28.6278 28.6278	2704769 2704769	28.6278 28.6278
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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	21,939,690
i. Principal Amount	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
Change in Indebtedness during the financial year				
· Addition	13,92,471	0	0	13,92,471
· Reduction				
Net Change	13,92,471	0	0	13,92,471
Indebtedness at the end of the financial year				
i) Principal Amount	2,33,32,161	0	0	2,33,32,161
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	2,33,32,161	0	0	2,33,32,161

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.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	38,30,000
2	Stock Option		Nil
3	Sweat Equity		Nil
4	Commission - as % of profit - others, specify...		Nil
5	Others, please specify		Nil
	Total (A)		38,30,000
	Ceiling as per the Act		42,00,000

B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors · Fee for attending board/ committee meetings · Commission · Others, please specify	Sitting fees Mr. S Arvind Ms. Suguna Raghavan	20,000 15,000
	Total (1)		35,000
2	Other Non-Executive		

PACE AUTOMATION LIMITED

Directors · Fee for attending board/ committee meetings · Commission	Sitting fees Ms. Malathi Gopalakrishnan	20,000
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· Others, please specify		
Total (2)		20,000
Total (B)=(1+2)		55,000
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 : 04.11.2019

Sd/-
Malathi Gopalakrishnan
Director

Sd/-
S Arvind
Director

INDEPENDENT AUDITORS REPORT

To the Members of Pace Automation Limited Report on the Audit of Standalone Financial Statements

Opinion

I have audited the accompanying standalone financial statements of Pace Automation Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2019 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.

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, 2019, and its Profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

I conducted my audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. My responsibility under those Standards is further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to my audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and I have fulfilled my other ethical responsibilities in accordance with the requirements and the ICAI's Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's report, including Annexure to Board Report, and Shareholders Information but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained during the course of my audit or otherwise appears to be materially misstated.

If, based on the work I have performed, on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibility of Management 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 rules made thereunder.

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.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and

PACE AUTOMATION LIMITED

appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, I am also responsible for expressing my opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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, report that:
 - a) I have sought and obtained all the information and explanations, which to the best of my knowledge and belief are 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) On the basis of written representations received from the directors, as on 31st March, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to my separate Report in **Annexure – 'B'**. My report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In my opinion and to the best of my information and according to the explanations given to me, the remuneration paid, if any, by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

PACE AUTOMATION LIMITED

- 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, 2019

T.S.R. SIVASUBRAMANIAN
Chartered Accountant
Membership No. 22713

Annexure "A" referred to in my report of even date of Pace Automation Limited for the year ending March 31, 2019

1. FIXED ASSETS:

(a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

(b) All the assets have been physically verified by the management during the year which in my opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The Company do not hold any immovable properties 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 explanation and information provided to me, the Company had not granted any fresh unsecured loans to companies, firms and other parties covered in the Register maintained under Section 189 of the Act.

4) According to the information given to me and explanation provided, the company has neither granted any loans nor made any investments nor given any guarantee or provided any security pertaining to Section 185 & 186 of the Act.

5) In my opinion and according to the explanation given to me, the company has not accepted any deposits from the public as provided in Section 73 to 76 or relevant provisions of the Act or rules framed there under.

6) 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 any of the activities conducted/ services rendered by the company. Accordingly para 3(vii) of the Order is not applicable.

7) According to the information and explanations given to me and the books of account examined by me, the company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax cess and any other statutory dues with the appropriate authorities. There were no undisputed amounts payable in respect of the aforesaid statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

8) In my opinion and according to the information and explanation given to me, the company has not defaulted in repayment of any dues to a financial institutions or bank or debenture holders.

9) According to the information and explanations furnished to me, the company had not availed any term loan during the year from bank or financial institution.

x) To the best of my knowledge and belief and according to the information given to me and explanation provided, no material fraud on or by the company has been noticed or reported during the year.

xi) According to the information and explanations given to me, the company has complied with the provisions of Section 197 & Schedule V to the Act, while paying/providing for managerial remuneration.

xii) The company is not a Nidhi Company. Accordingly, Clause (xii) Of CARO is not applicable.

xiii) According to the information and explanations given to me, all the transactions with related parties are in compliance with section 177 & 188 of the Act and the details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards

xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, Clause (xiv) Of CARO is not applicable.

xv) According to the information and explanations given to me, the company has not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, Clause (xv) Of CARO is not applicable.

xvi) In my Opinion and According to the information and explanations given to me, the company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934. Accordingly, Clause (xvi) Of CARO is not applicable.

Place: Chennai
Date: May 30, 2019

T.S.R. SIVASUBRAMANIAN
Chartered Accountant
Membership No. 22713

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, 2019 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. My 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, to the best of my information and according to the explanations given to me, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on audit of internal Financial control Over financial reporting issued by the Institute of Chartered Accountants of India.

Place: Chennai
Date: May 30, 2019

T.S.R. SIVASUBRAMANIAN
Chartered Accountant
Membership No. 22713

PACE AUTOMATION LIMITED

PACE AUTOMATION LIMITED Balance Sheet as at 31st March 2019

Particular	Notes	As at 31-03-2019	As at 31-03-2018
ASSETS		Rs.	Rs.
Non-Current assets			
Property, Plant & Equipment	2	65,18,534	10,24,792
Capital work-in-progress	2	2,22,31,871	1,81,35,240
Other intangible assets	2	-	-
Financial assets			
i. Investments		-	-
ii. Loans	3	22,81,858	22,81,858
iii. Others (Bank deposits)		-	-
Non- Current Tax assets		-	-
Other non-current assets		-	-
		3,10,32,263	2,14,41,890
Current Assets			
Inventories	4	21,08,735	17,49,026
Financial assets			
i. Trade receivables	5	89,98,872	2,73,81,908
ii. Cash and Cash equivalents	6	2,70,76,229	2,70,00,001
iii. Others		-	-
Loan	7	1,37,63,569	89,10,305
Other current assets	8	76,54,552	4,60,977
		5,96,01,958	6,55,02,217
Total Assets (A)		9,06,34,220	8,69,44,107
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	9,44,80,350	9,44,80,350
Other equity	10	-6,13,65,019	-6,66,06,920
Total (i)		3,31,15,331	2,78,73,430
Liabilities			
Non-current liabilities			
Financial liabilities		-	-
Borrowings	11	2,58,68,023	2,58,98,023
Provisions		-	-
Deferred tax liabilities(net)	12	6,92,776	4,41,866
Other non-current liabilities		-	-
Total (ii)		2,65,60,799	2,63,39,889
Current liabilities			
Financial liabilities			
i. Borrowings	13	2,33,32,161	2,19,39,690
ii. Trade payables	14	17,91,339	15,93,272
iii. Other financial liabilities	15	42,43,750	50,71,844
Provisions	16	15,90,839	41,25,982
Other current liabilities		-	-
Total (iii)		3,09,58,090	3,27,30,788
Total equity and liabilities (i+ii+iii)=(B)		9,06,34,220	8,69,44,107
Significant accounting policies	1		

See accompanying Notes to Financial Statements

Vide my report of even date attached

PACE AUTOMATION LIMITED

T S R SIVASUBRAMANIAN

Chartered Accountant
Memb. No: 022713

Managing Director

Director

Place: Chennai
Date: May 28, 2019

PACE AUTOMATION LIMITED

PACE AUTOMATION LIMITED

Statement of Profit & Loss for the year ended 31st March 2019

(Amount - Rs.)

	Notes	Year ended 03-2019	31- 2018	
I	Revenue from Operations	17	4,96,34,044	4,93,83,009
II	Other Income	18	17,79,461	18,88,941
III	Total Income		5,14,13,505	5,12,71,950
IV	Expenses:			
	Cost of material consumed		-	-
	Purchase of stock in trade	19	5,51,562	3,95,737
	Change in inventories of finished goods, stock-in-trade, work-in-progress	20	-3,59,709	-2,48,389
	Excise duty		-	-
	Employee benefit expense	21	2,70,85,225	2,66,24,107
	Finance costs	22	20,37,644	17,27,319
	Depreciation and amortisation expense	2	5,92,262	4,51,822
	Other expenses	23	1,44,22,871	1,77,31,523
	Total expenses		4,43,29,855	4,66,82,119
V	Profit before exceptional and extraordinary items and taxes (III-IV)		70,83,650	45,89,831
VI	Exceptional items		-	-
VII	Profit before extraordinary items and taxes (V-VI)		70,83,650	45,89,831
VIII	Extraordinary Items		-	-
IX	Profit before tax (PBT) (VII-VIII)		70,83,650	45,89,831
X	Tax expense			
	i) Current tax		15,90,839	11,00,385
	ii) Deferred tax		2,50,910	92,144
IX	Profit/(Loss) for the period from continuing operations		52,41,901	33,97,302
X	Profit/(Loss) for the period		52,41,901	33,97,302
XI	Other comprehensive income			
	A. Items that will not be reclassified to profit or loss:			
	Remeasurements of post employment benefit obligations		-	-
	Change in fair value of equity instruments		-	-
	Income tax relating to these items		-	-
	B. Items that will be reclassified to profit or loss:			
	Fair value changes on cash flow hedges		-	-
	Income tax relating to these items		-	-
	Other comprehensive income for the year, net of tax		-	-
XII	Total comprehensive income for the year		-	-
XIII	Earnings per equity share		0.55	0.36
	Basic & Diluted Earnings per share		0.55	0.36

See accompanying Notes to Financial Statements

Vide my report of even date attached

PACE AUTOMATION LIMITED

T S R SIVASUBRAMANIAN

Chartered Accountant

Memb. No: 022713

Managing Director Director

Place: Chennai

Date: May 28, 2019

PACE AUTOMATION LIMITED

Pace Automation Limited

Cash Flow Statement for the year ended March 31, 2019

	(Amount in Rs.) Year ended March 31, 2019	(Amount in Rs.) Year ended March 31, 2018
A. Cash Flow from Operating Activities		
Net Profit Before Tax and Extraordinary Items	52,41,901	33,97,302
Add:		
Depreciation and Amortisation for the year	5,92,262	4,51,822
Bad Debts written off	-	11,47,728
Interest Income	(17,76,761)	(18,41,657)
Finance cost	20,37,644	17,27,319
	<hr/>	<hr/>
Operating Profit before Changes in Working Capital	60,95,046	48,82,514
(Increase)/ Decrease in Working Capital		
Inventories	3,59,709	18,18,911
Sundry Debtors	1,83,83,036	(69,80,297)
Loans and Advances	48,53,264	(47,46,147)
Other current assets	71,93,575	-
Current Liabilities	23,37,076	21,82,790
	<hr/>	<hr/>
	36,39,412	(77,24,743)
Cash generated from operations	97,34,458	(28,42,229)
Direct taxes paid	5,77,184	-
Net Cash Flow from Operating Activities	<hr/>	<hr/>
(A)	91,57,274	(28,42,229)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(60,86,004)	(1,98,883)
Capital Work-in-Progress	(40,96,631)	(31,09,076)
Sale of Fixed Assets	-	-
Dividend received	-	-
	<hr/>	<hr/>
Net Cash Flow from Investing Activities	(1,01,82,635	(33,07,959)
(B))	
C. Cash Flow from Financing Activities		
Long Term Borrowings repaid	(30,000)	-
Short-Term Borrowings availed/(repaid)	13,92,471	51,82,203
Interest received	17,76,761	18,41,657
Interest Paid on Borrowings	(20,37,644)	(17,27,319)
Dividend and dividend tax paid	-	-
Net Cash Flow from Financing Activities	<hr/>	<hr/>
(C)	11,01,589	52,96,541

PACE AUTOMATION LIMITED

Total (A+B+C)	<u>76,228</u>	<u>(8,53,647)</u>
Cash and Cash Equivalents at the Beginning of the year	2,70,00,001	2,78,53,648
Cash and Cash Equivalents at the end of the year	<u>2,70,76,229</u>	<u>2,70,00,001</u>
D. Increase/(Decrease) in Cash and Cash Equivalents	<u>76,228</u>	<u>(8,53,647)</u>

See accompanying notes to financial statements

Vide my report of even date attached

T S R SIVASUBRAMANIAN

Chartered Accountant

Memb. No: 022713

Place: Chennai

Date:

May 28, 2019

Managing
Director

Director

PACE AUTOMATION LIMITED

Statement of Change in Equity

a Equity Share Capital	Rupees
As at 01-04-2017	11,94,80,350
Change in equity share capital	-
As at 31-03-2018	11,94,80,350
Change in equity share capital	-
As at 31-03-2019	11,94,80,350

b Other Equity

	Reserves & Surplus			
	Retained earnings	Capital Reserves	Export Market Development Grant	Total
Balance as at 01-04-2017	(7,62,54,141)	23,09,000	1,92,839	(7,37,52,302)
Add: Profit for the year 2016-17	37,48,080			37,48,080
Add: Additions during the year 2016-17	-	-	-	-
Less: Deductions during the year 2016-17	-	-	-	-
Balance as at 31-03-2017	(7,25,06,061)	23,09,000	1,92,839	(7,00,04,222)
Add: Profit for the year 2017-18	33,97,302	-	-	33,97,302
Add: Additions during the year 2017-18	-	-	-	-
Less: Deductions during the year 2017-18	-	-	-	-
Balance as at 31-03-2018	(6,91,08,759)	23,09,000	1,92,839	(6,66,06,920)
Add: Profit for the year 2018-19	52,41,901	-	-	52,41,901
Add: Additions during the year 2018-19	-	-	-	-
Less: Deductions during the year 2018-19	-	-	-	-
Balance as at 31-03-2019	(6,38,66,858)	23,09,000	1,92,839	(6,13,65,019)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2019

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.

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

PACE AUTOMATION LIMITED

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 amortized 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

PACE AUTOMATION LIMITED

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2018

2 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

Description	Property, Plant & Equipment							Total
	Buildings	Plant and Machinery	Moulds and Tools	Office Equipment	Furniture & Fixtures	Computers	Vehicles	
	1	2	3	4	5	6	7	8
Cost of assets								
Gross carrying value as at 01-04-2018	-	2,00,91,204	-	37,39,341	65,72,013	6,44,99,893	-	9,49,02,451
Additions	-	-	55,38,070	68,685		1,38,430	3,40,820	60,86,004
Sub total	-	2,00,91,204	55,38,070	38,08,026	65,72,013	6,46,38,323	3,40,820	10,09,88,455
Sales/deletion	-	-	-	-	-	-	-	-
Total	-	2,00,91,204	55,38,070	38,08,026	65,72,013	6,46,38,323	3,40,820	10,09,88,455
Depreciation/Amortisation								
Up to 31.03.2018	-	1,95,26,502	-	36,39,969	65,58,565	6,41,52,623	-	9,38,77,659
For the year	-	58,111	2,46,128	26,903	19,780	2,12,947	28,393	5,92,262
Sub total	-	1,95,84,613	2,46,128	36,66,872	65,78,345	6,43,65,570	28,393	9,44,69,921
Withdrawn on assets sold/deleted	-	-	-	-	-	-	-	-
Total	-	1,95,84,613	2,46,128	36,66,872	65,78,345	6,43,65,570	28,393	9,44,69,921
Carrying value								
As at 31-03-2019	-	5,06,591	52,91,942	1,41,154	-6,332	2,72,753	3,12,427	65,18,534
As at 31-03-2018	-	5,64,702	-	99,372	13,448	3,47,270	-	10,24,792

3 LOANS

As at 31.03.2019 As at 31.03.2018

(A) Loans and Advances to Related Parties	-	-
(B) Security Deposits (Secured, Considered good)	3,25,045	3,25,045
(C) Security Deposits(Unsecured, Considered good)	19,56,813	19,56,813
Total (A+B)	22,81,858	22,81,858

(C) Other Loans and Advances
Unsecured, Considered good

-

Income Tax Payments		-
Total (B)	-	-
Total (A+B+C)	22,81,858	22,81,858

4 INVENTORIES

a) Stock-in-Trade	-	-
(The Stock-in-trade are valued at lower of cost and net realisable value).		
b) Work-in-Progress (WIP)	-	-
c) Finished Goods	21,08,735	17,49,026
	<u>21,08,735</u>	<u>17,49,026</u>

5 Trade Receivables

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

Secured, Considered good	-	-
Unsecured, Considered good	48,408	48,408
Doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
Total (A)	48,408	48,408

(B) Others

Secured, Considered good		-
Unsecured, Considered good	89,50,464	2,73,33,500
Doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
Total (B)	89,50,464	2,73,33,500

Total (A+B)=C	89,98,872	2,73,81,908
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6 Cash And Cash Equivalents

Balance with Banks in Current accounts	13,71,906	12,92,607
Fixed Deposits with Banks	2,57,02,000	2,57,02,000
Cash on hand	2,323	5,394
	<u>2,70,76,229</u>	<u>2,70,00,001</u>

7	Current Assets- loan		
	(A) Loans and Advances to related parties	7,56,433	-
	(B) Others		
	(i) Secured, Considered good	-	-
	(ii) Unsecured, Considered good		
	Deposit	-	-
	Others	1,30,07,136	89,10,305
	(iii) Doubtful	-	-
	Total	1,37,63,569	89,10,305
8	Other Current Assets		
	Tax Deducted at Source	68,62,352	-
	Interest accrued on Deposits	6,65,825	4,60,977
	Other Receivables	1,26,375	-
		76,54,552	4,60,977

9 EQUITY SHARE CAPITAL

(a) Authorised, issued, subscribed and fully paid up

Particulars	As at 31.03.2019		As at 31.03.2018	
	Number	Rupees	Number	Rupees
Authorised:				
Equity Shares of Rs.10 each	95,00,000	9,50,00,000	95,00,000	9,50,00,000
Redeemable Preference Shares Rs.10 each	25,00,000	2,50,00,000	25,00,000	2,50,00,000
(b) Issued, Subscribed and Fully paid up :				
Equity Shares of Rs.10 each	94,48,035	9,44,80,350	94,48,035	9,44,80,350
Redeemable Preference Shares Rs.10 each	25,00,000	2,50,00,000	25,00,000	2,50,00,000
(b) Paid-Up, Share Capital :				
Equity Shares of Rs.10 each	94,48,035	9,44,80,350	94,48,035	9,44,80,350
	94,48,035	9,44,80,350	94,48,035	9,44,80,350

(b) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31.03.2019		As at 31.03.2018	
	Number	Rupees	Number	Rupees

Number of shares outstanding as at the beginning of the year	95,00,000	9,50,00,000	95,00,000	9,50,00,000
Shares issued during the year	0	0	0	0
Number of shares outstanding as at the end of the year	95,00,000	9,50,00,000	95,00,000	9,50,00,000

(c) (i) Rights and preferences attached to equity share

Every shareholder is entitled to such rights as to attend and vote at the meeting of the shareholders to receive dividends distributed and also has a right in the residential interest of the assets of the Company. Every shareholder is also entitled to right of inspection of documents as provided in the Companies Act, 2013.

(ii) There are no restrictions attached to equity shares.

(d) Shareholder holding more than 5% shares at the end of the year

Name of the shareholder	Class of shares	As at 31-03-2019		As at 31-03-2018	
		Number	%	Number	%
Mr S G Chandru	Equity	6,50,606	6.89	6,50,606	6.89
Mrs Meera Chandru	Equity	26,15,600	27.68	26,15,600	27.68
Ms Malathi Gopalakrishnan	Equity	27,04,769	28.65	27,04,769	28.65
Electronics Corporation of Tamil Nadu Ltd	Equity	4,89,285	5.18	4,89,285	5.18
Redeemable Preference Shares Mrs Meera Chandru	Equity	25,00,000	100.00	25,00,000	100.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2018

10	Other equity		
		As at 31-03-2019	As at 31- 03-2018
	(i) Capital Reserve (a)	23,09,000	23,09,000
	(ii) Export Market Development Grant (b)	1,92,839	1,92,839
	(iii) Retained Earnings		
	Opening Balance	-6,91,08,759	-7,25,06,061
	Add: Profit/(Loss) for the year	52,41,901	33,97,302
	Closing Balance (c)	-6,38,66,858	-6,91,08,759
	Total (a+b+c)	-6,13,65,019	-6,66,06,920

Financial Liabilities

11 **Non-current Borrowings**

	As at 31-03-2019	As at 31- 03-2018
Particular		
Redeemable Preference Shares	2,50,00,000	2,50,00,000
Trade Deposits	8,68,023	8,98,023
Total	2,58,68,023	2,58,98,023

Note:

1. The Company has only class of Preference Shares (Non-convertible Cumulative Redeemable) having a face value of Rs.10/- and carry a dividend rate of 1%.

2. The Company shall redeem the preference shares in 4 annual instalments of Rs.62.50 lakhs each commencing from the year 2020 - 21.

2. Details of shares held by each shareholding more than 5% shares.

	31.03.2019	31.03.2018
	No. of shares	No. of shares
Mrs Meera Chandru (100%)	2,50,000	2,50,000

12 **Non-Current Liabilities - Financial Liabilities- Deferred Tax Liabilities**

	As at 31-03-2019	As at 31- 03-2018
Particular		
Opening Balance	4,41,866	3,49,722
Add: Additions during the year on account of depreciation Benefits	2,50,910	92,144
Closing Balance	6,92,776	4,41,866

PACE AUTOMATION LIMITED

13 Current Liabilities - Financial Liabilities- Borrowings

Particular	As at 31-03-2019	As at 31- 03-2018
SECURED LOANS		
(Secured by a lien on the fixed deposits held by the company with banks for less than 12 months)	2,33,32,161	2,19,39,690
Toatl	2,33,32,161	2,19,39,690

14 Current Liabilities - Financial Liabilities- Trade Payable

Particular	As at 31-03-2019	As at 31- 03-2018
Trade Creditors	17,91,339	15,93,272
Toatl	17,91,339	15,93,272

15 Current Liabilities - Financial Liabilities- Other Financial Liabilities

Particular	As at 31-03-2019	As at 31- 03-2018
Amount Payable to Directors	3,02,500	3,02,500
Other Payables		
-PF payable	1,07,218	1,17,047
-ESI payable	11,118	10,905
-GST payable	10,95,777	11,11,383
-TDS payable	1,08,988	3,21,965
-Other Creditors	26,18,150	32,08,044
Toatl	42,43,750	50,71,844

16 Current Liabilities - Provisions

Particular	As at 31-03-2019	As at 31- 03-2018
For Income tax	15,90,839	41,25,982
Toatl	15,90,839	41,25,982

17 REVENUE FROM OPERATIONS

	Year ended 31-03-2019	Year ended 31-03-2018
Sales of material	1,91,853	1,69,450

PACE AUTOMATION LIMITED

IT related Services - Transaction Processing Charges	4,94,42,191	4,92,13,559
	4,96,34,044	4,93,83,009
18 OTHER INCOME		
Interest income	17,76,761	18,41,657
Miscellaneous income	2,700	47,284
	17,79,461	18,88,941
19 Purchase of Trade Goods		
Electronic Goods	5,51,562	3,95,737
	5,51,562	3,95,737
20 Change in Inventory of Finished Goods		
Opening stock	17,49,026	35,67,936
Less: Material Rejected / Returned	-	20,67,299
Closing Stock of Finished Goods	21,08,735	17,49,026
	-3,59,709	-2,48,389
21 Employee Benefit Expenses		
Salaries, wages and Bonus	2,00,56,103	2,05,53,506
Remuneration to directors	38,85,000	38,48,000
Contribution of PF and other funds	17,48,972	16,61,247
Staff Welfare Expenses	4,64,898	5,08,221
Gratuity	9,30,252	53,133
	2,70,85,225	2,66,24,107
22 Finance Cost		
Interest Expense	20,26,715	17,02,856
Bank Charges	10,928	24,463
	20,37,644	17,27,319
23 Other expenses		
Rent	47,36,880	47,36,880
Printing and Stationery	18,284	20,570
Repairs and Maintenance Others	2,47,208	9,94,044
Communication expenses	7,97,715	10,67,387
Electricity Charges	15,28,926	17,82,889
Virtual Server Charges	36,45,832	31,06,452
Professional charges	14,08,558	30,38,741
Rates and Taxes	13,490	22,113
Postage and courier expenses	19,552	24,488
Registrations and renewals	30,533	8,871
Miscellaneous expenses	10,28,313	11,13,469
Payments to statutory auditors:		

PACE AUTOMATION LIMITED

- As Auditors	60,000	60,000
- Taxation Matters	15,000	15,000
- Reimbursement of expenses	10,000	10,000
Travelling and Conveyance	8,42,533	4,88,089
Selling and distribution expenses	20,047	53,451
Bad debts written off	-	11,47,728
Project Expenses written off	-	41,351
	1,44,22,871	1,77,31,523

24. Other Notes Forming Part of Financial Statement for the year ended March 31, 2019

(in Lacs)

	2018 – 19	2017 – 18
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
4. Expenditure in foreign currency during the financial year	4.95	2.13
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	8.68	8.98
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		

Managing Director

Mr. S G Chandru

Key Management Personnel

/ Rama Seshan Company Secretary

10. 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:

(in Lacs)

Salary and other employee benefits to Whole-Time Directors and Executive Officers	80.32	80.30
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11. 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.9.30 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)

	31.03.2019	31.03.2018
i. Present value of projected benefit obligation as at the beginning of each year	2,633,842	1,904,831
ii. Service cost	118,343	156,309
iii. Interest cost	210,707	152,387
iv. Actuarial Gain / (Loss)	107,758	729,451
v. Benefits paid	(12,260)	(144,231)
vi. Present value of projected benefit obligation as at the end of each year	3,058,390	2,798,747
vii. Fair value of Plan Assets as at the end of each year	2,927,200	2,066,471
viii. Liability / (Asset) recognised in the Balance Sheet	(131,190)	(732,275)
ix. Amount charged to Profit & Loss Account (Gross)	930,252	887,938
x. Actuarial assumptions:		
a) Discount rate	7.5%	8%
b) Future Salary Escalation	7%	7%
c) Expected rate of return on Plan assets	7.50%	8%

13. Details of Earnings per Share:

	31.03.2019	31.03.2018
Profit / (Loss) after tax (in `)	52,41,901	33,97,302
No of equity shares at the beginning of the year	94,48,035	94,48,035
No of equity shares at the end of the year	94,48,035	94,48,035
Face value of per share (in `)	10.00	10.00

PACE AUTOMATION LIMITED

Earnings per share (in `) – Basic and Diluted	0.55	0.36
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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 31.03.2019 in excess of Rs.1,00,000/- to any party classified as Micro, Small and Medium Enterprises.

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

N. Sripathy
Chief Financial
Officer

Place: Chennai
Date: May 30, 2019

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 29th Annual General Meeting, to be held on Thursday, the 12th December 2019 at 3.00 p.m. at ASHA NIVAS No. 9, Rutland Gate 5th Street, Nungambakkam, Chennai-600 006 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 Mr. Sriperambadur Gopalakrishnan Chandru (having Din. 00814605), who retires from office by rotation and being eligible offers himself for reappointment.

Special Resolution – Special Business

3. Re-appointment of Mr. S G Chandru as Managing Director of the Company

Signed this day of 2019

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

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

CIN: L29141TN1989PLC018133

ATTENDANCE SLIP

I hereby record my Presence at the 29th Annual General Meeting of the Company being held at ASHA NIVAS No. 9, Rutland Gate 5th Street, Nungambakkam, Chennai-600 006 on Thursday, the 12th December 2019 at 3.00p.m

Full Name of the Member attending/Proxy

Signature

Folio No. / DP.ID / CL.ID

No. of Shares held.

NOTE:

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

PACE AUTOMATION LIMITED

PACE AUTOMATION LIMITED

[CIN-L29141TN1989PLC018133]

Regd.office: Empee Towers,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 blockletters)
- 2 Name(s) of Joint Shareholder(s), if any
- 3 Registered Folio No./DP ID No/ Client IDNo
- 4 Number of shares held

I/We hereby exercise my/ our vote in respect of the Resolutions to be passed at the 29th Annual General Meeting of the Company to be held on 12th December 2019 for the business stated in the Notice of the meeting dt. 04.11.2019 by conveying my /our assent or dissent to the said Resolutions by placing tick mark at the appropriate box below:

Resolu tion No.	DescriptionofResolution	Typeof 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, 2019	Ordinary			
2	To Re-appoint of Mr.Sriperambadur Gopalakrishnan Chandru (having Din. 00814605), who retires from office by rotation and being eligible offers himself for reappointment.	Ordinary			
3	Re-appointment of Mr. S G Chandru as Managing Director of the Company	Special 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 Attendanceslip and Proxy form is being sent in the permitted mode.

ROUTE MAP

