

PACE AUTOMATION LIMITED
THIRTIETH ANNUAL REPORT - 2019-2020

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri. S.G. Chandaru	Managing Director
Mrs. Malathy Gopalakrishnan	Director
Ms. Suguna Raghavan	Independent Director
Shri. K. Venkateswaran	Independent Director
Chief Financial Officer	N. Sripathi
Company Secretary	G. Raghavan

Audit Committee:

Shri K. Venkateswaran	Independent Director
Ms. Suguna Raghavan	Independent Director
Mrs. Malathy Gopalakrishnan	Director

Stake Holders Relationship Committee:

Shri K. Venkateswaran	Independent Director
Shri. S.G.Chandru	Managing Director
Mrs. Malathy Gopalakrishnan	Director

Nomination and Remuneration Committee:

Shri K. Venkateswaran	Independent Director
Ms. Suguna Raghavan	Independent Director
Mrs. Malathy Gopalakrishnan	Director

Statutory Auditors:

Shri T S R Sivasubramanian,
Chartered Accountant
Flat C, Ground Flr,6A, AyyaFlats
9th Cross Street

Secretarial Auditors

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

Dhandeeswaram Nagar,
Velacherry
Chennai-600042

Internal Auditors

Shri N Subramanian
No.81, Greams Road,
Chennai.

Principal Banker:

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

Registrars & Share Transfer Agents

M/s. Cameo Corporate Services Limited
Subramanian Building
No.1, Club House Road,
Chennai - 600002
Phone: 044-28460390

Email: cameo@cameoindia.com

Stock Exchanges Where Company's Securities are listed

Metropolitan Stock
Exchange

Registered Office

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

Email: sripathi@paceautomation.com

Website: www.paceautomation.com

Investor Relations Email ID: ramaseshan@paceautomation.com

Contact Number: 044 2855 4821/9940081504

Corporate Identity Number: L29141TN1989PLC018133

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NOTICE is hereby given that the 30th Annual General Meeting of PaceAutomation Limited will be held on Tuesday the 22nd December, 2020 through Video Conference (VC) or Other Audio Visual Means (OAVM) at 11.30 A.M to transact the following business:

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020 together with the Reports of the Board of Directors and the Auditors thereon.
- 2) To appoint a Director in place of Mrs. Malathy Gopalakrishnan (having DIN: 00841108) who retires from office by rotation and being eligible offers himself for reappointment.

SPECIAL BUSINESS

- 3) To consider and, if thought fit, to pass the following resolution as an Special Resolution:

APPOINTMENT OF MR. K. VENKATESWARAN AS NON EXECUTIVE INDEPENDENT DIRECTOR FOR A TERM OF FIVE YEARS:

“RESOLVED THAT pursuant to the provisions of section 149,150, 152 and any other applicable provisions of the companies Act 20 13 and the rules made there-under (including any statutory modification (s) or re-enactment thereof for the time being in force) read with Schedule IV to the companies act 2013, consent of the members be and is hereby accorded for the appointment of Mr. K. Venkateswaran (holding DIN No. 00001899) as an Independent Director of the company, for a period of Five years w.e.f. 16th March, 2020.”

“RESOLVED FURTHER THAT Mr. S.G. Chandru, Managing Director of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

- 4) To consider and, if thought fit, to pass the following resolution as an Special Resolution:

VOLUNTARY DELISTING OF EQUITY SHARES OF THE COMPANY FROM METROPOLITAN STOCK EXCHANGE.

“RESOLVED THAT pursuant to Regulation 6 and 7 of Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 including any statutory modifications or amendments or re-enactments thereof (“SEBI (Delisting) Regulations”); and the approval of the Board of Directors of the Company in its meeting held on 12th November, 2020 for the voluntary delisting of the equity shares of the Company from MSEI and subject to the applicable provisions of the Companies Act, 2013 and rules made there under, the Delisting Regulations, Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended from time to time and subject to such approvals, permissions and sanctions, as may be necessary, and subject to the compliance with other statutory formalities and subject to such conditions and modifications as may be prescribed or imposed by any authority including the Stock Exchanges, while granting such approvals, permissions or sanctions, which may be agreed by the Board of Directors of the Company (hereinafter referred to as “the Board”) or a Committee of Directors/ persons authorized by the Board, the approval of the members of the Company be and is hereby accorded to the proposed voluntary delisting of the all Equity Shares of the Company from MSEI



through acquisition of shares held by the Public Shareholders of the Company by the Promoters/Promoter Group of the Company (“Delisting Offer”) by giving exit opportunity to the shareholders.

“**RESOLVED FURTHER THAT** any Director and/or Company Secretary of the Company be and are hereby severally authorized to file applications, documents and other related correspondence as may be required before any regulatory authorities in connection with the said matter”

“**RESOLVED FURTHER THAT** all actions taken or required to be taken by the Board in connection with any matter referred to above or contemplated in the foregoing resolutions are hereby approved, ratified and confirmed in all respects.”

By and on behalf of the Board

Sd

Place: Chennai

Date:12/11/2020

S.G.Chandru

Managing Director

(DIN : 00814605)



NOTES:

- I. In view of the situation arising due to COVID-19 global pandemic, the Annual General Meeting of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- II. Additional information pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Director seeking sappointment/re-appointment as mentioned under item no. 2 of this notice is appended. Further, the Company has received relevant disclosure/consent from the Director seeking appointment/re-appointment.
- III. The Register of Members and Share Transfer Books of the Company will remain closed from 14th December, 2020 Monday to 21st December, 2020 Monday (both days inclusive) for the purpose of AGM.
- IV. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or arrangements in which the Directors are interested, maintained under Section 189 of the Act will be available for inspection by the members at the AGM.
- V. We urge the members to support our commitments to monumental protection by choosing to receive their shareholding communication through mail. You can do this by updating your email address with your Depository Participant.
- VI. Members may also note that the Notice of the 30th Annual General Meeting and the Annual Report 2019-2020 will be available on the Company's Website, www.paceautomation.com
- VII. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA 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 and Attendance Slip are not annexed to this Notice.

- VIII. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is not required as there was no special business transacted by the company.
- IX. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities.
- X. The Company is concerned about the environment and utilizing natural resources in a suitable way. We request you to update your email address with your Depository participant to enable us to send all the communications via email.
- XI. VOTING THROUGH ELECTRONIC MEANS:
1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
 2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
 3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
 4. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
 5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.paceautomation.com. The Notice can also be accessed from the websites of the Stock

Exchanges i.e. MSE at www.mse.in. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

6. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

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

1. The voting period begins on 19th December, 2020 at 09.00 A.M and ends on 21st December, 2020 at 05.00 P.M During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e 15th December, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
3. The shareholders should log on to the e-voting website www.evotingindia.com.
4. Click on "Shareholders" module.
5. Now, select the "PACE AUTOMATION LIMITED" from the drop down menu and click on "SUBMIT".
6. 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.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

7. Next enter the Image Verification as displayed and Click on Login.
8. 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.
9. If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

	<ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

10. After entering these details appropriately, click on "SUBMIT" tab.
11. 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.
12. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
13. Click on the EVSN for the PACE AUTOMATION LIMITED.
14. 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.
15. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
16. 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.
17. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
18. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
19. 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.
20. Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

XII. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. 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 Seven days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance Seven days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at sripathi@paceautomation.com. These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

XIII. 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 email to sripathi@paceautomation.com/cameo@cameoindia.com
2. For Demat shareholders, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to sripathi@paceautomation.com/cameo@cameoindia.com
3. The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

XIV. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. 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.
3. 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.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

XV. Note for Non – Individual Shareholders and Custodians

1. 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.
 2. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 3. 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.
 4. 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.
 5. 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.
 4. 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 the email address sripathi@paceautomation.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- XVI. If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- XVII. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor,

Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

- XVIII. 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.
- XIX. The Scrutinizer, after scrutinizing the votes cast during the AGM and through remote e-voting, will not later than 48 hours 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 Bombay Stock Exchange Limited.

XX. Details of Directors Seeking Re-appointment at the Annual General Meeting

Name of the director	Mrs. Malathy Gopalakrishnan.
DIN	00841108.
Age	78 Years.
Date of Appointment	31.08.2006
Experience	40 years
No. of. Shares held as on 31.03.2020	2704769.
No.of. Board Meetings Attended during FY 2019-20	5
Directorship in other public companies	NIL.
Chairman/Member of committees of company	3
Relationship with any other Director	S.G.Chandru.
Brief History	She is a promoter of the company. As a Director, she oversees the Key function of Office Management & HR activities. She drives the continuous renewal of Key process systems and policies across the company in client relationship management. Since, she is a director retiring by rotation and being eligible, she offer herself for reappointment.

By and on behalf of the Board

Sd

Place: Chennai

S.G.Chandru

Date:12/11/2020

Managing Director

(DIN : 00814605)

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

Item No.3 Appointment of Mr. K. Venkateswaran as Independent Director:

Mr. K. Venkateswaran (DIN-00001899) was appointed as Independent Director of the Company by the board of directors and he holds office as an Additional Director of the Company from 06th December, 2019.

The Nomination and Remuneration Committee of the Board of Directors on the basis of the report of performance evaluation, has recommended appointment of Mr. K. Venkateswaran as an Independent Director for a term of five consecutive years on the Board of the Company.

The Board based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee consider that given his background and experience Mr. K. Venkateswaran would be beneficial to the Company and it desirable to avail his services as an Independent Director.

Accordingly it is proposed to appoint Mr. K. Venkateswaran as an Independent Director of the Company not liable to retire by rotation, for a term of five consecutive years on the Board of the Company.

Mr. K. Venkateswaran is not disqualified from being appointed as a director in terms of Section 164 of the Act, and has given his consent to act as a director.

The Company has also received declaration from Mr. K. Venkateswaran that he meets the criteria of Independence as prescribed both under Section 149(6) of the Act, and under the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

In the Opinion of the Board Mr. K. Venkateswaran fulfils the conditions for appointment as an Independent Director as specified in the act and the listing regulations.

Brief Profile of Mr. K. Venkateswaran is set out below.

He will be paid remuneration by way of fee for attending meeting of board and committees there of or for any other purpose whatsoever as may be decided by the Board and reimbursement of expenses for participating in the Board and other meetings.

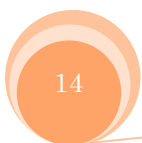
Copy of draft letter of appointment of Mr. K. Venkateswaran setting out the terms and conditions is available for inspection by the members at the registered office of the Company.

This statement may also be regarded as an appropriate disclosure under the Act and Listing Regulations.

The Board recommends the special resolution set out at item no. 3 of the Notice for approval by the Members.

None of the directors or KMP is deemed to be concerned or interested in the resolution.

Details of Independent Directors Seeking appointment at the Annual General Meeting



Name of the director	Shri K. Venkateswaran.
Designation	Independent director
Date of Birth	25.05.1935
DIN	00001899
Age	85
Date of Appointment	06.12-.2019
Qualification	Company Seretary
Experience	More than 30 years
No.of. Board Meetings Attended during FY 2019-20	1
Directorship in other public companies	1
Relationship with any other Director, manager, and other Key Managerial Personnel of the company	Nil
Terms and Conditions of appointment along with details of remuneration sought to be paid and remuneration last drawn by such person as Non-executive director	Nil except payment of sitting fees

Item no. 4:- Voluntary Delisting of equity shares of the company from Metropolitan Stock Exchange.

The equity shares of Pace Automation Limited (“Company”) are at presently listed on the Metropolitan Stock Exchange.

Due to slow functioning of the company the Board of Directors are expressing their intention to initiate the process to acquire the Shares held by the public shareholders of the Company by providing an exit opportunity in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (as amended) (“Delisting Regulations”), and all other applicable regulations inorder to voluntarily delist the Company’s Shares from the Metropolitan Stock Exchange.

In terms of of the Delisting Regulations, the Delisting Proposal requires approval of the Members of the Company by way of a Special Resolution.

The Promoters shall not proceed with the Delisting Offer unless:-

- a. the Promoters accept the Discovered Price or any higher price (“Exit Price”);

Further, any acquisition of Shares of the Company by the Promoters will be conditional upon such other terms and conditions as decided by the management of the company and the matter stated in the Public Announcement

or the Letter of Offer proposed to be sent to the shareholders of the Company, including, the statutory approvals required.

Approval of the Members is sought for the aforesaid Special Resolution, after which the Promoters may proceed with the delisting process, on receipt of required statutory approvals to make the Public Announcement and dispatch the Letter of Offer to the members of the Company in accordance with the provisions of the Delisting Regulations.

The Board, therefore, places the proposed resolution for your consideration and recommends that it be passed as a Special Resolution.

No director or KMP, is deemed to be concerned or interested in the resolution.

By and on behalf of the Board

Sd

Place: Chennai

Date:12/11/2020

S.G.Chandru

Managing Director

(DIN : 00814605)

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 30th Annual Report of Pace Automation Limited along with the audited financial statements for the year ended March, 2020.

FINANCIAL RESULTS:

PARTICULARS	2019-20	2018-19
	(Rs.)	(Rs.)
Revenue from operations	489,69,817	496,34,044
Other Income	10,13,874	17,79,461
Total Income	499,83,691	514,13,505
Total expenses	441,03,904	443,29,855
Profit/(Loss) before interest and Depreciation	70,42,987	97,13,556
Less: Interest	5,90,718	20,26,715
Profit before depreciation	64,52,269	76,75,912
Less: Depreciation	5,72,482	5,92,262
Profit/(Loss) before tax	58,79,787	70,83,650
Exceptional Item	-	-
Tax Expenses:		
Current Year	11,82,664	15,90,839
Deferred Tax	1,84,808	2,50,910
Previous year	52,840	-
MAT Credit entitlement	-	-
Other Comprehensive Income	-	-
Transfer to Reserve	-	-
Profit / (Loss) carried to Balance sheet	44,59,475	52,41,901

During the year under review, the Company has incurred a profit of Rs. 44,59,475 as against net profit of Rs. 52,41,901 lakhs in the previous year. Your Directors are hopeful to maintain the growth in the upcoming years.

STATE OF AFFAIRS OF THE COMPANY:

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

REVIEW OF OPERATIONS:

Pace Automation provides restaurant retail automation services to more than 3,500 restaurant outlets in India and abroad.

It has developed and deployed best-in-class solutions in Sales Force Automation, Business Process Automation, Small, Medium as well as Large Format Retailing, Petroleum Retail, Online Lottery and Turf Club Automation and Remote Digital Content Delivery to the granularity of a single display and so on. The latest offering is “Retail Smart”, a solution to “IT” enable the Kirana shops across the country.

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

TRANSFER TO RESERVES:

During the year under review the Company has not transferred any amount to reserves.

DIVIDEND:

With a view to conserve the resources, your Board of Directors do not recommend any dividend to the shareholders for the financial year ended 31.03.2020.

SHARE CAPITAL:

The paid up Equity Share Capital as on March 31, 2020 was Rs.11,94,80,350. No additions and alterations to the capital were made during the financial year 2019-20.

LISTING OF SHARES

The Shares of the Company are listed in the Metropolitan Stock Exchange.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

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

DIRECTORS’ RESPONSIBILITY STATEMENT:

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

1. That in the Preparation of Final Accounts, the applicable Accounting Standards has been followed along with proper explanation relating to material departures;
2. That they had selected such Accounting Policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the Company for that period.
3. That they had taken proper and sufficient care for the maintenance of adequacy Accounting Records in accordance with the provisions of the Act, for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
4. That they had prepared the Annual Accounts on a Going Concern basis.
5. That they laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating properly; and

6. That they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors

Mrs. Malathy Gopalakrishnan ,Director, retire by rotation and being eligible , offer himself for re-appointment.

During the year, Mr. Venkateswaran Krishnaswamy was appointed as Additional Director and his appointment as Independent Director is recommended by Board and the same is placed by the shareholders in the upcoming meeting as on 22nd December, 2020.

Mr. N.Sripathi was appointed as CFO of the company as on 28th May, 2019 by the Board of Directors of the company.

Mr. G. Raghavan Company Secretary of the company resigned from the company, the company is in search of a suitable Company Secretary for the company.

Board Composition

The Board is well constituted with composition of one executive, one non-executive and two independent directors.

Category	Name of Director
Executive Directors	S.G.Chandru
Non - Executive Director	Malathy Gopalkrishnan
Independent Directors	K. Venkateswaran, Suguna Raghvan

Key Managerial Personnel

The key managerial personnel of the Company are as under:

- 1) Shri. S.G.Chandru Managing Director
- 2) Shri. N. Sripathi Chief Financial Officer
- 3) Mr. G. Raghavan Company Secretary

NUMBER OF MEETINGS OF THE BOARD:

5 Meetings of the Board of Directors of the Company were held during the year 2019-20 which were 28.05.2019, 14.08.2019, 04.11.2019, 06.12.2019, 14.02.2020. The Maximum time gap between any two consecutive meetings did not exceed 120 days.

BOARD EVALUATION:

Pursuant to the provisions of Companies Act, 2013 and of the Listing Agreement, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder Relationship Committee. The Manner in which the evaluation has been carried out is explained below.

A) Evaluation Of Executive Directors At Independent Director's Meeting:

During the year under review, the Independent Directors met on 14th February, 2020, inter alia to:

- (i) Review the performance of Non - Independent directors and the Board as a whole.
- (ii) Review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors.
- (iii) Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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, 2020, which has been relied on by the Company and placed at the Board Meeting.

BOARD DIVERSITY:

Since the Company falls under the exempted category as provided under Regulation 15 of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 disclosure on Board diversity is not applicable.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM:

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulations 34 (3), 18 (3) and 46 of SEBI (LODR) Regulations, 2015, the Board of Directors had approved the policy on Vigil Mechanism, Whistle Blower and the same was hosted on the website of the Company. The Policy inter alia provides to direct access to the Chairman of the Audit Committee.

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

INTERNAL 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.

INTERNAL AUDITORS

Shri N Subramanian, Chartered Accountants, are the Independent Internal Auditors of the Company. The Audit Committee determines the scope of internal Audit in line with regulatory and business requirements.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the Statutory Auditors nor the Secretarial Auditor has reported to the Audit Committee under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

COMPOSITION OF BOARD COMMITTEES:

a) Audit Committee:

Shri K. Venkateswaran	Independent Director
Ms. Suguna Raghavan	Independent Director
Mrs. Malathy Gopalakrishnan	Director

b) Nomination and Remuneration Committee:

Shri K. Venkateswaran	Independent Director
Ms. Suguna Raghavan	Independent Director
Mrs. Malathy Gopalakrishnan	Director

c) Stakeholders' Relationship Committee:

Shri K. Venkateswaran	Independent Director
Shri. S.G.Chandru	Managing Director
Mrs. Malathy Gopalakrishnan	Director

Meeting Of Audit Committee:

During the year ended 31st March 2020, 5 Meetings of the Audit Committee were held on 28.05.2019, 14.08.2019, 04.11.2019, 06.12.1992, 14.02.2020. The Chairman of the Audit Committee has the accounting or related financial management expertise.

Meeting Of Nomination And Remuneration Committee

For the year ended 31st March 2020 , the meeting was held on 14th February, 2020.

Meeting Of Stakeholders' Relationship Committee

For the year ended 31st March 2020 , the meeting was held on 14th February, 2020.

The Board Committees meet at regular intervals; take necessary steps to perform their duties entrusted by the Board.

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 work place, in business practices and in dealing with stakeholders.

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

STATUTORY AUDITORS:

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

COMMENT ON STATUTORY AUDITOR'S REPORT:

There are no qualifications, reservations, remarks or disclaimers made by Mr. TSR Sivasubramanian, Statutory Auditor, in their audit report.

COST AUDITOR:

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.

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 2019-2020.

The Secretarial Audit report as received from the Secretarial Auditor is annexed to this report as Annexure 1.

Qualification In Secretarial Audit Report

There are no material qualifications in the Secretarial Report except for few observations in the Secretarial Audit report and the same has been taken on record for due action.

RISK MANAGEMENT POLICY:

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

There has been no loan and guarantees given or made by the Company under Section 186 of the Act, 2013 during the financial year 2019-20.

RELATED PARTY TRANSACTIONS:

During the year 2019-20, the Company had not entered into any material transaction with related parties pursuant to the provisions of section 188 of the Companies Act, 2013. Hence the question of reporting under the requirement of said section does not arise

CORPORATE SOCIAL RESPONSIBILITY (CSR):

Your Company is not having profits more than Rs. 5 Crores in the year 2019-20 or net worth more than Rs. 500 Crores or Turnover of more than Rs. 1000 Crores in the previous financial year and therefore Constituting of a CSR Committee and its Compliance in accordance with the provisions of Section 135 of the Act, does not arise.

EXTRACT OF ANNUAL RETURN:

The details forming part of extract of Annual Return in form MGT-9 as provided under Sub Section (3) of the Section 92 of the Companies Act, 2013 (the Act) is annexed herewith as Annexure – 4 to this report.

DISCLOSURE OF SHARES HELD BY PROMOTERS IN DEMAT FORM:

The promoters of the Company hold 5916670 of their shares in demat form and 54305 in physical form. The details of Shareholding of the Promoters are given in MGT-9 (Annexure -4 to this report).

PARTICULARS OF EMPLOYEES:

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

The Information of employees as per Rule 5(2) of the said Act for the year is “Nil”.

DISCLOSURE 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.

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

Since your Company's paid up Equity Capital, and Net worth is less than Rs. 10 Crores and Rs. 25 Crores respectively, the provisions of revised Clause 49 relating to Corporate Governance, vide SEBI Circular number CIR/CFD/POLICY CELL/7/2014 dated 15th September, 2014 is not applicable to the Company, hence company is exempt from forming other policies such as Policy on determining materiality of events, Policy on documents preservation and archival, etc.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under the Companies Act, 2013 are covered under the Board's policy formulated by the Company and is available on the Company website www.paceautomation.com

PREVENTION OF SEXUAL HARASSMENT POLICY:

The Company has in place Prevention of sexual harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (Permanent, contractual, temporary, trainees) are covered under this policy.

The said policy is placed in the website of the Company viz www.paceautomation.com

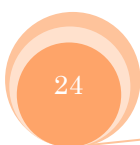
The Company has constituted Internal Complaint Committee as per the aforesaid Act.

Your Directors state that during the year under review, the Committee met on and observed that there was no case filed pursuant to the Sexual Harassment of the woman at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

DEPOSITS FROM PUBLIC:

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

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



The details of Conservation of Energy, technology absorption, foreign exchange earnings and outgo as required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are attached as Annexure – 3.

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

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

MATERIAL CHANGE AND COMMITMENTS OF THE COMPANY:

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

CORPORATE GOVERNANCE REPORT

Since your Company's paid up Equity Capital, and Net worth is less than Rs. 10 Crores and Rs. 25 Crores respectively, the provisions of revised Clause 49 relating to Corporate Governance, vide SEBI Circular number CIR/CFD/POLICY CELL/7/2014 dated 15th September, 2014 is not applicable to the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Industry Structure and Developments

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

Opportunities and Threats:

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

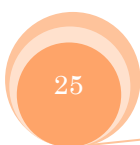
Segment wise performance:

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

Risks and Concerns:

Our main concern is, continuous competition from other service providers in the same line of service by reducing the price in the market due to which the company has to reduce the price to retain its share in the market.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:



Summary of statement of profit and loss account forms part of the Annual Report.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT:

Training on all sectors are given to its employees periodically and motivated to work inline with the development of the Industry. The willingness and commitment of the employees help the company to stand tall among its customer in quality and service. The company has the total employee strength of 75.

ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation of the Contributions made by employees at all levels, towards the continued growth and prosperity of your Company.

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

For and on behalf of the Board

Sd

Sd

Place: Chennai

S.G.Chandru

Malathy Gopalkrishnan

Date:12/11/2020

Managing Director

Director

(DIN : 00814605)

(DIN : 00841108)

ANNEXURE - 1
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2020

[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 hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 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 here in after:

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(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, 2020 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 there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations.
 - (v) 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.
- 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 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 except to the extent of observations noted in this report.
- 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 of the Company the following laws as being specifically applicable to the Company

1. Designs Act
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

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

1. The Company is yet to improve in certain areas of SS-1 & SS-2 and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.
2. Company is yet to update its register in certain areas as per the new Act (Companies Act, 2013).
3. The Board Constitution was kept in balance till appointment of Independent Director.(till 6th December, 2020)
4. Nomination and Remuneration Committee is yet to be constituted as per SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.
5. The company appointed KMP (CS) on 1st November, 2019 in the place of Company Secretary who has resigned on 28th May 2019, however within the gap of six months as per section 203 of Companies Act, 2013.

Presently the correct Company Secretary has also resigned from the company w.e.f 29th June, 2020.

So company needs to appoint suitable candidate for the above vacancy in the company

There were no actions/events in pursuance of

- a) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014 and Employees Stock Option Scheme, 2007 approved under the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999
- b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations,2009
- c) The Securities and Exchange Board of India (Buyback of Securities) Regulations,1998
- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2009;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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

We further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, in our opinion, the Company has adequate systems and control

mechanism in the company to monitor and ensure compliance with applicable laws other general laws including Human Resources and Labour Laws and in certain areas the process is being strengthened.

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

We further report that:

The Board of Directors of the Company is not duly constituted with proper balance of Executive Directors and Independent Directors.

During the period under review, proper compliances were made for changes in the Board.

However, Nomination and Remuneration Committee has not been constituted in accordance with Section 178 of Companies Act,2013.

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

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

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

1. The Board of Directors at their meeting held on 6th December, 2019 appointed Mr. K.Venkateswaran) as an Additional Independent Director of the Company with effect from 6th December, 2019 for a period of Five years subject to the approval at ensuing Annual General Meeting of the Company.
2. The Company is seeking delisting of shares from the Stock Exchange due to slow performance of the company.

For LAKSHMMI SUBRAMANIAN & ASSOCIATES

Place : Chennai

Date : 12/11/2020

Sd

P.S.Srinivasan

Partner

ACS No. 1090

C.P.No.3122

UDIN : A001090B001287892

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

ANNEXURE-A

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.

For LAKSHMMI SUBRAMANIAN & ASSOCIATES

Place : Chennai

Date : 12/11/2020

Sd

P.S.Srinivasan

Partner

ACS No. 1090

C.P.No.3122

UDIN : A001090B001287892

ANNEXURE - 2

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

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

Executive Directors	Director Remuneration (Rs)	Median Employee's Remuneration (Rs)	Times
Mr. S.G.Chandru	51,00,000	12665	402.684

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

Directors, Chief Financial Officer, Chief Executive Officer and Company Secretary	Nil
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- c) The percentage increase in the Median Remuneration of employees in the Financial Year: No increase

- d) The number of permanent employees on the rolls of the Company: 62 employees

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

No major annual increase to employees and Managerial Personnel has been given to for the past two years.

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

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

- g) None of the other employee is in receipt of remuneration exceeding 850000/- P.A or 10200000/- P.A as prescribed under sub rule 2 of the Rule 5 of Companies (Appointment & Remuneration) Rules, 2014For and on behalf of the Board

Sd

Sd

Place: Chennai

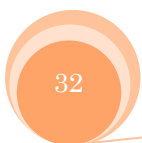
S.G.Chandru

Malathy Gopalkrishnan

Date:12/11/2020

Managing Director

Director



ANNEXURE - 3

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

(A) Conservation of energy:

1. Introduction of efficient lighting system and special capacitor banks for improvement of power factor.
2. Improvements in operating efficiency and reduction of losses at workers level
3. Technology for production of gasses is being upgraded continuously. Also distribution technology for cryogenic liquid products is streamlined.
4. Capital investments on energy conservation equipments: Nil

(B) Technology absorption:

- (i) The efforts made towards technology absorption: Nil
- (ii) Benefits derived

Production improvements NIL

Cost Reduction NIL

Product development or Import substitution NIL

- (iii) Imported Technology NIL
- (iv) Expenditure incurred on Research and Development NIL

(C) Foreign exchanges and outgo:

Details	2019-2020	2018-2019
	Rs. In lacs	Rs. In lacs
Earning in Foreign Exchange	Nil	Nil
Expenditure in Foreign Exchange	4.09	4.95

CIF value of imports - Raw Materials - Calcium Carbide	Nil	Nil
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For and on behalf of the Board

Sd

Sd

Place: Chennai

S.G.Chandru

Malathi Gopalkrishnan

Date:12/11/2020

Managing Director

Director

(DIN : 00814605)

(DIN : 00841108)

ANNEXURE -4

Form No. MGT -9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2020

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

I. REGISTRATION AND OTHER DETAILS:

CIN	L29141TN1989PLC018133
Registration Date	29-09-1989
Name of the Company	Pace Automation Limited
Category / Sub - Category of the Company	Public
Address of the Registered office and contact details	No.2, III Street, Parameswari Nagar Adyar Chennai Chennai TN 600020
Whether listed Company Yes/No	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Cameo Corporate Services Limited "Subramanian Buildings" 1, Club House Road, Chennai- 600002 Ph:-044-28460390 -6 Lines Fax:-044-28460129

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All Business activities contributing 10 % or more of the total turnover of the Company shall be stated:

S.NO	Name and Description of main Products/services	NIC Code of the Product / Service	% to total turnover of the Company
1	Computer Software design	42	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S.NO	Name and Address of the Company	CIN/GNL	Holding/Subsidiary / Associate	% of Shares held	Applicable Section
1	NIL	NIL	NIL	NIL	NIL

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

i)Category -wise Share holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.Promoters	5916670	54305	5970975	63.19	5916670	54305	5970975	63.19	0
(1) Indian									
a) Individual/HUF									
b) Central Govt.	0	0	0	0	0	0	0	0	
c) State Govt.	0	0	0	0	0	0	0	0	
d) Bodies Corporate	0	489285	489285	5.18	0	489285	489285	5.18	0
e) Banks/FI	0	0	0	0	0	0	0	0	
f) Any other	0	0	0	0	0	0	0	0	
Sub - Total(A)(1)	5916670	543590	6460260	68.37	5916670	543590	6460260	68.37	0
(2) Foreign									
a) NRIs Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub - Total(A)(2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	5916670	543590	6460260	68.37	5916670	543590	6460260	68.37	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks/FI									

c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-Total(B)(1)	0	0	0	0	0	0	0	0	0
2. Non-Institutions	0	24425	24425	0.25	0	24425	24425	0.25	0
a) Bodies Corp.									
i) Indian									
b) Individuals	9802	2758648	2768450	29.30	9802	2758648	2768450	29.30	0
i) Individuals shareholders holding nominal share capital upto Rs. 1 lakh									
ii) Individuals shareholders holding nominal share capital excess of Rs. 1 lakh	100000	91300	191300	2.03	100000	91300	191300	2.03	0
Others (specify)									
(C-i) Clearing Member									
(C-ii) Trust									
(C-iii) Foreign Nationals	0	3600	3600	0.03	0	3600	3600	0.03	0
(C-iv) HUF									
(C-v) Non Resident Indians									
sOthers									
IEPF									

Sub - Total (B)(2)	109802	2879973	2987775	31.62	109802	2879973	2987775	31.62	0
Total Public shareholding (B)=(B)(1)+(B)(2)	109802	2879973	2987775	31.62	109802	2879973	2987775	31.62	0
C. Shares held by custodian for GDRs&ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	6024472	3423563	9448035	100	6024472	3423563	9448035	100	0

ii) Share Holding of Promoters

S.No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year
		No. of shares	% of total shares of the Company	% of Shares Pledge d/encumbered to total shares	No. of Shares	% of total Shares of the Company	% Shares pledge d/encumbered to total shares	
1.	Malathi Gopalakrishnan	2704769	28.63	0	2704769	28.63	0	0
2.	Meera Chandru	2615600	27.68	0	2615600	27.68	0	0
3.	S.G.Chandru	650606	6.89	0	650606	6.89	0	0
4.	Electronic Corporation of Tamilnadu Ltd	489285	5.18	0	489285	5.18	0	0
	Total	6460260	68.38	0	6460260	68.38	0	0

(iii) Change in Promoter's Shareholding (Please specify, if there is no change)

No Change during the financial year 2019-20

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors),

Promoters and Holding of GDRs and ADRs):

SL.NO		Shareholding at the beginning of the year	Cumulative Shareholding during the year
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	For each of the top 10 Shareholders	No. of Shares	% Total shares of the Company	No. of shares	% of total shares of the Company
1.	Nirmala S At the beginning of the year-1.4.19 At the end of the year-31.03.2020	100000 100000	1.0584 1.0584	100000 100000	1.0584 1.0584
2.	KhwajaNizammudin At the beginning of the year-1.4.19 At the end of the year-31.03.2020	50000 50000	0.5292 0.5292	50000 50000	0.5292 0.5292
3.	Sankar D JT-I-1 Prema Sankar At the beginning of the year-1.4.19 At the end of the year-31.03.2020	23200 23200	0.2455 0.2455	23200 23200	0.2455 0.2455
4.	Madala Anita At the beginning of the year-1.4.19 At the end of the year-31.03.2020	18100 18100	0.1915 0.1915	18100 18100	0.1915 0.1915
5.	Prithvi Securities Limited At the beginning of the year-1.4.19 At the end of the year-31.03.2020	6700 6700	0.0709 0.0709	6700 6700	0.0709 0.0709
6.	Arun Kumar Goenka At the beginning the year 1.4.19 At the end of the year-31.03.2020	5000 5000	0.0529 0.0529	5000 5000	0.0529 0.0529
7.	Govinda bhai Baldev bhai Desai At the beginning of the year-1.4.19 At the end of the year-31.03.2020	5000 5000	0.0529 0.0529	5000 5000	0.0529 0.0529
8.	Pallavi A Patel At the beginning of the year-1.4.19 At the end of the year-31.03.2020	5000 5000	0.0529 0.0529	5000 5000	0.0529 0.0529
9.	Pratibha A Patel At the beginning of the year-1.4.19 At the end of the year-31.03.2020	5000 5000	0.0529 0.0529	5000 5000	0.0529 0.0529
10.	Parthasarathy M At the beginning of the year-1.4.19 At the end of the year-31.03.2020	5000 5000	0.0529 0.0529	5000 5000	0.0529 0.0529

(v) Shareholding of Directors and Key Managerial Personnel:

SL.NO	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
	For Each of the Directors and KMP	No. of Shares	% Total shares of the Company	No. of shares	% of total shares of the Company
1.	S.G.Chandru At the beginning of the year-1.4.19 At the end of the year -31.03.2020	650606 650606	6.8862 6.8862	650606 650606	6.8862 6.8862
2.	Malathi Gopalakrishnan At the beginning of the year-1.4.19 At the end of the year-31.03.2020	2704769 2704769	28.6278 28.6278	2704769 2704769	28.6278 28.6278

V.INDEBTEDNESS:

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

Details of borrowing	Secured	Unsecured	Deposits	Total
Indebtedness at the beginning of the financial year				
i)Principal Amount	2,33,32,161	0	0	2,33,32,161
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	2,33,32,161	0	0	2,33,32,161
Changes indebtedness during the year				
Addition	0	0	0	0
Reduction	2,33,32,161	0	0	2,33,32,161
Net Change	2,33,32,161	0	0	2,33,32,161
Indebtedness at the end of the financial year				
i)Principal Amount	0	0	0	0
ii)Interest due but not paid	0	0	0	0
iii)Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0

VI.REMUNERATION OF DIRECTORS AND KEY MANGERIAL PERSONNEL

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

S.NO	Particulars of Remuneration	Name of the MD/WTD/MANAGER	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961 (b) Value of perquisites under section 17(2) of the Income tax Act, 1961 (c) Profits in lieu of Salary under Section 17 (3) of the Income tax Act, 1961	Mr.S.G.Chandru (Managing Director)	46,35,000/- 4,61,717/-
2	Stock Option	NIL	NIL
3	Sweat equity	NIL	NIL
4	Commission -as % of profit -others, specify	NIL	NIL

5	Others, please specify	NIL	NIL
	Total (A)		50,96,717/-
	Ceiling as per the Act		51,00,000/-

B. Remuneration to Other Directors

S.NO	Particulars of Remuneration	Name of Directors	Total Amount
1.	2. Independent Directors Fee for attending board/ committee meetings Commission Others, please specify	Sitting fees Mr. S Arvind Ms. Suguna Raghavan Mr. R. Venkateswaran	5,000/- 25,000/- 10,000/-
	Total(1)		40,000/-
	4. Other Non- Executive Directors Fees for attending board/Committee meeting Commission Others, please specify	Ms. Malathi Gopalakrishnan	25,000/-
	Total (2)		25,000/-
	Total (B)=(1+2)		65,000/-
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		

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

SL.NO	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961 (b) Value of perquisites under section 17(2) of the Income tax Act, 1961 (c) Profits in lieu of Salary under Section 17 (3) of the	-	40,000/-	5,50,000/-	5,90,000/-
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission As % of profit Others, specify	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL

	Total (A)	-	40,000/-	5,50,000/-	5,90,000/-
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VII.PENALTIES / PUNISHMENT/ COMPOUNDING OFFENCES: NIL

For and on behalf of the Board

Sd

Sd

Place: Chennai

S.G.Chandru

Malathi Gopalkrishnan

Date:12/11/2020

Managing Director

Director

(DIN : 00814605)

(DIN : 00841108)

T.S.R.Sivasubramanian, B.Sc., F.C.A., DISA (ICAI),
Chartered Accountant



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INDEPENDENT AUDITORS REPORT

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

Opinion

I have audited the accompanying standalone financial statements of Pace Automation Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2020 and the Statement of Profit & Loss (including Other Comprehensive Income), the Cash flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under section 133 of the Act read with the Companies (The Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

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

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

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

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



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Chartered Accountant



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

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

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind As) referred to in Section 133 of the Act, read with rules made thereunder.

This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibility for the Audit of Financial Statements

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



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the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, I am also responsible for expressing my opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. I consider quantitative materiality and qualitative factors in (i) planning the scope of my audit work and in evaluating the results of my work and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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





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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") and issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, I give in the **Annexure A**, a statement on the matters specified in paragraph 3 and 4 of the said Order, to the extent applicable.
2. As required by Section 143(3) of the Act, report that:
 - a) I have sought and obtained all the information and explanations, which to the best of my knowledge and belief are necessary for the purposes of my audit;
 - b) In my opinion, proper books of account as required by law have been kept by the Company so far as appears from my examination of those books.
 - c) The Balance Sheet, the Statement of Profit & Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
 - d) In my opinion, the standalone Ind AS financial statements comply with the Accounting Standards specified in Section 133 of the Act.
 - e) On the basis of written representations received from the directors, as on 31st March, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to my separate Report in **Annexure – 'B'**. My report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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



T.S.R.Sivasubramanian, B.Sc., F.C.A., DISA (ICAI).
Chartered Accountant



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h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in my opinion and to the best of my information and according to the explanations given to me:

- (i) The Company does not have any pending litigations as on date.
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Chennai
Date: June 29, 2020



T.S.R. Sivasubramanian
28/20

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

UDIN: 20022713AAAAA26602



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Annexure "A" referred to in my report of even date of Pace Automation Limited for the year ending March 31, 2020

1. FIXED ASSETS:

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

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

(c) The Company do not hold any immovable properties in its own name.

2. (a) According to the information given to me and explanations provided, the Physical verification of inventory has been conducted during the year at reasonable intervals by the management.

(b) The procedures followed by the management for physical verification of inventory are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) The company is maintaining proper records of inventory and there is no material discrepancy noticed on physical verification and the same have been properly dealt within the books of account;

3. According to the explanation and information provided to me, the Company had not granted any fresh unsecured loans to companies, firms and other parties covered in the Register maintained under Section 189 of the Act.

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

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

6) According to the information given to me and explanations provided, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act for any of the activities conducted/ services rendered by the company. Accordingly para 3(vii) of the Order is not applicable.

7) According to the information and explanations given to me and the books of account examined by me, the company has generally been regular in depositing undisputed statutory



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dues including provident fund, employees' state insurance, income tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax cess and any other statutory dues with the appropriate authorities. There were no undisputed amounts payable in respect of the aforesaid statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

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

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

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

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

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

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

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

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

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

Place: Chennai
Date: June 29, 2020



T.S.R. Sivasubramanian
28/9/20

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

UDIN: 200227131AAAAZ6602

T.S.R.Sivasubramanian, B.Sc., F.C.A., DISA (ICAI),
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ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

1. I have audited the internal financial controls over financial reporting of **Pace Automation Limited** ("the Company") as of March 31, 2020 in conjunction with my audit of the standalone financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

4. My audit involves performing Procedures to obtain audit evidence about the adequacy of the internal financial controls systems over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected on the auditor's judgement of the



T.S.R.Sivasubramanian, B.Sc., F.C.A., DISA (ICAI),
Chartered Accountant



No.4-E, Block-3, Ceebros Orchid, 263/33, Velachery Main Road, Velachery, Chennai - 600 042
Tel: 044-43036232 Mobile: 9443319733, 9944914554 email: tsrsiva@gmail.com

financial including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8 In my opinion, to the best of my information and according to the explanations given to me, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on audit of internal Financial control Over financial reporting issued by the Institute of Chartered Accountants of India.

Place: Chennai
Date: June 29, 2020



T.S.R. Sivasubramanian
T.S.R. SIVASUBRAMANIAN 28⁹/₂₀
Chartered Accountant
Membership No. 22713
UDIN: 2002271311AAAAZ 6602

PACE AUTOMATION LIMITED
EMPEE Towers, V Floor, 59 Harris Road Pupupet Chennai 600002
CIN: L29141TN1989PLC018133
Balance Sheet as at March 31, 2020

(Amount - Rs.)

Particulars	Note No.	As at 31-03-2020	As at 31-03-2019
ASSETS		Rs.	Rs.
(1) Non-Current assets			
(a) Property, Plant & Equipment	2	59,64,442	65,18,534
(b) Capital work-in-progress	2	2,27,56,529	2,22,31,871
(c) Other intangible assets	2	-	-
(d) Financial assets			
i. Investments		-	-
ii. Loans	3	22,81,858	22,81,858
iii. Others (Bank deposits)		28,00,000	-
(e) Deferred Tax assets		-	-
(f) Other non-current assets		-	-
		3,38,02,828	3,10,32,263
(2) Current Assets			
(a) Inventories	4	21,08,735	21,08,735
(b) Financial assets			
i. Trade receivables	5	1,37,64,790	89,98,872
ii. Cash and Cash equivalents	6	79,920	2,70,76,229
iii. Loans	7	1,28,68,998	1,37,63,569
iv. Other Financial Assets		-	-
(c) Other current assets	8	99,63,033	76,54,552
		3,87,85,475	5,96,01,958
Total Assets (A)		7,25,88,304	9,06,34,220
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	9	9,44,80,350	9,44,80,350
(b) Other equity	10	-5,69,05,543	-6,13,65,019
		3,75,74,807	3,31,15,331
(2) Liabilities			
(i) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	11	2,58,68,023	2,58,68,023
(b) Provisions		-	-
(c) Deferred tax liabilities(net)	12	8,77,584	6,92,776
(d) Other non-current liabilities		-	-
		2,67,45,607	2,65,60,799
(ii) Current liabilities			
(a) Financial liabilities			
i. Borrowings	13	-	2,33,32,161
ii. Trade payables	14	25,07,736	17,91,339
iii. Other financial liabilities	15	45,77,490	42,43,750
(b) Provisions	16	11,82,664	15,90,839
(c) Other current liabilities		-	-
		82,67,890	3,09,58,090
Total equity and liabilities		7,25,88,304	9,06,34,220
Significant accounting policies	1		

See accompanying Notes to Financial Statements
Vide my report of even date attached

T S R SIVASUBRAMANIAN

Chartered Accountant
Memb. No: 022713

Place: Chennai
Date: June 29, 2020



Managing Director

Chief Financial
Officer

Director

Company
Secretary

PACE AUTOMATION LIMITED
EMPEE Towers, V Floor, 59 Harriss Road, Pupupet, Chennai - 600002
CIN: L29141TN1989PLC018133
Statement of Profit & Loss for the year ended March 31, 2020

(Amount - Rs.)

	Notes	Year ended 31-03-2020	Year ended 31-03-2019
I	Revenue from Operations	17 4,89,69,817	4,96,34,044
II	Other Income	18 10,13,874	17,79,461
III	Total Income	4,99,83,691	5,14,13,505
IV	Expenses:	-	-
	Cost of material consumed	19 -	5,51,562
	Purchase of stock in trade	-	-3,59,709
	Change in inventories of finished goods, stock-in-trade, work-in-progress	20 -	-
	Excise duty	21 2,85,11,967	2,70,85,225
	Employee benefit expense	22 5,90,718	20,37,644
	Finance costs	2 5,72,482	5,92,262
	Depreciation and amortisation expense	23 1,44,28,736	1,44,22,871
	Other expenses	4,41,03,904	4,43,29,855
	Total expenses		
	Profit before exceptional and extraordinary items and taxes (III-IV)	58,79,787	70,83,650
V	Exceptional items	-	-
VI	Profit before tax (PBT) (VII-VIII)	58,79,787	70,83,650
VII	Tax expense	11,82,664	15,90,839
VIII	i) Current tax	52,840	-
	i) Relating to Previous Years	1,84,808	2,50,910
	iii) Deferred tax	44,59,475	52,41,901
IX	Profit/(Loss) for the period from continuing operations	44,59,475	52,41,901
X	Profit/(Loss) for the period		
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	0.47	0.55
XIII	Earnings per equity share	0.47	0.55
	Basic & Diluted Earnings per share		

See accompanying Notes to Financial Statements
 Vide my report of even date attached

T S R Sivasubramanian

T S R SIVASUBRAMANIAN 28/20
 Chartered Accountant
 Memb. No: 022713

Place: Chennai
 Date: June 29, 2020



Malathi Gopala Krishnan

Managing Director

Director

K-t
 Chief Financial Officer

Ghyshun
 Company Secretary

Pace Automation Limited
EMPEE Towers, V Floor, 59 Harris Road, Pupupet, Chennai, 600002
CIN: L29141TN1989PLC018133
Cash Flow Statement for the year ended March 31, 2020

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash Flow from Operating Activities		
Net Profit Before Tax and Extraordinary Items	44,59,475	52,41,901
Add:		
Depreciation and Amortisation for the year	5,72,482	5,92,262
Bad Debts written off	-	-
Interest Income	(6,20,470)	(17,76,761)
Finance cost	5,90,718	20,37,644
Operating Profit before Changes in Working Capital	50,02,206	60,95,046
(Increase)/ Decrease in Working Capital		
Inventories	-	-3,59,709
Sundry Debtors	-47,65,918	1,83,83,036
Loans and Advances	8,94,571	-48,53,264
Other current assets	-23,08,481	-71,93,575
Current Liabilities	6,41,961	-23,37,076
	(55,37,866)	36,39,412
Cash generated from operations	(5,35,661)	97,34,458
Direct taxes paid	-	5,77,184
Net Cash Flow from Operating Activities (A)	(5,35,661)	91,57,274
B. Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment	(18,390)	(60,86,004)
Capital Work-in-Progress	(5,24,658)	(40,96,631)
Interest received	6,20,470	17,76,761
Sale of Fixed Assets	-	-
Dividend received	-	-
Net Cash Flow from Investing Activities (B)	77,422	(84,05,874)
C. Cash Flow from Financing Activities		
Long Term Borrowings repaid	-	(30,000)
Short-Term Borrowings availed/(repaid)	(2,33,32,161)	13,92,471
Interest Paid on Borrowings	(5,90,718)	(20,37,644)
Dividend and dividend tax paid	-	-
Net Cash Flow from Financing Activities (C)	(2,39,22,879)	(6,75,172)
Total (A+B+C)	(2,43,81,118)	76,228
Cash and Cash Equivalents at the Beginning of the year	2,70,76,229	2,70,00,001
Cash and Cash Equivalents at the end of the year	28,79,920	2,70,76,229
D. Increase/(Decrease) in Cash and Cash Equivalents	(2,41,96,310)	76,228

See accompanying notes to financial statements
Vide my report of even date attached

T S R Sivasubramanian
T S R SIVASUBRAMANIAN 28/9/20
Chartered Accountant
Memb. No: 022713
Place: Chennai
Date: June 29, 2020



Kadathur Govindarajan
Director

[Signature]
Managing Director

[Signature]
Company Secretary

[Signature]
Chief Financial Officer

PACE AUTOMATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2020

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 income and expenses during the period. Examples of such estimates include computation of percentage of completion which requires the company to estimate the efforts or cost expended to date as a proportion of the total efforts or costs to be expensed, provision for doubtful debts, further obligations under employee retirement benefit plans, income taxes and the useful lives of fixed assets and intangible assets. Actual results could differ from these estimates. Differences between the actual results and estimates are recognized in the period in which the results are known/ materialized. Management believes that the estimates used in preparation of financial statements are prudent and reasonable.

d) Revenue Recognition

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

e) Provisions and Contingent Liabilities

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

f) Property, Plant and Equipment

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

g) Depreciation and amortization

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

2) Intangible Assets

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

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

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

h) Retirement Benefits to employees

Gratuity

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

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

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

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

i) Foreign Currency Transactions

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

j) Income Taxes

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

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

k) Earnings per Share

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

l) Investments

Trade investments are the investments made to enhance the Company's business interests. Investments are classified as current or long term based on management's intention. Long-term investments are stated at cost, less depreciation, if any. Short-term investments are valued at lower of cost or market value. Income from investment: Interest income is accounted for on accrual basis.

m) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at 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
Statement of Change in Equity for the year ended March 31, 2020

a. Equity Share Capital	Rupees
As at 01-04-2018	11,94,80,350
Change in equity share capital	-
As at 31-03-2019	11,94,80,350
Change in equity share capital	-
As at 31-03-2020	11,94,80,350

b. Other Equity

Particulars	Reserves & Surplus			
	Retained earnings	Capital Reserves	Export Market Development Grant	Total
Balance as on 01-04-2016	(7,96,47,232)	23,09,000	192839	(7,71,45,393)
Add: Profit for the year 2016-17	33,93,091	-	-	33,93,091
Add: Additions during the year 2016-17	-	-	-	-
Less: Deductions during the year 2016-17	-	-	-	-
Balance as at 01-04-2017	(7,62,54,141)	23,09,000	1,92,839	(7,37,52,302)
Add: Profit for the year 2016-17	37,48,080	-	-	37,48,080
Add: Additions during the year 2016-17	-	-	-	-
Less: Deductions during the year 2016-17	-	-	-	-
Balance as at 01-04-2017	(7,25,06,061)	23,09,000	1,92,839	(7,00,04,222)
Add: Profit for the year 2017-18	33,97,302	-	-	33,97,302
Add: Additions during the year 2017-18	-	-	-	-
Less: Deductions during the year 2017-18	-	-	-	-
Balance as at 31-03-2018	(6,91,08,759)	23,09,000	1,92,839	(6,66,06,920)
Add: Profit for the year 2018-19	52,41,901	-	-	52,41,901
Add: Additions during the year 2018-19	-	-	-	-
Less: Deductions during the year 2018-19	-	-	-	-
Balance as at 31-03-2019	(6,38,66,858)	23,09,000	1,92,839	(6,13,65,019)
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)

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	Vehicles	
	1	2	3	4	5	6	7	8
Cost of assets								
Gross carrying value as at 01-04-2019	-	2,00,91,204	55,38,070	38,08,026	65,72,013	6,46,38,323	3,40,820	10,09,88,455
Additions	-	-	-	-	-	18,390	-	18,390
Sub total	-	2,00,91,204	55,38,070	38,08,026	65,72,013	6,46,56,712	3,40,820	10,10,06,845
Sales/deletion	-	-	-	-	-	-	-	-
Total	-	2,00,91,204	55,38,070	38,08,026	65,72,013	6,46,56,712	3,40,820	10,10,06,845
Depreciation/Amortisation								
Up to 31.03.2019	-	1,95,84,613	2,46,128	36,66,872	65,78,345	6,43,65,570	28,393	9,44,69,921
For the year	-	58,111	2,46,128	26,903	-	2,12,947	28,393	5,72,482
Sub total	-	1,96,42,724	4,92,256	36,93,775	65,78,345	6,45,78,517	56,786	9,50,42,403
Withdrawn on assets sold/deleted	-	-	-	-	-	-	-	-
Total	-	1,96,42,724	4,92,256	36,93,775	65,78,345	6,45,78,517	56,786	9,50,42,403
Carrying value								
As at 31-03-2020	-	4,48,480	50,45,814	1,14,251	-6,332	78,195	2,84,034	59,64,442
As at 31-03-2019	-	5,06,591	52,91,942	1,41,154	-6,332	2,72,753	3,12,427	65,18,534

PACE AUTOMATION LIMITED
Notes to Balance Sheet for the year ended March 31, 2020

	As at 31.03.2020	As at 31.03.2019
3 LOANS		
(A) Loans and Advances to Related Parties	-	-
(B) Security Deposits (Secured, Considered good)	3,25,045	3,25,045
(C) Security Deposits(Unsecured, Considered good)	19,56,813	19,56,813
Total (A+B)	<u>22,81,858</u>	<u>22,81,858</u>
(C) Other Loans and Advances Unsecured, Considered good Income Tax Payments	-	-
Total (B)	<u>-</u>	<u>-</u>
Total (A+B+C)	<u>22,81,858</u>	<u>22,81,858</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	21,08,735	21,08,735
	<u>21,08,735</u>	<u>21,08,735</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	8,82,395	48,408
Doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
Total (A)	<u>8,82,395</u>	<u>48,408</u>
(B) Others		
Secured, Considered good	-	-
Unsecured, Considered good	1,28,82,395	89,50,464
Doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
Total (B)	<u>1,28,82,395</u>	<u>89,50,464</u>
Total (A+B)=C	<u>1,37,64,790</u>	<u>89,98,872</u>
6 Cash And Cash Equivalent		
Balance with Banks in Current accounts	77,455	13,71,906
Fixed Deposits with Banks	-	2,57,02,000
Cash on hand	2,465	2,323
	<u>79,920</u>	<u>2,70,76,229</u>
7 Current Assets- Loans		
(A) Loans and Advances to related parties	-	7,56,433
(B) Others		
(i) Secured, Considered good	-	-
(ii) Unsecured, Considered good		
Deposit	12,000	-
Others	1,28,56,998	1,30,07,136
(iii) Doubtful	-	-
Total	<u>1,28,68,998</u>	<u>1,37,63,569</u>
8 Other Current Assets		
TDS Receivable	1,00,56,409	68,62,352
Interest accrued on Deposits	-	6,65,825
Other Receivables	-93,376	1,26,375
	<u>99,63,033</u>	<u>76,54,552</u>

PACE AUTOMATION LIMITED
Notes to Balance Sheet for the year ended March 31, 2020

9 EQUITY SHARE CAPITAL

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

Particulars	As at 31.03.2020		As at 31.03.2019	
	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 31.03.2020		As at 31.03.2019	
	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
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 31-03-2020		As at 31-03-2019	
		Number	%	Number	%
Mr S G Chandru	Equity	6,50,606	6.89	6,50,606	6.89
Mrs Meera Chandru	Equity	26,15,600	27.68	26,15,600	27.68
Ms Malathi Gopalakrishnan	Equity	27,04,769	28.65	27,04,769	28.65
Electronics Corporation of Tamil Nadu Ltd	Equity	4,89,285	5.18	4,89,285	5.18
Redeemable Preference Shares Mrs Meera Chandru	Equity	25,00,000	100.00	25,00,000	100.00

PACE AUTOMATION LIMITED

Notes to Balance Sheet for the year ended March 31, 2020

10 Other equity

	As at 31 03-2020	As at 31-03-2019
(i) Capital Reserve (a)	23,09,000	23,09,000
(ii) Export Market Development Grant (b)	1,92,839	1,92,839
(iii) Retained Earnings		
Opening Balance	-6,38,66,858	-6,91,08,759
Add: Profit/(Loss) for the year	44,59,475	52,41,901
Closing Balance (c)	-5,94,07,383	-6,38,66,858
Total (a+b+c)	-5,69,05,543	-6,13,65,019

11 Non-current Liabilities - Financial Liabilities- Borrowings

Particular	As at 31 03-2020	As at 31-03-2019
Redeemable Preference Shares	2,50,00,000	2,50,00,000
Trade Deposits	8,68,023	8,68,023
Total	2,58,68,023	2,58,68,023

Note:

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

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

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

	31.03.2020	31.03.2019
	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 03-2020	As at 31-03-2019
Opening Balance	6,92,776	4,41,866
Add: Additions during the year on account of depreciation Benefits	1,84,808	2,50,910
Closing Balance	8,77,584	6,92,776

13 Current Liabilities - Financial Liabilities- Borrowings

Particular	As at 31-03-2020	As at 31-03-2019
SECURED LOANS		
(Secured by a lien on the fixed deposits held by the company with banks for less than 12 months)	-	2,33,32,161
Toatl	-	2,33,32,161

14 Current Liabilities - Financial Liabilities- Trade Payable

Particular	As at 31-03-2020	As at 31-03-2019
Trade Creditors	25,07,736	17,91,339
Toatl	25,07,736	17,91,339

15 Current Liabilities - Financial Liabilities- Other Financial Liabilities

Particular	As at 31-03-2020	As at 31-03-2019
Amount Payable to Directors	-	3,02,500
Other Payables		
-PF payable	1,00,981	1,07,218
-ESI payable	3,062	11,118
-GST payable	10,97,775	10,95,777
-TDS payable	2,59,968	1,08,988
-Professional Tax payable	61,104	-
-Other Creditors	30,54,600	26,18,150
Toatl	45,77,490	42,43,750

16 Current Liabilities - Provisions

Particular	As at 31-03-2020	As at 31-03-2019
For Income tax	11,82,664	15,90,839
Toatl	11,82,664	15,90,839

PACE AUTOMATION LIMITED

Notes to Statement of Profit and Loss for the year ended March 31, 2020

17 REVENUE FROM OPERATIONS	Year ended 31-03-2020	Year ended 31-03-2019
Sales of material	-	1,91,853
IT related Services - Transaction Processing Charges	4,89,69,817	4,94,42,191
	<u>4,89,69,817</u>	<u>4,96,34,044</u>
 18 OTHER INCOME		
Interest income	6,20,470	17,76,761
Interest on Income Tax Refund	3,93,404	-
Miscellaneous income	-	2,700
	<u>10,13,874</u>	<u>17,79,461</u>
 19 Purchase of Trade Goods		
Electronic Goods	-	5,51,562
	<u>-</u>	<u>5,51,562</u>
 20 Change in Inventory of Finished Goods		
Opening stock	21,08,735	17,49,026
Less: Material Rejected / Returned	-	-
Closing Stock of Finished Goods	21,08,735	21,08,735
	<u>-</u>	<u>-3,59,709</u>
 21 Employee Benefit Expenses		
Salaries, Wages and Bonus	2,14,02,331	2,00,56,103
Remuneration to directors	49,36,622	38,85,000
Contribution of PF and other funds	15,66,206	17,48,972
Staff Welfare Expenses	3,23,590	4,64,898
Gratuity	2,83,218	9,30,252
	<u>2,85,11,967</u>	<u>2,70,85,225</u>
 22 Finance Cost		
Interest Expense	5,79,357	20,26,715
Bank Charges	11,361	10,928
	<u>5,90,718</u>	<u>20,37,644</u>
 23 Other expenses		
Advertisement Charges	44,400	-
Rent	47,36,880	47,36,880
Printing and Stationery	21,379	18,284
Repairs and Maintenance Others	3,23,155	2,47,208
Communication expenses	8,47,026	7,97,715
Electricity Charges	14,06,964	15,28,926
Virtual Server Charges	39,73,723	36,45,832
Professional charges	8,06,241	14,08,558
Rates and Taxes	4,990	13,490
Postage and courier expenses	6,856	19,552
Registrations and renewals	84,828	30,533
Office Maintenance	4,30,352	-
Listing Fees	55,000	-
Filing fees	27,900	-
Miscellaneous expenses	6,78,561	10,28,313
Payments to statutory auditors:		
- As Auditors	60,000	60,000
- Taxation Matters	15,000	15,000
- Reimbursement of expenses	10,000	10,000
Travelling and Conveyance	8,89,182	8,42,533
Selling and distribution expenses	6,300	20,047
Bad debts written off	-	-
Project Expenses written off	-	-
	<u>1,44,28,736</u>	<u>1,44,22,871</u>

PACE AUTOMATION LIMITED

6. Other Notes Forming Part of Financial Statement for the year ended March 31, 2020

	('in Lacs)	
	2019 - 20	2018 - 19
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	4.09	4.95
5. The amount remitted during the year in foreign currencies on account of dividends	---	---
6. Earnings in foreign exchange	---	---
7. Other Liabilities include Deposits from customers	8.68	8.68
8. Sundry Debtors/Creditors and advances are subject to confirmation/reconciliation		
9. In the opinion of the Board, Current Assets, Loans and Advances are realisable approximately at the values stated in the Balance Sheet in the ordinary course of business		

Managing Director

Mr. S G Chandru

Key Management Personnel

Ms. S Nirmala	President & CTO
Mr G Raghavan	Company Secretary
Mr N Sripathi	CFO

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

	('in Lacs)	
Salary and other employee benefits to Whole-Time Directors and Executive Officers	90.71	80.32

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.2.83 lacs paid on this account during the year is charged to the Profit & Loss Statement. Defined benefit plans as per actuarial valuation is given below:

	(Amount in Rupees)	
	31.03.2020	31.03.2019
i. Present value of projected benefit obligation as at the beginning of each year	3,058,390	2,633,842
ii. Service cost	138,283	118,343
iii. Interest cost	229,379	210,707
iv. Actuarial Gain / (Loss)	(16,63,373)	107,758
v. Benefits paid	(72,692)	(12,260)
vi. Present value of projected benefit obligation as at the end of each year	16,89,987	3,058,390

vii. Fair value of Plan Assets as at the end of each year	33,42,275	2,927,200
viii. Liability / (Asset) recognised in the Balance Sheet	(16,52,288)	(131,190)
ix. Amount charged to Profit & Loss Account (Gross)	283,218	930,252
x. Actuarial assumptions:		
a) Discount rate	7.25%	7.5%
b) Future Salary Escalation	5.00%	7%
c) Expected rate of return on Plan assets	7.25%	7.50%

13. Details of Earnings per Share:

	31.03.2020	31.03.2019
Profit / (Loss) after tax (in `)	42,98,202	52,41,901
No of equity shares at the beginning of the year	94,48,035	94,48,035
No of equity shares at the end of the year	94,48,035	94,48,035
Face value of per share (in `)	10.00	10.00
Earnings per share (in `) – Basic and Diluted	0.45	0.55

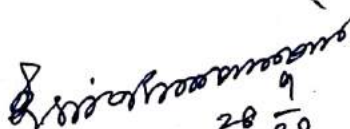
14. Previous year's figures have been regrouped or reclassified wherever necessary to conform to the current period.

15. The Company's operation predominantly relate to providing a single segment of software related technical services to enable clients to enhance business performance. Geographic segmentation is based on business sourced from India only and hence segment reporting in this case is not applicable.

16. Micro, Small and Medium Enterprises Disclosure

On the basis of the information and records available with the Company, the Company had not paid any interest during the year to any parties who are classified as Micro, Small and Medium Enterprises on account of default in payment of their dues. Also there are no amounts outstanding as on 31.03.2020 in excess of Rs.1,00,000/- to any party classified as Micro, Small and Medium Enterprises.

As per my report of even date


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


S G Chandru
Managing Director


Malathi Gopalakrishnan
Director


N. Sripathi
Chief Financial Officer

Place: Chennai
Date: June 29, 2020


Company Secretary

