



PACE AUTOMATION LIMITED
33rd ANNUAL REPORT
2022-2023

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. S. G. Chandru	Managing Director
Mr. K Venkateswaran	Independent Director
Ms. Malathy Gopalakrishnan	Non-Executive Director
Ms. Raghavan Suguna	Independent Director
Mr. Balamurugan	Company Secretary (Till 31 st March 2023)

AUDIT COMMITTEE

Mr. K Venkateswaran	Chairperson
Ms. Raghavan Suguna	Member
Ms. Malathy Gopalakrishnan	Member

STAKEHOLDER RELATIONSHIP COMMITTEE

Ms. Malathy Gopalakrishnan	Chairperson
Mr. K Venkateswaran	Member
Mr. S. G. Chandru	Member

NOMINATION AND REMUNERATION COMMITTEE

Mr. K Venkateswaran	Chairperson
Ms. Malathy Gopalakrishnan	Member
Ms. Raghavan Suguna	Member

STATUTORY AUDITOR

M/S. Vivekanandan & Associates,
Chartered Accountants
4/22, Sri Ramajayam, Raghavan Colony
Ashok Nagar First Cross Street,
Chennai, Tamil Nadu 600 083

SECRETARIAL AUDITORS

M/s. Lakshmmi Subramanian & Associates
Murugesha Naicker Office Complex,
No. 81, Greams Road,
Chennai - 600006

INTERNAL AUDITORS

Shri N Subramanian, F.C.A (Till 30th September 2022)
T.S.R. Sivasubramanian, F.C.A. (Appointed W.e.f., 01.04.2023)
F Flat No. 4-E, Block-3, Ceebros Orchid, 263/33
Velachery Main Road, Velachery, Chennai-600 042

PRINCIPAL BANKER

ICICI Bank, Adyar, Chennai
Canara Bank, T. Nagar, Chennai

Registrars & Share Transfer Agents

M/s. Cameo Corporate Services Limited
Subramanian Building
No.1,ClubHouse Road,Chennai - 600002
Phone: 044-28460390
Email: cameo@cameoindia.com

Stock Exchange Where Company's Securities Are Listed

Metropolitan Stock Exchange

REGISTERED OFFICE

No.2, III Street, Parameswari Nagar, Adyar, Chennai- 600020

Email: srinivasan@paceautomation.com

Website: www.paceautomation.com

Investor Relations Email ID: srinivasan@paceautomation.com

Contact Number: 9940081528

Corporate Identity Number: L29141TN1989PLC018133

Annual Report 2022-2023

Table of Contents

Topic	Page No
Notice of Annual General Meeting	4
Directors' Report	20
Annexures to the Directors report	
Management Discussion & Analysis Report	21
Conservation of Energy, research development, technology absorption, foreign exchange earnings and outgo.	32
Secretarial Audit Report	36
Financial Statements	
Independent Auditors Report	44
Balance Sheet	55
Statement of Profit and Loss	56
Statement of Cash Flows	57
Notes forming part of Financials Statements	58

Notice is hereby given that the 33rd Annual General Meeting of Pace Automation Limited will be held on Wednesday, 23rd of August, 2023 through Video Conference (VC) or Other Audio-Visual Mean (OAVM) at 11.30 AM 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, 2023 together with the Reports of the Board of Directors and the Auditors thereon.

2)To appoint a director in place of Mr. S.G. Chandru (having DIN: 00814605) who retires from office by rotation and being eligible offers himself for reappointment.

SPECIAL BUSINESS

3)To approve power to borrow funds pursuant to the provisions of section 180(1)(c) of the Companies Act, 2013, not exceeding Rs. 15 Crores

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

“RESOLVED THAT in supersession of all earlier resolutions passed on the matter and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof, for the time being in force), and the Articles of Association of the Company, consent of the shareholders of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee thereof) to borrow from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total outstanding amount so borrowed shall not exceed the limit of Rs. 15 Crores (Both funded and non-funded) at any point of time”

RESOLVED FURTHER THAT the Board be and are hereby authorized to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all other acts, deeds, matters and things as may be deemed necessary and incidental for giving effect to the above, including execution of all such documents, instruments and writings, as may be required.”

4)To re-appoint Mrs Raghavan Suguna (having DIN 06601230) as Independent Director of the company for a second term of five consecutive year

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

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and basis of the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mrs Raghavan Suguna (having DIN 06601230), whose first term as an Independent Director expiring on 14th August 2023 and who has submitted a declaration be and is hereby reappointed for further period of five years from 14th August 2023 to 13th August 2028.

Place: Chennai

Date: 19-07-2023

Sd/-
S.G. Chandru
Managing Director
(DIN: 00814605)

Sd/-
Malathy Gopalakrishnan
Director
(DIN: 00841108)

Notes:

1. The Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 14/2020 dated 8th April, 2020; 17/2020 dated 13th April, 2020; 20/2020 dated 5th May, 2020; 02/2021 dated 13th January, 2021; 03/2022 dated 05th May, 2022, 10/2022 dated 28th December, 2022 and any amendment/ modification thereof issued by MCA and read with the Securities and Exchange Board of India (“SEBI”) Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, Circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021, Circular No. SEBI/ HO/CFD/CMD2/ CIR/P/2022/62 dated 13th May, 2022 and Circular No. SEBI/ HO/CFD/PoD-2/P/ CIR/2023/4 dated 05th January, 2023 (hereinafter referred to as “Circulars”), and in compliance with the provisions of the Companies Act, 2013 (“Act”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulation, 2015 (“Listing Regulations”) permitted the holding of the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM), without the physical presence of the members at a common venue.
2. Accordingly, in compliance with the provisions of the Act read with the Circulars, the AGM of the Company is being held through VC / OAVM only. Further, in accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India (“ICSI”) read with Guidance/Clarification dated 15th April, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM
3. Since this AGM is being held pursuant to the Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
4. In line with the Circulars, the Annual Report for the Financial Year 2022-23 including Notice of the 33rdAGM of the Company, inter alia, indicating the process and manner of e-voting is being sent by Email, to all the Members whose Email IDs are registered with the Company / Registrar and Share Transfer Agent or with the respective Depository Participant(s) for communication purposes to the Members and to all other persons so entitled and the same will also be available on the website of the Company at

www.Paceautomation.com and can also be accessed from the websites of the Stock Exchanges i.e., MSEI Limited at www.msei.in

5. The SEBI has mandated the submission of the Permanent Account Number ("PAN") by every participant in the securities market. Members holding shares in electronic form are, therefore requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are requested to submit their PAN details to the Company's share transfer agent, M/s. Cameo Corporate Services Limited.
6. Those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated with their DP to enable servicing of notices/ documents/ Reports and other communications electronically to their e-mail address in future.
7. Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
8. In compliance with the provisions of Sections 108 and other applicable provisions of the Act, read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company is offering only e-voting facility to all the Members of the Company and the business will be transacted only through the electronic voting system. The Company has engaged the services of M/s. Cameo Corporate Services Limited for facilitating e-voting to enable the Members to cast their votes electronically as well as for e-voting during the AGM. Resolution(s) passed by Members through e-voting are deemed to have been passed as if they have been passed at the AGM.
9. In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialised form with effect from 01st April 2019 except in case of transmission or transposition of securities. In view of the above, members holding shares in physical form are advised to dematerialise the shares with their Depository Participant.
10. Members are provided with the facility for voting through Voting system during the VC/OAVM proceedings at the AGM and Members participating at the AGM, who have not already casted their vote by remote e-voting, are eligible to exercise their right to vote at the AGM.

11. Members who have already casted their vote by remote e-voting prior to the AGM will be eligible to participate at the AGM but shall not be entitled to cast their vote again on such resolution(s) for which the Member has already casted the vote through remote e-voting.
12. The Register of Members and Share Transfer Books of the Company will **remain closed from Thursday, 17th of August 2023 to Wednesday, 23rd of August 2023** (both days inclusive) in terms of the provisions of Section 91 of the Companies Act, 2013 and the applicable clauses of the SEBI (Listing Obligations and Disclosures Requirements Regulations) 2015.
13. The Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date on Friday, 23rd June 2023, (being the date for record date for capital reduction) may cast their vote by remote e-voting. The remote e-voting period commences on **Sunday, 20th August 2023 at 09:00 A.M. (IST)** and ends on **Tuesday, 22nd August 2023 at 05:00 P.M. (IST)**. Once the vote on a resolution is casted by the Member, the Member shall not be allowed to change it subsequently.

INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on **Sunday, 20th August 2023** at 09:00 A.M. (IST) and ends on **Tuesday, 22nd August 2023** at 05:00 P.M. (IST). 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) of on Friday, 23rd June 2023, (being the date for record date for capital reduction) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242** dated **09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242** dated **December 9, 2020**, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>2. After successful login the Easi / Easiest user will be able to see the e-</p>

	<p>Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL	<p>1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL:</p>

	<p>https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.</p> <p>Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

1. The shareholders should log on to the e-voting website www.evotingindia.com.
2. Click on “Shareholders” module.
3. Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6. If you are a first-time user, follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Depository Participant are requested to use the sequence number sent by RTA or contact RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth in (dd/mm/yyyy) format as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository, please enter the member id/folio number in the Dividend Bank details field.

vi. After entering these details appropriately, click on “SUBMIT” tab.

vii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

viii. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

ix. Click on the EVSN for the relevant Pace Automation Limited on which you choose to vote.

x. 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.

xi. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xii. 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.

xiii Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xiv You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

xv If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xvi. Additional Facility for Non - Individual Shareholders and Custodians - For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- 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) for which they wish to vote on.

- The list of accounts linked in the login 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.
- Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at their email address, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by kandhimathi@cameoindia.com.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at sripathi@paceautomation.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number atsripathi@paceautomation.com These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com.

xvii The Company has appointed Smt. Lakshmmi Subramanian, Practicing Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast and she has communicated her willingness to be appointed.

The Scrutinizer, after scrutinising the votes cast during the AGM and through remote e-voting, will not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.paceautomation.com and CDSL website. The results shall simultaneously be communicated to the Metropolitan Stock Exchange Limited.

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING:

Name of the director	Mr. S. G. Chandru.
DIN	00814605
Age	80 years
Date of Appointment	18/10/2002
Experience	More than 40 years
No. of. Shares held as on 31.03.2023	650606
No. of. Board Meetings Attended during FY 2022-2023	6
Directorship in other public companies	NIL.
Chairman/Member of committees of company	Member, Stakeholder Relationship Committee
Relationship with any other Director	Mrs. Malathy Gopalakrishnan
Brief History	He is a promoter of the company. Since, he is a director retiring by rotation and being eligible, he offers himself for reappointment. 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.

Place: Chennai

Date: 19-07-2023

By and on behalf of the Board

Sd/-
S.G. Chandru
Managing Director
(DIN: 00814605)

Sd/-
Malathy Gopalakrishnan
Director
(DIN: 00841108)

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 RELATING TO THE AFORESAID SPECIAL RESOLUTIONS

Item no 3:

The existing borrowing limit for the Company was approved by the members in their General Meeting pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013. Considering the business plans and the growing fund requirements of the Company, it is proposed to increase the existing borrowing limit of the Company to INR 15.00 crores. The approval of the members is sought pursuant to Section 180(1)(c) of the Companies Act, 2013 and rules made thereunder.

The Board recommends the above special resolution for your approval.

No Director or any of the Key Managerial Personnel of the Company or their relatives are, directly or indirectly, concerned or interested in the Resolution.

Item no. 4:

The Present proposal is to seek the Shareholders' approval for the appointment of Mrs Raghavan Suguna (having DIN 06601230) as an Independent Director for reappointment of second term of Five (5) years with effect from 14th August 2023 in terms of the applicable provisions of the Companies Act, 2013. The appointment has been recommended by the Nomination and Remuneration Committee in its meeting held on 19-07-2023 and subsequently approved by the Board of Directors in its meeting held on the 19th August 2023. A brief detail of Mrs Raghavan Suguna (having DIN 06601230) is given below as per SEBI Regulations and Secretarial Standards

Name of the Director	Mrs. Suguna Raghavan		
DIN	06601230		
Age	73 years		
Date of Appointment	14/08/2018		
Experience	More than 25 years		
Directorship in other public companies	CIN	Name of the company	Current Designation of the director
	L74210TN1986PLC012791	TWENTYFIRST CENTURY MANAGEMENT SERVICES LTD	Independent Director

	L29142TN1961PLC004568	W S INDUSTRIES (INDIA) LIMITED	Independent Director
	U24117TN1984PLC1928	MARUTHI INDUSTRIAL CERAMICS INDIA LIMITED	Independent Director
Member of committees of company	7		
Relationship with any other Director	NIL		

Mrs Raghavan Suguna (having DIN 06601230) is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act 2013 and has consented to act as a Director of the Company.

The company has also received a declaration from her that she meets the criteria of independence as prescribed under Section 149 (6) of the Act. In the opinion of the Board, she fulfills the conditions specified in the Act and the rules made there-under for appointment as an Independent Director and is independent of the Management.

A copy of the draft letter of appointment which will be issued to Mrs Raghavan Suguna (having DIN 06601230) setting out the terms and conditions of his appointment as an Independent Director is available for inspection by Members at the Registered Office of the company on any working day (Monday to Friday) between 10.00 AM and 5.00 PM up to 23rd August 2023.

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

Except Mrs Raghavan Suguna (having DIN 06601230), None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in the resolution set out at Item No. 4.

Place: Chennai
Date: 19-07-2023

By and on behalf of the Board

Sd/-
S.G. Chandru
Managing Director
(DIN: 00814605)

Sd/-
Malathy Gopalakrishnan
Director
(DIN: 00841108)

DIRECTORS REPORT

Dear Shareholders,

Your directors have pleasure in presenting the 33rd Annual Report on the business and operations of your company along with the Audited Financial statements for the year ended 31st March 2023.

1. FINANCIAL RESULTS:

The summarized Financial Results for the year ended 31st March 2023.

(Rs. In Lakhs)

PARTICULARS	2022-23	2021-22
Revenue from operations	568.49	346.39
Other Income	14.25	7.92
Total Income	582.74	354.32
Total expenses	372.57	296.90
Profit/(Loss) before interest and Depreciation	266.23	66.74
Less: Interest	0.05	0.55
Profit before depreciation	266.18	66.19
Less: Depreciation	56.02	8.77
Profit/(Loss) before tax	210.16	57.42
Exceptional Item	-	-
Tax Expenses:		
Current Tax	61.16	13.37
Deferred Tax	(8.26)	1.07
MAT Credit entitlement	-	-
Transfer to Reserve	-	-
Profit / (Loss) carried to Balance sheet	158.88	42.96

2. STATE OF AFFAIRS OF THE COMPANY'S AFFAIRS/ CHANGE IN NATURE OF BUSINESS:

During the year under review, the Company earned a net profit of Rs. 158.88 lakhs as against a net profit of Rs. 42.96 lakhs in the previous year.

There are adequate financial controls commensurate with the size of the organization and with reference to the financial statements; there is no change in the nature of the business.

3. SHARE CAPITAL:

The Company has got approval from NCLT vide order dated 31st May 2023 to implement a scheme to set off a part of the accumulated loss against the paid-up share capital. Consequent to the implementation of this scheme, the paid-up equity share capital of the company is reduced to an extent of 68%.

4. DIVIDEND:

The Board of Directors wish to conserve the profit for future development and expansion. Your Company have not recommended any dividend for the financial year 2022-23

5. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

There has been no loan and guarantees given or made by the Company under Section 186 of the Act, 2013 during the financial year 2022-23

6. TRANSFER TO GENERAL RESERVE:

Your directors do not propose to transfer any amount to the general reserve of the company during the financial year 2022-23.

7. DEPOSITS:

During the financial year 2022-23, your Company has not accepted any deposit under the provisions of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

8. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

During the year 2022-23, the Company had not entered into any material transaction with related parties pursuant to the provisions of section 188 of the Companies Act, 2013.

9. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

As required under Regulation 34(2) of the SEBI Listing (Obligations and Disclosures) Requirements Regulations, the Management Discussion and Analysis Report as under:

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:

Your company's project has resulted in high quality output which has resulted to tie up long term contracts with the customers. The 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.

10. BOARD POLICIES:

The Company has the following policies which are applicable as per the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 which are placed on the website of the Company www.paceautomation.com

- (i) Code of conduct for Directors and Senior Management
- (ii) Policy of Directors' Appointment and Remuneration
- (iii) Nomination & Remuneration Policy
- (iv) Policy on Related Party Transactions
- (v) Policy on sexual harassment of women at work place (Prevention, Prohibition and redressal) Act, 2013
- (vi) Risk Management Policy
- (vii) Vigil Mechanism Policy

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 SEBI (LODR) 2015 relating to corporate governance is not applicable.

11. RISK MANAGEMENT:

Pursuant to Section 134 of the Companies Act, 2013, the Company has a risk management policy in place for identification of key risks to its business objectives, impact assessment, risk analysis, risk evaluation, risk reporting and disclosures, risk mitigation and monitoring, and integration with strategy and business planning.

The Management identifies and controls risks through a properly defined framework in terms of the aforesaid policy.

12. NOMINATION AND REMUNERATION POLICY:

Pursuant to Section 178(3) of the Companies Act, 2013, the Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the company. The policy also lays down the criteria for selection and appointment of Board Members. The policy and details of Nomination and Remuneration is available on the website of the Company at www.paceautomation.com.

In accordance with the Nomination and Remuneration Policy, the Nomination and Remuneration Committee has, inter alia, the following responsibilities:

1. The Committee had formulated the criteria for determining qualifications, positive attributes, and independence of a director and the same is available in the company website www.paceautomation.com.
2. The Committee shall identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
3. Recommend to the Board, appointment, and removal of Director, KMP and Senior Management Personnel.
4. The Board shall carry out evaluations of the performance of every Director, KMP and Senior Management Personnel at regular intervals (yearly).
5. The remuneration/ compensation/ commission etc. to the Managerial Personnel, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration/ compensation/ commission etc. shall be subject to the prior/ post approval of the shareholders of the Company and Central Government, wherever required.
6. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Personnel.

7. Where any insurance is taken by the Company on behalf of its Managerial Personnel, Chief Executive Officer, Chief Financial Officer, the Company Secretary, and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
8. The Non-Executive/ Independent Director is paid remuneration by way of fees for attending meetings of the Board or Committee thereof.
9. Commission to Non-Executive/ Independent Directors, if proposed may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

13. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT:

Training in all sectors is given to its employees periodically and motivated to work in line with the development of the industry. The willingness and commitment of the employees help the company to stand tall among its customer in quality and service.

14. INTERNAL COMPLAINTS COMMITTEE:

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder. Internal Complaints Committee ("ICC") is in place for all works and offices of the Company to redress complaints received regarding sexual harassment. The policy on Prohibition Prevention & Redressal of Sexual Harassment is available on the website of the Company at www.paceautomation.com.

During the Financial Year under review, no complaints with allegation of sexual harassment were filed with the ICC.

Internal Complaint Committee Members:

1. S. G. Chandru
2. Malathy Gopalakrishnan

The Committee met once in the financial year 2022-23. The Company is committed to provide a safe and conducive work environment to its employees during the financial year. Your directors state that during the financial year 2022-23, there were no cases filed pursuant to the Sexual harassment of Women at workplace (Prevention and Redressal) Act, 2013.

15. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

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

16. COMMISSION RECEIVED BY DIRECTOR FROM HOLDING OR SUBSIDIARY COMPANY:

The Company neither has any holding nor is any subsidiary company, therefore, disclosure under Section 197 (14) of the Companies Act, 2013 not applicable.

17. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There have been no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of this report under section 134(3)(l) of the companies act, 2013.

18. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations except the NCLT order dated 31st May 2023 received for capital reduction of the Company.

19. REPORTING OF FRAUDS BY AUDITORS:

The statutory auditors have not reported any instance of fraud under Section 143(12) of the Companies Act, 2013 during this year.

20. AUDITORS:

STATUTORY AUDITORS:

M/S. Vivekanandan & Associates, Chartered Accountants, (Firm Registration Number: 005268 S) were appointed as statutory auditor of the company for the term of five years in

the 32nd Annual General Meeting held on 03rd August 2022 and they continue to hold the office as the Auditors till this 37th Annual General Meeting.

COMMENT ON STATUTORY AUDITOR'S REPORT:

There are no qualifications, reservations, remarks or disclaimers made by M/S. Vivekanandan & Associates, Statutory Auditors, in their audit 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) Rules, 2014, Mr. P.S. Srinivasan of M/s. Lakshmmi Subramanian & Associates, Practicing Company Secretaries (Membership No. CP 3122) was appointed to conduct the Secretarial Audit for the financial year 2022-2023.

The Secretarial Audit report as received from the Secretarial Auditor is annexed to this report as **Annexure II**.

QUALIFICATION IN SECRETARIAL AUDIT REPORT

There are no material qualifications in the Secretarial Report for the financial year 2022-23 except few which was taken on record for due action.

Board's reply:

The company is in the process of dematerialising the shares of promoters.

INTERNAL AUDITORS:

Shri N Subramanian, Chartered Accountant was the Independent Internal Auditor of the Company till 30th September 2022. M/s. T.S.R. Sivasubramanian was appointed as an Internal Auditor of the Company w.e.f., April 01, 2023. The Audit Committee determines the scope of internal Audit in line with regulatory and business requirements.

COST AUDITORS:

Pursuant to notification of Companies (Cost Records and Audit) Rules, 2014 read with Companies (Cost Records and Audit) Amendment rules, 2014, the Company does not fall under the purview of Cost Audit.

21. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Board consists of 3 directors and 2 KMP including a managing director and company secretary. The Company Secretary resigned w.e.f., 31st March 2023 and Company is yet to identify a new Company Secretary.

22. BOARD EVALUATION:

Pursuant to the provision of the Companies Act, 2013, a structured questionnaire was prepared after taking into consideration of the various aspects of the Boards' functioning, the composition of the Board and its committees, culture, execution and performance of specific duties, obligations, and governance.

The board and the committee were evaluated on various criteria as stated below:

1. Composition of the Board and Committee.
2. Understanding of the Company and its business by the Board.
3. Availability of information to the board and committee.
4. Effective Conduct of Board and Committee Meetings.
6. Monitoring by the Board management effectiveness in implementing strategies, managing risks and achieving the goals.

The Board also carried out the evaluation of directors and chairman based on following criteria:

1. Attendance of meetings.
2. Understanding and knowledge of the entity.
3. Maintaining Confidentiality of board discussion.
4. Contribution to the board by active participation.
5. Maintaining independent judgment in the decisions of the Board

23. AUDIT COMMITTEE RECOMMENDATION:

During the year all the recommendations of the Audit Committee were accepted by the Board. Pursuant to Section 177(8) of the Companies Act, 2013, the Composition of Audit Committee is given as under:

Composition of Audit Committee:

The Composition of the Audit Committee as on 31st March 2023 is as follows:

- Mr. K Venkateswaran Chairperson
- Ms. Raghavan Suguna Member
- Ms. Malathy Gopalakrishnan Member

24. NUMBER OF MEETINGS OF THE BOARD AND BOARDS' COMMITTEE:

The Board meets at regular intervals to discuss and decide on business strategies / policies and review the financial performance of the Company. The Board Meetings are pre-scheduled, and a tentative annual calendar of the Board is circulated to the Directors well in advance to facilitate the Directors to plan their schedules.

Meeting	No. of Meetings during the Financial Year 2022-23	Date of the Meeting
Board Meeting	6	May 23, 2022, July 07, 2022, August 8, 2022, November 10, 2022, February 10, 2023 and March 31, 2023
Audit Committee	5	May 23, 2022, August 8, 2022, November 10, 2022, and February 10, 2023
Nomination & Remuneration Committee	1	31st March 2023
Stakeholders' Grievances Committee	3	June 10, 2022, December 30, 2022, March 30, 2023.

The interval between two Board Meetings was well within the maximum period mentioned under section 173 of the Companies Act, 2013, and SEBI Listing (Disclosures and Obligations Requirements) Regulations, 2015.

25. SEPARATE MEETING OF THE INDEPENDENT DIRECTORS:

As required under Clause VII of Schedule IV of the Companies Act, 2013, the Independent Directors held a Meeting on 10th February 2023, without the attendance of Non-Independent Directors and members of Management.

26. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The familiarization program is to update the Directors on the roles, responsibilities, rights and duties under the Act and other statutes and about the overall functioning and performance of the Company. The policy and details of familiarization program is available on the website of the Company at www.paceautomation.com.

27. INDEPENDENT DIRECTOR'S DECLARATION:

All Independent Directors have given declarations that they meet the Criteria of independence laid down under Section 149 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 in respect of financial year ended 31st March, 2023, which has been relied on by the Company and placed at the Board Meeting.

28. SECRETARIAL STANDARDS:

In terms of Section 118(10) of the Act, the Company states that the applicable Secretarial Standards i.e., SS-1 and SS-2, issued by the Institute of Company Secretaries of India, relating to Meetings of Board of Directors and General Meetings respectively, have been duly complied with however improvements in certain areas are being made.

29. WHISTLE BLOWER POLICY/ VIGIL MECHANISM:

Pursuant to Section 177(9) of the Companies Act, 2013, your Company has established a Vigil Mechanism policy for directors and employees to report concerns about unethical behaviours, actual or suspected fraud, violations of Code of Conduct of the Company etc. The mechanism also provides for adequate safeguards against the victimization of employees who avail themselves of the mechanism and also provides for direct access by the Whistle Blower to the Audit Committee. It is affirmed that during the Financial Year 2022-23, no employee has been denied access to the Audit Committee. The vigil mechanism policy is also available on the Company's website www.paceautomation.com

30. INTERNAL FINANCE CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has formulated a Framework on Internal Financial Controls In accordance with Rule 8 (5) (viii) of Companies (Accounts) Rules, 2014, the Company has adequate internal control systems to monitor business processes, financial reporting and compliance with applicable regulations and they are operating effectively.

The systems are periodically reviewed by the Audit Committee of the Board for identification of deficiencies and necessary time-bound actions are taken to improve

efficiency at all the levels. The Committee also reviews the observations forming part of internal auditors' report, key issues and areas of improvement, significant processes and accounting policies.

31. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT:

The Board of Directors has adopted a policy and procedure on Code of Conduct for the Board Members and employees of the Company in accordance with the SEBI (Prohibition of Insiders Trading) Regulations, 2015. 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 wrong doing and promoting ethical conduct at the Board and by 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 workplace, in business practices and in dealing with stakeholders.

All the Board Members and the Senior Management Personnel have confirmed Compliance with the Code.

32. CORPORATE SOCIAL RESPONSIBILITY (CSR):

As per the provision of Section 135 of the Companies Act, 2013, all companies having a net worth of Rs.500crore or more, or a turnover of Rs.1,000crore or more or a net profit of Rs.5crore or more during any financial year are required to constitute a CSR committee and our Company does not meet the criteria as mentioned above, hence the Company has not constituted any Corporate Social Responsibility Committee; and has not developed and implemented any Corporate Social Responsibility initiatives and the provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company.

33. EXTRACT OF ANNUAL RETURN:

The Annual Return in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, is available on company's website and can be accessed -www.paceautomation.com.

34. PARTICULARS OF EMPLOYEES:

There are no employees falling within the provisions of Section 197 of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

35. DISCLOSURE REQUIREMENTS:

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and is of the view that such systems are adequate and operating effectively.

36. DIRECTORS' RESPONSIBILITIES STATEMENT:

As required under Section 134(3)(C) of the Companies Act, 2013 the Directors hereby state and confirm that they have:

- a) In the preparation of the annual accounts for the year ended 31st March 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit and loss of the Company for the year ended on that date.
- c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) They have prepared the annual accounts on a going concern basis.
- e) They have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively.
- f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

During the year under review, there were no frauds reported by the Auditors on the employees or officers of the Company under section 143(10) of the Companies Act, 2013.

37. THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

A. CONSERVATION OF ENERGY:

- a. In view of the pandemic and employees working from home the registered office has been shifted to a very small place wherein there is absolutely no power consumption when compared to the earlier years
- b. Improvements in operating efficiency and reduction in the employee strength.

B. TECHNOLOGY ABSORPTION:

- (i) The efforts made towards technology absorption: NIL
- (ii) Benefits derived
Production improvement: NIL
Cost Reduction: NIL
Production development or Import substitution; NIL
- (iii) Import Technology; NIL
- (iv) Expenditure incurred on Research and Development; NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in lakhs)

C. FOREIGN EXCHANGE EARNINGS AND OUTGO	2022-23	2021-22
Earning in Foreign Exchange	NIL	NIL
Expenditure in Foreign Exchange	NIL	0.88
CIF value of imports - Raw Materials	NIL	NIL

38. CORPORATE GOVERNANCE REPORT:

As prescribed under the provisions of Regulation 15(2) of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, your Company does not fall under the purview of complying with the provisions of Corporate Governance. During the year, with the approval of the Board of Directors, your Company has informed the non-applicability provision to the Bombay Stock Exchange.

Since the provision of Corporate Governance is not applicable for the entire Financial Year 2022-23, a separate report of Corporate Governance is not disclosed in the Annual Report 2022-23.

39. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

There are no proceedings pending under the Insolvency and Bankruptcy Code, 2016.

40. MAJOR THINGS HAPPENED DURING THE YEAR WHICH MADE THE IMPACT ON THE OVERALL WORKINGS OF THE COMPANY & THE MAJOR ACTIONS TAKEN BY THE COMPANY IN THAT RESPECT, SUCH AS COVID-19 PANDEMIC:

Capital Reduction final order received from NCLT on 31st May 2023 which will have an impact on the paid-up share capital. The company is taking steps to implement the order with MSEI and through CDSL /RTA.

41. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

During the year under review there was no instance of one-time settlement with any Bank or Financial Institution.

42. THE RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF THE EMPLOYEES OF THE COMPANY FOR THE FINANCIAL YEAR AND PERCENTAGE INCREASE IN REMUNERATION OF EACH DIRECTOR AND KMP:

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company and Directors is furnished hereunder:

S. No	Name	Designation	Remuneration paid. FY 2022-23	Remuneration paid. FY 2021-22	Increase /Decrease in remuneration from previous year	Ratio / times per median of employee remuneration
1	S. G. CHANDRU	Managing Director	Rs 59,99,513	Rs 56,05,223	Rs 3,94,290	85.71:1
2.	BALAMURUGAN	Company Secretary	Rs 20,000	Rs 20,000	NIL	NIL

43. LISTING FEES:

The Company confirms that it has paid the annual listing fees for the year 2022-23 to the Metropolitan Stock Exchange.

44. CLOSURE OF REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS:

The Register of Members and Share Transfer books of the company will be closed with effect from Thursday, 17th August 2023 to Wednesday, 23rd August 2023 (both days inclusive).

45. ACKNOWLEDGEMENT:

Your directors take this opportunity to express their sincere gratitude to the encouragement, assistance, cooperation, and support given by the Central Government, the Government of Tamil Nadu during the year. They also wish to convey their gratitude to all the customers, Auditors, suppliers, dealers, and all those associated with the company for their continued patronage during the year.

Your directors also wish to place on record their appreciation for the hard work and unstinting efforts put in by the employees at all levels. The directors are thankful to the esteemed stakeholders for their continued support and the confidence reposed in the Company and its management.

46. CAUTIONARY STATEMENT:

The statements contained in the Board's Report and Management Discussion and Analysis Report contain certain statements relating to the future and therefore are forward looking within the meaning of applicable securities, laws and regulations. Various factors such as economic conditions, changes in government regulations, tax regime, other statues, market forces and other associated and incidental factors may however lead to variation in actual results.

Place: Chennai

Date: 19-07-2023

By and on behalf of the Board

Sd/-
S.G. Chandru
Managing Director
(DIN: 00814605)

Sd/-
Malathy Gopalakrishnan
Director
(DIN: 00841108)

Annexure-II**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31.03.2023**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members
Pace Automation Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we year ended on 31st March, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have also examined the following with respect to the new amendment issued vide SEBI Circular number CIR/CFD/CMD1/27/2019 dated 8th February, 2019 and Exchange Circular no. 20230316-14 dated March 16, 2023 (Regulation 24A of SEBI(LODR)).

- (a) all the documents and records made available to us and explanation provided by Pace Automation Limited ("the Listed Entity"),
- (b) the filings/submissions made by the Listed Entity to the Stock Exchanges,
- (c) website of the listed entity,
- (d) books, papers, minute books, forms and returns filed with the Ministry of Corporate Affairs and other records maintained by Pace Automation Limited ("the Company") for the financial year ended on 31st March, 2023 according to the provisions as

applicable to the Company during the period of audit and subject to the reporting made hereinafter and in respect of all statutory provisions listed hereunder:

- i. The Companies Act, 2013 (the Act) and the rules made there under
- ii. The Securities Contracts (Regulation) Act 1956 (SCRA) and the rules made thereunder
- iii. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- iv. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act 1992 (SEBI Act)
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. However, the Regulation 24 A relating to Secretarial Compliance Report is not applicable to the Company for the period under review;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Securities and Exchange Board of India (Prohibition of Insider Trading Regulations 2015 as amended from time to time
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 as amended from time to time regarding the Companies Act and dealing with client to the extent of securities issued;

We hereby report that,

- a. The Listed Entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder.
- b. The Listed Entity has maintained proper records under the provisions of the above Regulations and circulars/guidelines issued thereunder in so far as it appears from our examination of those records.
- c. There were no actions taken against the listed entity / its promoters / directors / material subsidiaries either by SEBI or by Stock Exchanges (including under the

Standard Operation Procedures issued by SEBI through various circulars) under the aforesaid Acts / Regulations and circulars / guidelines issued thereunder.

We have also examined the compliance with the applicable clauses of the following:

- (i) The Listing Agreements entered into by the Company with the Stock Exchanges, where the Securities of the Company are listed and the uniform listing agreement with the said stock exchanges pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (ii) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India as amended from time to time.

In our opinion and as identified and informed by the Management, the following laws are specifically applicable to the Company:

S. No	Particulars of the Act/Rules
1.	Designs Act,2000
2.	Consumer Protection (E-Commerce) Rules, 2020
3.	Information Technology (Electronic Service Delivery) Rules, 2011
4.	the Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011.
5.	Information Technology (Intermediaries guidelines) Rules, 2011
6.	The information Technology Act, 2000
7.	Policy relating to Software Technology Parks of India and its Regulations
8.	The Indian Copyright Act, 1957
9.	The Trademark Act, 1999

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, except:

- for few delay in filing for which adequate filing fee is paid to MCA.
- Promoters Shareholding is not in 100 percent demat form

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

1. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
2. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
3. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
4. The Securities and Exchange Board of India (Issue of Capital and Disclosure (Requirements) Regulations, 2018;
5. Securities and Exchange Board of India (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008;
6. Foreign Exchange Management Act 1999 and the Regulations Act By-laws framed thereunder to the extent of transactions

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

We further report that, based on the information provided by the Company, its officers and authorized representatives, in our opinion, adequate systems and control mechanism exist in the Company to monitor and ensure compliance with other applicable general laws including Human Resources and Labour laws

We further report, that the compliance by the Company of applicable financial laws, like Direct and Indirect tax laws, and cost audit records has not been reviewed in this Audit since the same have been subject to review by Statutory Financial Auditor and other designated professionals.

We further report that:

The Board of Directors of the Company is constituted with one executive, one non- executive and two Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

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

All decisions at Board Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

We further report that during the audit period no events have occurred during the year which have a major bearing on the company's affairs except the following:

1. Appointment of Vivekanandan & Associates, Chartered Accountants, as Statutory Auditors for a period of 5 years from the year 2022-23
2. Resignation of Mr. M Balamurugan from the position of Company Secretary w.e.f. 31st March 2023

There were no material events after the end of the financial year ended 31st March 2023 except the following:

1. The Company has received the order dated 31st May 2023 from NCLT for approval of the Scheme of Reduction of Capital.

Place: Chennai
Date: 11-07-2023

For LAKSHMMI SUBRAMANIAN & ASSOCIATES

Sd/-
P.S. Srinivasan
Partner
C.P. No. 3122
Peer Review Certificate No: 1670/2020
UDIN: A001090E000583650

ANNEXURE-A

To
The Members
Pace Automation Limited

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

Place: Chennai
Date: 11-07-2023

For LAKSHMMI SUBRAMANIAN & ASSOCIATES

Sd/-
P.S. Srinivasan
Partner
C.P. No. 3122
Peer Review Certificate No: 1670/2020
UDIN: A001090E000583650

Certificate on Non-Disqualification of Directors
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
PACE AUTOMATION LIMITED
 NO.2, 3RD STREET,
 PARAMESWARI NAGAR,
 ADYAR, CHENNAI - 600020.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Pace Automation Limited** CIN L29141TN1989PLC018133 having its registered office at No. 2, 3rd Street, Parameswari Nagar, Adyar, Chennai 600020 TN (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the year ended 31st March 2023.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. No	Name of Director	Designation	DIN	Date of Original Appointment in Company
1	Mr. S G. Chandru	Managing Director	00814605	18/10/2002
2	Mr. Venkateswaran Krishnaswamy	Director	00001899	06/12/2019
3	Mrs. Raghavan Suguna	Director	06601230	14/08/2018

4	Ms. Malathy Gopalakrishnan	Director	00841108	31/08/2006
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Ensuring the eligibility of the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 11-07-2023

For Lakshmi Subramanian and Associates

Place: Chennai

Sd/-

P.S. Srinivasan

Partner

C.P. No. 3122

Peer Review Certificate No: 1670/2020

UDIN: A001090E000583012



INDEPENDENT AUDITOR'S REPORT

To the members of M/s. Pace Automation Limited
Report on the audit of Financial Statements

Opinion

We have audited the standalone financial statements of M/s. Pace Automation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including other comprehensive income), statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, ("Ind AS") as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its Profit and Other total Comprehensive Income, Changes in Equity and Cash Flows for the year ended on that date.

Basis of Opinion

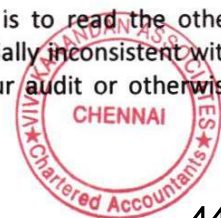
We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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 our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with the requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 our auditor's report thereon.

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

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



If, based on the work we have performed, on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We 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 financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules made thereunder.

This responsibility also 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our 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, we exercise professional judgment and maintain professional scepticism throughout the audit. We 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 appropriate to provide a basis for our 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, we are also responsible for expressing our 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.

We 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 we identify during our audit.

We also provide those charged with governance with a statement that we 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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 other operating effectiveness of such controls, refer to our separate report in "Annexure B".

With respect to the other matters to be included in the Auditors Report in accordance with the requirements of section 197(16) of the Act, as amended:

- (g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (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 our opinion and to the best of our information and according to the explanations given to me:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or any other sources or kind of funds) by the company to or in any other person(s) or entity(is), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - v. Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, and Based on the audit procedures adopted by me, nothing has come to my notice that has caused me to believe that the representations made by the management under sub clause (i) and (ii) above, contain any material Misstatement.



- vi. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For Vivekanandan Associates

Firm Reg No: 0052685




V. Vivekanandan (Partner)

M. No: 027204

UDIN: 23027204BGYXQZ6002

Date: 30-05-2023

Place: Chennai



“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of Pace Automation Limited for the year ended March 31, 2023:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(b) These Property, Plant and Equipments have been physically verified by the management in a phased manner, at regular intervals, which in our opinion, is reasonable having regard to the size of the company and nature of its business and no material discrepancies between the book records and the physical fixed assets have been noticed.

(c) The company does not hold any immovable properties and hence clause (i) (c) of the Order is not applicable.

(d) The Company have not revalued its Property, Plant and Equipments (including right of use of assets) or intangible assets during the year ended March 31, 2023.

(e) The Company is not holding any Property, Plant and Equipments under benami names and no proceedings have been initiated during the year or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- 2) (a) As informed to us, the management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies noticed on such physical verification is less than 10% in aggregate for each class of inventory and have been properly dealt with in the books of account.

(b) The Company had not availed any working capital loans from banks during the year against the security of the stock of shares.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (f) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.



- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) According to information and explanations given to me and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2023 for a period of more than six months from the date on when they become payable. According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, there are no transactions unrecorded previously in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the requirement to report on Clause 3(viii) of the Order is not applicable to the Company.
- 9) The Company has not defaulted in the repayment of dues to banks as it has not taken any loan either from financial institutions or from the government and it has not issued any debentures.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised money by way of initial public offer or further public offer including debt instruments and term Loans during the year. The company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year under audit.
- 11) (a) During the course of our examination of books and records of the company, carried out in accordance with the generally accepted audit procedures performed for the purpose of reporting true and fair view of the standalone financial statements, to the best of our knowledge and belief and as per the information and explanations given by the Management and the representations obtained from the Management, no material fraud on the company by its officers or employees has been noticed or reported during the year.

(b) There is no report under sub-section (12) of section 143 of the Companies Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year. According to the information and explanations given to us and records verified by us, the Secretarial Auditors have not filed report in Form ADT-4 prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) According to the information and explanations given to me and records verified by me,



there are no whistle blower complaints received by the Company during the year.

- 12) In our opinion and based on verification of the records, the Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of the Order are not applicable to the Company.
- 13) In our opinion and according to the information and explanations given to us, based on verification of the records and approvals of the Audit Committee, the Company is in compliance with Section 177 and Section 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone financial statements as required by the applicable accounting standards
- 14) a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
b) The internal audit reports of the Company issued till the date of this audit report, for the period under audit have been considered by us.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) (a) In our opinion, and according to the information and explanations given by the management and verified by us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, the requirement to report under clause (xvi) of the Order does not arise.
(b) The Company has not conducted any Non-Banking Financial or House Financing activities.
(c) The Company is not a core investment company as defined in the regulations made by the Reserve Bank of India. Accordingly, the requirement to report under clause (xvi) of the Order does not arise.
- 17) The Company had not incurred cash loss in the current year and in the immediately preceding financial year.
- 18) There is no resignation of the statutory auditor during the year under review. Accordingly, the requirement to report under clause 3 (xviii) of the Order does not arise. However, the undersigned firm has been appointed by the board of directors due to the vacation of the office by the earlier statutory auditors.
- 19) According to the information and explanations given to me and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities and other information accompanying the financial statements together with our knowledge of the Board of Directors and management plans and based on my examination of the evidence supporting the assumptions, nothing has come to my attention, which causes me to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities as disclosed therein

and existing at the date of balance sheet (except for the dividend, if any payable on the redeemable preference shares falling due for repayment in December 2023 which has not been provided for) as and when they fall due within a period of one year from the balance sheet date. I, however, state that this is not an assurance as to the future viability of the Company. I further state that my reporting is based on the facts up to the date of the audit report and I neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- 20) According to the information and explanations given to us, the provisions of Section 135 of the Companies Act, 2013 relating Corporate Social Responsibility are not applicable to this Company and hence not commented upon.

For Vivekanandan Associates

Firm Reg No: 005268S



V. Vivekanandan (Partner)

M. No: 027204

UDIN: 23027204BGYXQZ6002

Date: 30-05-2023

Place: Chennai



“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of M/s. Pace Automation Limited for the year ended March 31, 2023

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of M/s. Pace Automation Limited (“the Company”) as of March 31, 2023 in conjunction with our audit of the Ind As financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding 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 depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial



reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting


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

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, [based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control as stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India].

For Vivekanandan Associates

Firm Reg No: 005268S

V. Vivekanandan (Partner)

M. No: 027204

UDIN: 23027204BGYXQZ6002

Date: 30-05-2023

Place: Chennai

PACE AUTOMATION LIMITED
No2. III Street, Parameshwari Nagar, Adyar, Chennai 600020
CIN: L29141TN1989PLC018133
BALANCE SHEET AS AT MARCH 31, 2023

		(Amount - Rs.)	
Particulars	Note No.	As at 31-03-2023	As at 31-03-2022
ASSETS			
(1) Non-Current assets			
(a) Property, Plant & Equipment	2	29,20,265	53,39,331
(b) Capital work-in-progress	2	1,00,194	96,000
(c) Other intangible assets	2	9,42,375	13,19,325
(d) Financial assets			
i. Investments			
ii. Loans & Advances			
iii. Others (Bank deposits)			
(e) Deferred Tax assets	3	12,000	5,87,045
(f) Other non-current assets		2,83,80,000	1,99,00,000
		3,23,54,834	2,72,41,701
(2) Current Assets			
(a) Inventories	4	-	50,000
(b) Financial assets			
i. Trade receivables			
ii. Cash and Cash equivalents			
iii. Loans & Advances			
iv. Other Financial Assets			
(c) Other current assets	7	3,50,000	8,28,186
	8	1,22,65,857	66,42,355
		2,70,27,712	1,52,34,939
Total Assets (A)			
		5,93,82,546	4,24,76,640
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	9	9,44,80,350	9,44,80,350
(b) Other equity	10	(7,22,71,984)	(8,81,59,802)
		2,22,08,366	63,20,548
(2) Liabilities			
(i) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings			
(b) Provisions	11	5,23,023	2,58,68,023
(c) Deferred tax liabilities(net)	12	3,37,950	11,63,698
(d) Other non-current liabilities		-	-
		8,60,973	2,70,31,721
(ii) Current liabilities			
(a) Financial liabilities			
i. Borrowings			
ii. Trade payables			
iii. Other financial liabilities			
(b) Provisions	13	2,50,00,000	-
(c) Other current liabilities	14	6,15,137	31,96,190
	15	31,39,129	31,46,935
	16	75,58,941	27,81,246
		3,63,13,207	91,24,371
Total equity and liabilities			
		5,93,82,546	4,24,76,640
Significant accounting policies	1		

See accompanying notes to financial statements

Vide our report of even date attached

for VIVEKANANDAN ASSOCIATES

Chartered Accountants

Firm Regn. No. 0052685

V. VIVEKANANDAN

Partner

Memb. No: 027204

UDIN: : 23027204BGYXQ26007

Place: Chennai

Date: May 30, 2023



MALATHY

GOPALAKRISHNAN

Director

DIN: 00841108

S. G. CHANDRU

Managing

Director

DIN: 00814605



PACE AUTOMATION LIMITED
No.2, III Street, Parameshwari Nagar, Adyar, Chennai 600020
CIN: L29141TN1989PLC018133

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

		(Amount - Rs.)		
		Notes	Year ended 31-03-2023	Year ended 31-03-2022
I	Revenue from Operations			
II	Other Income	17	5,68,49,015	3,46,39,350
III	Total Income	18	14,24,581	7,92,452
			5,82,73,596	3,54,31,802
IV	Expenses:			
	Cost of material consumed		-	-
	Purchase of stock in trade	19	-	-
	Change in inventories of finished goods, stock-in-trade, work-in-progress	20	50,000	9,50,000
	Excise duty		-	-
	Employee benefit expense	21	2,17,93,650	1,84,17,477
	Finance costs	22	5,294	55,212
	Depreciation and amortisation expense	2	56,01,502	8,76,879
	Other expenses	23	98,06,853	93,90,717
	Total expenses		3,72,57,299	2,96,90,285
V	Profit before exceptional and extraordinary items and taxes (III-IV)		2,10,16,297	57,41,517
VI	Exceptional items		-	-
VII	Profit before tax (PBT) (VII-VIII)		2,10,16,297	57,41,517
VIII	Tax expense			
	i) Current tax		61,15,500	13,37,805
	ii) Excess IT Provision for earlier Year written back		(1,61,274)	-
	iii) Deferred tax		(8,25,748)	1,07,220
IX	Profit/(Loss) for the period from continuing operations		1,58,87,819	42,96,492
X	Profit/(Loss) for the period		1,58,87,819	42,96,492
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		1,58,87,819	42,96,492
XIII	Earnings per equity share		1.68	0.45
	Basic & Diluted Earnings per share		1.68	0.45

See accompanying notes to financial statements

Vide our report of even date attached
for VIVEKANANDAN ASSOCIATES

Chartered Accountants

Firm Regn. No. 0052685

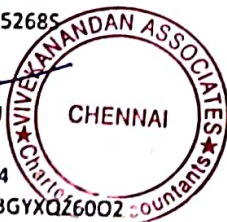
V. VIVEKANANDAN
Partner

Memb. No: 027204

UDIN: : 23027204BGYXQZ6002

Place: Chennai

Date: May 30, 2023



Malathi Gopalakrishnan

MALATHY
GOPALAKRISHNAN
Director
DIN: 00841108

S. G. Chandru

S. G. CHANDRU
Managing Director
DIN: 00814605



Pace Automation Limited
 No2. III Street, Parameshwari Nagar, Adyar, Chennai 600020
 CIN: L29141TN1989PLC018133
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
A. Cash Flow from Operating Activities				
Net Profit Before Tax and Extraordinary Items		1,58,87,819		42,96,492
Add:				
Depreciation and Amortisation for the year	56,01,502		8,76,879	
Income tax - deferred tax & Others	(9,87,022)		1,07,220	
Interest Income	(14,24,581)		(7,92,452)	
Finance cost	5,294		55,212	
Operating Profit before Changes in Working Capital (Increase)/ Decrease in Working Capital		1,90,83,013		45,43,351
Inventories	50,000		9,50,000	
Sundry Debtors	(84,25,230)		3,03,427	
Loans and Advances	4,78,186		87,091	
Other current assets	(56,23,502)		(35,21,922)	
Current Liabilities	21,88,835		48,87,734	
Cash generated from operations		(1,13,31,710)		27,06,329
Direct taxes paid/(Received)		77,51,303		72,49,680
Net Cash Flow from Operating Activities (A)		79,12,577		72,49,680
B. Cash Flow from Investing Activities				
Purchase of Property, Plant and Equipment	(28,05,486)		(23,70,028)	
Capital Work-in-Progress	(4,194)		(96,000)	
Interest received	14,24,581		7,92,452	
Sale of Fixed Assets	-		-	
Dividend received	-		-	
Net Cash Flow from Investing Activities (B)		(13,85,099)		(16,73,576)
C. Cash Flow from Financing Activities				
Long Term Borrowings availed/(repaid)	-3,45,000		-	
Short-Term Borrowings availed/(repaid)	-		-	
Interest Paid on Borrowings	(5,294)		(55,212)	
Loans and Advances	5,75,045		-	
Net Cash Flow from Financing Activities (C)		2,24,751		(55,212)
Total (A+B+C)		67,52,228		55,20,892
Cash and Cash Equivalents at the Beginning of the year		2,47,64,523		1,92,43,631
Cash and Cash Equivalents at the end of the year		3,15,16,751		2,47,64,523
D. Increase/(Decrease) in Cash and Cash Equivalents		67,52,228		55,20,892

See accompanying notes to financial statements

Vide our report of even date attached

for VIVEKANANDAN ASSOCIATES

Chartered Accountants

Firm Regn. No. 005268

V.VIVEKANANDAN
Partner

Memb. No: 027204

UDIN: : 23027204BGYXQZ6002

Place: Chennai

Date: May 30, 2023



Malathy Gopalakrishnan
Malathy Gopalakrishnan
Director
DIN: 00841108

S.G. Chandru
S.G. Chandru
Managing Director
DIN: 00814605



PACE AUTOMATION LIMITED
Statement of Change in Equity for the year ended March 31, 2023

a. Equity Share Capital	Amount In Rupees
As at 01-04-2020	9,44,80,350
Change in equity share capital	-
As at 31-03-2021	9,44,80,350
Change in equity share capital	-
As at 31-03-2022	9,44,80,350
Change in equity share capital	-
As at 31-03-2023	9,44,80,350

b. Other Equity

Particulars	Reserves & Surplus			
	Retained earnings	Capital Reserves	Export Market Development Grant	Total
Balance as at 31-03-2019	(6,38,66,858)	23,09,000	1,92,839	(6,13,65,019)
Add: Profit for the year 2019-20	44,59,475	-	-	44,59,475
Add: Additions during the year 2019-20	-	-	-	-
Less: Deductions during the year 2019-20	-	-	-	-
Balance as at 31-03-2020	(5,94,07,382)	23,09,000	1,92,839	(5,69,05,543)
Add: Profit for the year 2020-21	(3,55,50,752)	-	-	(3,55,50,752)
Add: Additions during the year 2020-21	-	-	-	-
Less: Deductions during the year 2020-21	-	-	-	-
Balance as at 31-03-2021	-9,49,58,133	23,09,000	1,92,839	(9,24,56,294)
Add: Profit for the year 2021-22	42,96,492	-	-	42,96,492
Add: Additions during the year 2021-22	-	-	-	-
Less: Deductions during the year 2021-22	-	-	-	-
Balance as at 31-03-2022	(9,06,61,641)	23,09,000	1,92,839	(8,81,59,802)
Add: Additions during the year 2022-23	1,58,87,819	-	-	1,58,87,819
Less: Deductions during the year 2022-23	-	-	-	-
Balance as at 31-03-2023	(7,47,73,823)	23,09,000	1,92,839	(7,22,71,984)

PACE AUTOMATION LIMITED
Notes to Balance Sheet for the year ended March 31, 2023

3 LOANS	As at 31.03.2023	As at 31.03.2022
(A) Loans and Advances to Related Parties		-
(B) Security Deposits (Secured, Considered good)		3,25,045
(C) Security Deposits(Unsecured, Considered good)	12,000	2,62,000
Total (A+B)	<u>12,000</u>	<u>5,87,045</u>
(C) Other Loans and Advances Unsecured, Considered good Income Tax Payments		
Total (B)	<u>-</u>	<u>-</u>
Total (A+B+C)	<u><u>12,000</u></u>	<u><u>5,87,045</u></u>
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	-	50,000
	<u>-</u>	<u>50,000</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	-	6,27,184
Doubtful	-	-
Less: Bad and doubtful debts Writen off	-	-
Total (A)	<u>-</u>	<u>6,27,184</u>
(B) Others		
Secured, Considered good	-	-
Unsecured, Considered good	1,12,75,104	22,22,691
Doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
Total (B)	<u>1,12,75,104</u>	<u>22,22,691</u>
Total (A+B)-C	<u><u>1,12,75,104</u></u>	<u><u>28,49,875</u></u>
6 Cash And Cash Equivalent		
Balance with Banks in Current accounts	31,36,349	48,17,812
Deposits with Banks	2,83,80,000	-
Cash on hand	402	46,711
	<u>3,15,16,751</u>	<u>48,64,523</u>
7 Current Assets- Loans		
(A) Loans and Advances to related parties	-	-
(B) Others		
(i) Secured, Considered good		
(ii) Unsecured, Considered good		
Deposit	-	-
Others	3,50,000	8,28,186
(iii) Doubtful		
Total	<u>3,50,000</u>	<u>8,28,186</u>
8 Other Current Assets		
TDS Receivable	81,17,598	59,44,180
IT Refund & Interest Due	22,26,390	-
Interest accrued on Deposits	18,66,883	6,98,175
Other Receivables	54,986	-
	<u>1,22,65,857</u>	<u>66,42,355</u>

PACE AUTOMATION LIMITED
PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

Description	Property, Plant & Equipment								Total
	Electric Vehicle	Plant and Machinery	Moulds and Tools	Office Equipment	Furniture & Fixtures	Computers	Intangibles		
	1	2	3	4	5	6	7	8	
Cost of assets									
Gross carrying value as at 01-04-2022	-	-	55,38,070	38,87,263	2,29,500	6,56,78,720	15,07,800	7,68,41,353	
Additions	12,99,017	9,04,750	-	-	32,203	5,69,517	-	28,05,486	
Sub total	12,99,017	9,04,750	55,38,070	38,87,263	2,61,703	6,62,48,237	15,07,800	7,96,46,839	
Sales/deletion	-	-	-	-	-	-	-	-	
Total	12,99,017	9,04,750	55,38,070	38,87,263	2,61,703	6,62,48,237	15,07,800	7,96,46,839	
Depreciation/Amortisation									
Up to 31.03.2022	-	-	9,84,512	37,52,863	11,475	6,52,45,372	1,88,475	7,01,82,697	
For the year	1,59,263	21,039	45,53,558	29,544	26,796	4,34,353	3,76,950	56,01,502	
Sub total	1,59,263	21,039	55,38,070	37,82,407	38,271	6,56,79,725	5,65,425	7,57,84,200	
Withdrawn on assets sold/deleted	-	-	-	-	-	-	-	-	
Total	1,59,263	21,039	55,38,070	37,82,407	38,271	6,56,79,725	5,65,425	7,57,84,200	
Carrying value									
As at 31-03-2023	11,39,754	8,83,711	45,53,558	1,04,856	2,23,432	5,68,512	9,42,375	38,62,640	
As at 31-03-2022	-	-	45,53,558	1,34,400	2,18,025	4,33,348	13,19,325	66,58,656	

PACE AUTOMATION LIMITED
PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

Description	Property, Plant & Equipment								Total
	Buildings	Plant and Machinery	Moulds and Tools	Office Equipment	Furniture & Fixtures	Computers	Intangibles		
	1	2	3	4	5	6	7	8	
Cost of assets	-	-	-	-	-	-	-	-	-
Gross carrying value as at 01-04-2021	-	-	55,38,070	38,87,263	-	6,50,45,992	-	7,44,71,325	-
Additions	-	-	-	-	2,29,500	6,32,728	15,07,800	23,70,028	-
Sub total	-	-	55,38,070	38,87,263	2,29,500	6,56,78,720	15,07,800	7,68,41,353	-
Sales/deletion	-	-	-	-	-	-	-	-	-
Total	-	-	55,38,070	38,87,263	2,29,500	6,56,78,720	15,07,800	7,68,41,353	-
Depreciation/Amortisation	-	-	-	-	-	-	-	-	-
Up to 31.03.2021	-	-	7,38,384	37,23,319	-	6,48,44,116	-	6,93,05,819	-
For the year	-	-	2,46,128	29,544	11,475	4,01,257	1,88,475	8,76,879	-
Sub total	-	-	9,84,512	37,52,863	11,475	6,52,45,372	1,88,475	7,01,82,697	-
Withdrawn on assets sold/deleted	-	-	-	-	-	-	-	-	-
Total	-	-	9,84,512	37,52,863	11,475	6,52,45,372	1,88,475	7,01,82,697	-
Carrying value	-	-	45,53,558	1,34,400	2,18,025	4,33,348	13,19,325	66,58,656	-
As at 31-03-2022	-	-	47,99,686	1,63,944	-	2,01,876	-	51,65,506	-
As at 31-03-2021	-	-	-	-	-	-	-	-	-

PACE AUTOMATION LIMITED
Notes to Balance Sheet for the year ended March 31, 2023

9 EQUITY SHARE CAPITAL

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

Particulars	As at 31.03.2023		As at 31.03.2022	
	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 31.03.2023		As at 31.03.2022	
	Number	Rupees	Number	Rupees
Number of shares outstanding as at the beginning of the year	94,48,035	9,44,80,350	94,48,035	9,44,80,350
Number of shares issued during the year				
Number of shares outstanding as at the end of the year	94,48,035	9,44,80,350	94,48,035	9,44,80,350

(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 31-03-2023		As at 31-03-2022	
		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	Preference	25,00,000	100.00	25,00,000	100.00

PACE AUTOMATION LIMITED
Notes to Balance Sheet for the year ended March 31, 2023

10 Other equity

	As at 31-03-2023	As at 31-03-2022
(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	(9,06,61,641)	(9,49,58,133)
Add: Profit/(Loss) for the year	1,58,87,819	42,96,492
Closing Balance (c)	(7,47,73,823)	(9,06,61,641)
Total (a+b+c)	(7,22,71,984)	(8,81,59,802)

11 Non-current Liabilities - Financial Liabilities- Borrowings

Particular	As at 31-03-2023	As at 31-03-2022
Redeemable Preference Shares		2,50,00,000
Trade Deposits	5,23,023	8,68,023
Total	5,23,023	2,58,68,023

Note:

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 5%. The cumulative dividend payable thereon since inception of receipt of Redeemable Preference Shares @5 % per annum till March 31, 2023 is Rs. 250.00 Lakhs. The due date of redemption of Preference shares is 31.12.2023.

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

	31.03.2023	31.03.2022
	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

Particular	As at 31-03-2023	As at 31-03-2022
Opening Balance	11,63,698	10,56,478
Add: Additions during the year on account of depreciation Benefits	(8,25,748)	1,07,220
Closing Balance	3,37,950	11,63,698

13 Current Liabilities - Financial Liabilities- Borrowings

Particular	As at 31-03-2023	As at 31-03-2022
SECURED LOANS		
(Secured by a lien on the fixed deposits held by the company with banks for less than 12 months)	-	-
UNSECURED LOAN		
Redeemable preference shares	2,50,00,000	-
Total	2,50,00,000	-

14 Current Liabilities - Financial Liabilities- Trade Payable

Particular	As at 31-03-2023	As at 31-03-2022
Trade Creditors	6,15,137	31,96,190
Toatl	6,15,137	31,96,190

15 Current Liabilities - Financial Liabilities- Other Financial Liabilities

Particular	As at 31-03-2023	As at 31-03-2022
Managing Director's Current Account	21,860	-
Other Payables		
-PF payable	69,291	60,322
-ESI payable	2,080	1,019
-GST payable	9,75,243	9,32,458
-TDS payable	3,33,291	3,40,935
-Gratuity Payable	80,769	80,769
-Other Creditors	16,56,595	17,31,432
Toatl	31,39,129	31,46,935

16 Current Liabilities - Provisions

Particular	As at 31-03-2023	As at 31-03-2022
For Income tax	75,58,941	27,81,246
Toatl	75,58,941	27,81,246

PACE AUTOMATION LIMITED
Notes to Statement of Profit and Loss for the year ended March 31, 2023

17 REVENUE FROM OPERATIONS	Year ended 31-03-2023	Year ended 31-03-2022
Sales of material		
IT related Services - Transaction Processing Charges	5,68,49,015	3,46,39,350
	<u>5,68,49,015</u>	<u>3,46,39,350</u>
 18 OTHER INCOME		
Interest income	12,98,565	7,92,452
Interest on Income Tax Refund	1,26,016	-
Miscellaneous income	-	-
	<u>14,24,581</u>	<u>7,92,452</u>
 19 Purchase of Trade Goods		
Electronic Goods	-	-
	<u>-</u>	<u>-</u>
 20 Change in Inventory of Finished Goods		
Opening stock	50,000	10,00,000
Less: Material Rejected / Returned	-	-
Closing Stock of Finished Goods	-	50,000
	<u>50,000</u>	<u>9,50,000</u>
 21 Employee Benefit Expenses		
Salaries, Wages and Bonus	1,47,47,684	1,17,05,119
Remuneration to directors	57,57,098	53,49,275
Sitting Fees to Directors	75,000	60,000
Contribution of PF and other funds	8,83,476	7,34,976
Staff Welfare Expenses	2,03,581	1,62,690
Gratuity/Ex-gratia	1,26,810	4,05,418
	<u>2,17,93,650</u>	<u>1,84,17,477</u>
 22 Finance Cost		
Interest Expense	-	49,372
Bank Charges	5,294	5,840
	<u>5,294</u>	<u>55,212</u>

23 Other expenses

	Year ended 31-03-2023	Year ended 31-03-2022
Advertisement Charges	2,03,600	27,600
Rent	2,40,000	2,40,000
Printing and Stationery	8,366	4,493
Repairs and Maintenance - Equipments	41,307	80,104
Repairs and Maintenance Others	1,61,039	1,52,086
Communication expenses	4,47,356	2,06,895
General Expenses	2,40,560	2,40,000
Electricity Charges	2,00,674	93,258
Virtual Server Charges	53,20,750	48,18,221
Professional charges	15,87,526	16,60,482
Rates and Taxes	6,505	6,92,797
Postage and courier expenses	666	1,035
Registrations and renewals	72,146	93,044
Office Maintenance	51,500	94,926
Listing Fees	55,000	55,000
Filing fees	38,300	31,200
Miscellaneous expenses	2,04,827	1,64,613
Payments to statutory auditors:		
- As Auditors	60,000	60,000
- For Certification	-	20,000
- Taxation Matters	15,000	15,000
- Reimbursement of expenses	-	10,000
Travelling and Conveyance	79,269	6,29,962
Bad debts written off	7,72,463	-
	98,06,853	93,90,717

PACE AUTOMATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2023

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 providing "online transaction services", software development and related services. Arrangements with customers for online transaction 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. Where the service contracts are expired and not renewed/finalised before the end of the year, revenue is not recognised after the period for which negotiations for renewal is not accepted by the customers. The Company presents revenues net of indirect taxes in the Statement of Profit and Loss.

e) Provisions and Contingent Liabilities

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

f) Property, Plant and Equipment

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

g) Depreciation and amortization

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

2) Intangible Assets

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

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

Depreciation on assets purchased/ sold during a period is proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives on straight-line basis, commencing from the date the asset is available to the Company for its use.

h) Retirement Benefits to employees

Gratuity

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

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary at each Balance Sheet date using the projected unit credit method. The Company fully contribute all ascertained liabilities to the Pace Automation Employees' Gratuity Fund Trust ('the Trust'). Trustees administer contributions made to the Trust and contributions are invested in a scheme with Life Insurance Corporation of India, as permitted by law. The Company recognizes the net obligation of the gratuity plan in the Balance Sheet as an asset or liability, respectively in accordance with the Accounting Standard (AS) 15, 'Employee Benefits'.

Provident Fund and Employees State Insurance 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 accounted as expenses 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 nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows, The cash flows from operating, investing and financing activities of the Company are segregated.

PACE AUTOMATION LIMITED

24. Other Notes Forming Part of Financial Statement for the year ended March 31, 2023

	('in Lacs)	
	2022 – 23	2021 – 22
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	---	---
4. Expenditure in foreign currency during the financial year	---	0.88
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	5.23	8.68
8. Sundry Debtors/Creditors and advances are subject to confirmation/reconciliation		
9. In the opinion of the Board, Current Assets, Loans and Advances are realizable approximately at the values stated in the Balance Sheet in the ordinary course of business.		

10. The compensation details of Key Management Personnel as defined under Ind AS (Ind AS 24), "Related Party Disclosure", which comprise Directors and Executive Officers are as follows:

Managing Director

Mr. S G Chandru

	('in Lacs)	
Salary and other employee benefits to Whole-Time Directors and Executive Officers	60.00	57.24
Sitting fees to Directors	0.75	0.60
Rent paid to another Director	2.40	2.40

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. Nil 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)	
	31.03.2023	31.03.2022
i. Present value of projected benefit obligation as at the beginning of each year	24,45,062	23,38,317
ii. Service cost	193,751	161,552
iii. Interest cost	171,753	163,682
iv. Actuarial Loss/(Gain)	(30,927)	(1,37,720)
v. Benefits paid	(165,865)	(80,763)

vi. Present value of projected benefit obligation as at the end of each year	26,22,032	24,45,062
vii. Fair value of Plan Assets as at the end of each year	27,82,464	27,03,925
viii. Liability / (Asset) recognised in the Balance Sheet	1,60,432	(2,58,863)
ix. Amount charged to Profit & Loss Account (Gross)	61,245	7,876
x. Actuarial assumptions:		
a) Discount rate	7.25%	7.00%
b) Future Salary Escalation	6.00%	7.00%
c) Expected rate of return on Plan assets	7.00%	7.00%

12. Details of Earnings per Share:

	31.03.2022	31.03.2022
Profit / (Loss) after tax (in Rs.)	1,58,87,819	42,96,492
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 Rs.)	10.00	10.00
Earnings per share (in Rs) – Basic and Diluted	1.68	0.45

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

14. 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.

15. DISCLOSURE UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

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 31.03.2022 in excess of Rs.1,00,000/- to any party classified as Micro, Small and Medium Enterprises.

(i) The principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
(ii) The amount of interest paid by the buyer in terms of Section 16 of the Act along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	Nil	Nil
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under	Nil	Nil

16. ADDITIONAL REGULATORY DISCLOSURES AS PER SCHEDULE III OF COMPANIES ACT, 2013

- (i) The Company does not own any Immovable property.
- (ii) The Company does not have any investment property.
- (iii) As per the Company's accounting policy, Property, Plant and Equipment (including Right of Use Assets) and intangible assets are carried at historical cost (less accumulated depreciation & impairment, if any), hence the revaluation related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.
- (iv) The Company has not granted any Loans or Advances in the nature of loan to promoters, Directors, KMPs and the related parties (As per Companies Act, 2013), which are repayable on demand or without specifying any terms or period of repayments.
- (v) No proceedings have been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (vi) The Company does not have any sanctioned facilities from banks on the basis of security of current assets.
- (vii) The Company has adhered to debt repayment and interest service obligations on time. Wilful defaulter related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.
- (viii) There are no transactions with the Companies whose name are struck off under Section 248 of The Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the year ended March 31, 2022.
- (ix) Company does not have any requirement for filing registration or satisfaction of charges with Registrar of Companies. No registration or satisfaction is pending at the year ended 31st March 2022.
- (x) The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- (xi) ***The Company proposes to reduce 68% of its paid-up equity share capital by setting off against its accumulated losses.***
The Company also received in-principal approval in May 2022 from Metropolitan Stock Exchange of India Ltd/ Stock Exchange Board of India for the proposed scheme of reduction of share capital.
The Company is placing the resolution for capital reduction before the shareholders for their approval at the ensuing Annual General Meeting for making necessary application to National Company Law Tribunal for its approval to implement the scheme. The order approving the scheme is awaited from NCLT.
- (xii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary
- (xiii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (xiv) The Company has not operated in any crypto currency or Virtual Currency transactions
- (xv) During the year the Company has not disclosed or surrendered, any income other than the income recognised in the books of accounts in the tax assessments under Income Tax Act, 1961.

17. KEY FINANCIAL RATIOS

S. No	Particulars	As at 31-03-2023	As at 31-03-2022
1	Current ratio (Current Asset/ Current Liabilities)	0.74	1.67
2	Debt-Equity ratio (Borrowings/ Equity share capital)	0.63	4.09
3	Debt service coverage ratio (EBIT/ Finance charges)	N.A.	N.A.
4	Return on equity (PAT/ Avg shareholders fund) [Note 1]	0.72	0.68
5	Inventory turnover ratio [Note-2]	NA	NA
6	Debtors turnover ratio (Annual turnover/ Average debtors)	8.05	11.54
7	Trade payables turnover ratio	N.A.	N.A.
8	Net capital turnover ratio (Sales/ (Current Asset-Current Liabilities))	(6.12)	5.67
9	Net profit ratio (PAT/ Sales) [Note 1]	27.95%	12.40%
10	Return on Capital employed (EBIT/ (Equity + Preference share capital) [Note 1]	39.26%	68.81%
11	Return on Investment (EBIT/ Total Assets)[Note 1]	35.39%	13.52%

Note:

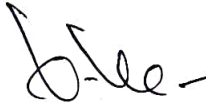
1. Exceptional items recorded in previous year profit and loss statement resulted in higher losses.
2. Inventory turnover ratio not applicable for the company as it is engaged in providing IT Services.
3. Figures in brackets indicate negative figures.

As per our report of even date

For VIVEKANANDAN ASSOCIATES

Chartered Accountants

Firm Regn. No. 0052685



V. Vivekanandan
Partner

M. No: 027204

UDIN:23027204BGYXQZ6002



G Chandru
Managing
Director



Malathi Gopalakrishnan
Director

Place: Chennai

Date: May 30, 2023