



**PACE AUTOMATION LIMITED**

**32<sup>ND</sup> ANNUAL REPORT**

**2021-2022**

**CORPORATE INFORMATION****BOARD OF DIRECTORS**

Mr. S. G. Chandru	Managing Director
Mr. K Venkateswaran	Independent Director
Mrs. Malathy Gopalakrishnan	Non-Executive Director
Ms. Raghavan Suguna	Independent Director
Balamurugan	Company Secretary

**AUDIT COMMITTEE**

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

**STAKEHOLDER RELATIONSHIP COMMITTEE**

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

**NOMINATION AND REMUNERATION COMMITTEE**

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

**STATUTORY AUDITOR**

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

**SECRETARIAL AUDITORS**

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

**INTERNAL AUDITORS**

Shri N Subramanian  
No. 81, Grems Road,  
Chennai - 600006

**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](mailto:cameo@cameoindia.com)

**Stock Exchange Where Company's Securities Are Listed**

Metropolitan Stock Exchange

**REGISTERED OFFICE**

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

**Email:** [sripathi@paceautomation.com](mailto:sripathi@paceautomation.com)

**Website:** [www.paceautomation.com](http://www.paceautomation.com)

**Investor Relations Email ID:** [ramaseshan@paceautomation.com](mailto:ramaseshan@paceautomation.com)

**Contact Number:** 044 2855 4821/9940081504

**Corporate Identity Number:** L29141TN1989PLC018133

## Annual Report 2021-2022

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Notice is hereby given that the 32<sup>nd</sup> Annual General Meeting of Pace Automation Limited will be held on Wednesday the 3<sup>rd</sup> of August, 2022 through Video Conference (VC) or Other Audio-Visual Mean (OAVM) at 3 PM 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, 2022 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 herself for reappointment.

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

The Audit committee of the company has proposed and the Board has recommended the appointment of M/S. Vivekanandan & Associates, Chartered Accountant (Firm Registration Number: 005268 S) as statutory auditor of the company. M/S. Vivekanandan & Associates will hold office for a period of five consecutive years from the conclusion of the 32<sup>nd</sup> Annual General Meeting of the company till the conclusion of the 37<sup>th</sup> Annual General Meeting to be held in 2027.

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

**RESOLVED THAT** pursuant to Sections 139,142 and other applicable provisions, if any, of the Companies Act 2013 and the rules made thereunder, as amended from time to time, pursuant to the proposal of the audit committee of the Board and recommendation of the Board M/S. Vivekanandan & Associates, Chartered Account (Firm Registration Number: 005268 S) be and is hereby appointed as statutory auditor of the Company, to hold office for a period of five consecutive years commencing from the financial year 2022-23, on a remuneration that may be determined by the audit committee in consultation with the auditor and that such remuneration may be paid on a progressive billing basis.

#### SPECIAL BUSINESS

**Item No 4. TO APPROVE THE REDUCTION OF EQUITY SHARE CAPITAL OF THE COMPANY**

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

**RESOLVED THAT** pursuant to the provisions of Section 66 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made there under, in terms of Clause 57 of the Articles of Association (Amended) of PACE AUTOMATION LIMITED ('the Company') (As per Item 1 above), subject to the consent of the creditors of the company, subject to the approval, if any, of the M/s. Metropolitan Stock Exchange of India Limited and/or the Securities Exchange board of India and pursuant to relevant provisions of the National Company Law Tribunal (Procedure for reduction of Share Capital of Company) Rules, 2016, and Subject to confirmation of the National Company Law Tribunal, Chennai Bench and / or any other appropriate authorities the approval of the members of the Company be and is hereby accorded to reduce the Paid up Capital of the Company from ₹9,44,80,350 (Rupees Nine crore Forty Four Lakhs Eighty Thousand Three Hundred and Fifty only) divided into 94,48,035 Equity Shares of ₹10 each to ₹3,02,33,710\* (Rupees Three Crore Two Lakhs Thirty Three Thousand Seven hundred and Ten only) divided into 94,48,035 of ₹3.20 each thereby reducing the nominal value of Equity Shares from ₹ 10 each to ₹3.20 each per share by cancelling the Equity share capital of ₹6.80 per share and that such reduction be effected by writing off the Part of accumulated losses up to ₹. 6,42,46,640/-. (\*Rounded off to nearest integer)

**RESOLVED FURTHER THAT** the Scheme providing reduction of share capital of the Company, as submitted to the M/s. Metropolitan Stock Exchange of India Limited, designated stock exchange for observations and / or Securities and Exchange Board of India, be and is hereby approved and that the communication received, if any, shall be placed before the shareholders.

**RESOLVED FURTHER THAT** the Reduced Issued, Subscribed and Paid up Capital of ₹ 3,02,33,710\* (Rupees Three Crore Two Lakhs Thirty Three Thousand Seven hundred and Ten only) divided into 94,48,035 of ₹3.20 each shall be consolidated in to 30,23,371 Equity Shares of ₹ 10 each in such a manner that every 100 (Hundred) equity shares of ₹3.20 each shall constitute 32 (Thirty Two) equity shares of ₹.10 each fully paid up forming integral part of the Scheme of reduction of capital.

**RESOLVED FURTHER THAT** upon consolidation of the Equity shares of the Company as aforesaid, every 100 (Hundred) equity shares of the face value of ₹ 10 (Rupees Ten only) each fully paid-up held by a shareholder as on the Record Date shall stand consolidated into 32 (Thirty-Two) equity share of the face value of ₹ 10 (Rupees Ten only) each fully paid-up with effect from the Record Date.

**RESOLVED FURTHER THAT** no shareholder shall be entitled to a fraction of a share and all fractional entitlements resulting from the consolidation shall be aggregated into whole shares

and the number of shares so arising shall be held by a Separate Trust formed, for this purpose, by the Board who shall dispose of the said shares at the best available price in one or more lots and the decision of the Trust in this regard shall be final and binding to all concerned. The Trust shall hold the net sale proceeds of all such shares after deducting there from all costs, charges and expenses of such sale in an escrow account formed for that purpose and shall thereafter distribute such sale proceeds to the members of the Company in proportion to their fractional entitlements.

**RESOLVED FURTHER THAT** upon consolidation of the Equity shares of the Company as aforesaid, the existing share certificates in relation to the existing Equity Shares of the face value of ₹ 10 (Rupees Ten only) each fully paid-up held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date and that no letter of allotment shall be issued to the allottees of the new Equity Shares of ₹ 10 (Rupees Ten only) each fully paid-up on consolidation and the Company may without requiring the surrender of the existing equity share certificates directly issue and dispatch the new share certificates of the Company, in lieu of such existing share certificates and in the case of the Equity Shares held in the dematerialized form, the number of consolidated Equity Shares be credited to the respective beneficiary accounts of the shareholders with the Depository Participants, in lieu of the existing credits representing the Equity shares of the Company before consolidation.

**RESOLVED FURTHER THAT** the Reduced Issued, Subscribed and Paid-up Capital of the Company shall be ₹3,02,33,710\* (Rupees Three Crore Two Lakhs Thirty-Three Thousand Seven hundred and ten only) divided into 30,23,371 Equity Shares of ₹ 10 each fully paid up and that the same is also forming an integral part of the Scheme of reduction of capital.

**RESOLVED FURTHER THAT** subject to necessary approval to be obtained from the Hon'ble National Company Law Tribunal, Chennai Bench, and any other appropriate authorities, the Company be and is hereby not required to add word "And reduced" to its name as the last words thereof.

**RESOLVED FURTHER THAT** Mr. S.G. Chandaru, Managing Director, be and are hereby Jointly and severally authorized to take all necessary steps for effecting the said resolution pertaining to reduction of capital of the Company, including but not limited to:

- (a) File the application / petition and / or any other document / information / details with the Hon'ble National Company Law Tribunal, Chennai Bench or any other body or regulatory authority or agency to obtain approval or sanction to the proposed reduction of capital or for giving effect thereto;
- (b) Filing of documents before the National Company Law Tribunal Chennai Bench and/or any other information / details with any regulatory authority or agency to obtain approval or sanction to the proposed reduction of capital or giving effect to any of the provisions thereto;

- (c) Filing of application/ petition and/ or any other information / details with the Hon'ble National Company Law Tribunal Chennai Bench and/ or any other regulatory authorities for their approval to the proposed reduction of capital or giving effect to any of the provisions thereto;
- (d) Filing of any affidavit, petitions, pleadings, applications, forms or reports before the Hon'ble National Company Law Tribunal Chennai Bench or any other statutory or regulatory authority, including the Registrar of Companies, Regional Director, or such other authority as may be required in connection with the proposed reduction of capital and or in connection with its sanction thereof and to do all such acts deeds or things as they may deem necessary in connection therewith and incidental thereto;
- (e) Signing all applications, petitions, documents, undertakings affidavits, letters relating to the proposed reduction of capital, and represent the Company before any regulatory authorities and the Hon'ble National Company Law Tribunal Chennai in relation to any matter pertaining to the proposed reduction of capital or delegate such authority to another person by a valid power of attorney;
- (f) To engage any counsel, consultant firms, advocates, attorneys, pleaders, solicitors, valuers, auditors, accountants, registrars or any other one or more agencies, as may be required in relation to or in connection with the proposed reduction of share capital, on such terms and conditions as they may deem fit, finalize fees, terms and conditions of their appointment letter(s), furnish such information as may be required by them and also to sign, execute and deliver all documents, letters, advertisements, announcements, disclosures, affidavits, undertakings and other related documents in favour of the concerned authorities, advocates or any one or more persons or firms as they may deem fit and to do all such acts, deeds and things as they may deem fit and as may be necessary in this regard;
- (g) To do all such acts, deeds, matters and things as may be deemed necessary, expedient, usual or proper and to settle any questions or difficulty that may arise including things as may be necessary or required to give effect to the proposed reduction of capital and for matter connected therewith or incidental thereto;

**RESOLVED FURTHER THAT** Directors of the Company be and are hereby jointly or severally authorized to delegate powers, issue power of attorneys and authorization letters to the executive's consultants, professionals, as may be required in connection with the implementation of the proposed reduction of capital;



**RESOLVED FURTHER THAT** Directors of the Company be and are hereby severally or jointly authorized to sign the copy of this resolution as a certified true copy thereof and issue the same to whomsoever concerned wherever necessary;

Place: Chennai

Date: 07-07-2022

**By and on behalf of the Board**

Sd/-

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

**Notes:**

- 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, Circular No. 20/2020 dated May 05, 2020, Circular No.02/2021 dated January 13, 2021 and General Circular No.21/2021 dated 14.12.2021. 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.
- 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 re-appointment and appointment of Directors as mentioned under item no 2. of this notice is appended. Further, the Company has received relevant disclosure/consent from the Director seeking appointment.
- The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 28<sup>th</sup> July, 2022 to Wednesday ,3rd August, 2022 (both days inclusive) in terms of the provisions of Section 91 of the Companies Act, 2013 and the applicable clauses of the SEBI (Listing Obligations and Disclosures Requirements Regulations) 2015.
- In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 13, 2022. Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website [www.paceautomation.com](http://www.paceautomation.com), websites of the Stock Exchange i.e., MSE Limited at [www.msei.in](http://www.msei.in)
- The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Cameo Corporate Services Limited, the Registrar & Share Transfer Agent of the Company.
- As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of these members holding shares in physical form are requested to consider

converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Cameo Corporate Services Limited for assistance in this regard.

- Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice
- E Voting & its procedures:

Voting through Electronic Means:

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings 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, Circular No. 20/2020 dated May 05, 2020, Circular No.02/2021 dated January 13, 2021 and General Circular No.21/2021 dated 14.12.2021. The forthcoming AGM/EGM 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.
2. 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 above mentioned circulars 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.
3. 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.

4. 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.
5. 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.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at [www.paceautomation.com](http://www.paceautomation.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e., MSE Limited at [www.msei.in](http://www.msei.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](http://www.evotingindia.com).
7. 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, MCA Circular No. 20/2020 dated May 05, 2020, Circular No.02/2021 dated January 13, 2021 and General Circular No.21/2021 dated 14.12.2021.

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

- i. The voting period begins on 9.00 a.m. on Sunday, 31<sup>st</sup> July, 2022 and will end at 5.00 p.m. on Tuesday, 2<sup>nd</sup> August, 2022. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Wednesday, 27<sup>th</sup> July, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are

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

	<p>2. If the user is not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a>. Select "Register Online for IDEAS Portal" or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a> either on a Personal Computer or on a mobile.</p> <p>Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with	Members facing any technical issue in login can contact NSDL helpdesk

NSDL	by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
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v. Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

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

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

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

vii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login



password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

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

x. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

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

xii. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

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

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

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

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

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

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at their email address, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

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

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

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their

respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

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

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

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

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

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

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

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

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

Name of the director	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.

Place: Chennai

Date: 07-07-2022

**By and on behalf of the Board**

Sd/-

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

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

**Item No 4:**

**I. BACKGROUND OF THE COMPANY:**

1. As on 31<sup>st</sup> March 2021 the Company has ₹. 9,44,80,350 (Rupees Nine Crore and Forty-Four Lakh Eighty Thousand Three Hundred and Fifty Only) divided into 94,48,035 (Ninety-Four Lakh Forty-Eight Thousand and Thirty-Five) Equity shares of ₹.10 each. As per the last audited Balance sheet as at 31<sup>st</sup> March 2021 the Company has Capital Reserve amounting to ₹. 23,09,000/- and Export Market Development Grant amounting to ₹. 1,92,839/- and Accumulated Losses of Rs. 9,49,58,134.
2. The Board, vide Resolution dated 06<sup>th</sup> December 2021 has considered and approved the proposal reducing the nominal value of Equity Shares from ₹ 10 each to ₹ 3.20 each per share by cancelling the share capital of ₹ 6.80 per share and such reduction be effected by writing off the Part of accumulated losses up to Rs. 6,42,46,640 to give true and fair view of books of accounts of the Company, subject to the consent of the shareholders and the approval from the NCLT.
3. The Company is empowered by virtue of Clause 57 of its Articles of Association to undertake the exercise of reduction of its share capital.

**II. EFFECT OF THE SCHEME:**

The Proposed Reduction of Capital by reducing share capital and Securities premium account, General Reserve account against part of accumulated losses pursuant to the scheme shall be reflected in the books of account of the company on the effective date in the following manner:

Particulars	Prior to the Scheme as on 31st March, 2021	Less: Proposed Reduction through write off of loss	After the Scheme as on Effective Date
Paid up Equity Share Capital	9,44,80,350	6,42,46,640	3,02,33,710*
Capital Reserve	23,09,000	0	23,09,000
Export Market Development Grant	1,92,839	0	1,92,839
Surplus Account Dr.(i.e) Accumulated Losses	(9,49,58,134)	6,42,46,640	(3,07,11,494)

**RATIONALE FOR THE REDUCTION OF SHARE CAPITAL:**

A. The Company has Accumulated Losses disclosed in the books of the Company Primarily, due to continuous business losses made over the past year. As on 31st March 2021, as per the audited financial results of the Company, the Accumulated Losses amounts to ₹. 9,49,58,134/- disclosed as 'Debit Balance in Retained Earnings' in the Reserves & Surplus Account. Further, the Company also has balance in the Capital Reserve amounting to ₹. 23,09,000/- and Export Market Development Grant amounting to ₹.1,92,839/- as on 31st March 2021.

C. The Board examined and analyzed various options available to the Company and after detailed deliberations came to the conclusion that reduction of the equity share capital in accordance with Section 66 and Section 52 of the Companies Act, 2013 read with the NCLT Rules, 2016 would be the most appropriate option considering the present facts and circumstances of the case.

D. Under this Scheme, if approved, the Company will represent true financial position which would benefit both Company to raise any finance either from the Capital Market or from any Banks/ Financial Institution in the form of equity or debt, to undertake business activities effectively and to the shareholders as their holding will yield better results and value.

E. The Scheme, would not affect the ability or liquidity of the Company to meet its obligations/ commitments in the normal course of business. Further, this Scheme would also not in any way adversely affect the ordinary operations of the Company.

F. The Scheme, if approved, may enable the Company to avail business opportunity that it was unable to take advantage because of it experiencing Accumulated Losses. The reduction of capital in the manner proposed would enable the Company to have a rational structure which is commensurate with its remaining business and assets.

G. The reduced capital will correctly disclose the net worth of the company and the post reduction book value will be backed by net assets of the Company, to the extent applicable.

H. The true financial statement of the Company would ensure the Company to expand & smoothen the business activity and to attract new source of avenue and in turn enhancement of its shareholders' value.

I. Further the Articles of Association of the Company authorizes the company to reduce its share capital subject to confirmation by the NCLT and the appropriate authorities and subject to the provisions of the Companies Act, 2013.

J. The Board of Directors believe that in order to present fair financial position of the Company and after an analysis of the various options available to the Company, the Board of

Directors felt that it would be prudent to write off part of the Accumulated Losses of the Company which is the most practical and economically efficient option available to the Company in the present scenario.

K. Further none of the outsider, creditors, public at large and other stake holder are affected by this Scheme as the same would not affect the ability or liquidity of the Company to meet its obligations/ commitments in the normal course of business. Further the company has also obtained the No Objection in the form of affidavit from a Preference Shareholder who is nothing but the promoter and a major Creditor of the Company. Hence none of the persons are affected because of this Scheme, in whatsoever manner.

### **III. Present Proposal**

In View of the reasons stated above, the Board of Directors has proposed for 68% reduction, cancellation and extinguishment of the Paid up Capital of the Company from ₹ 9,44,80,350 (divided into 94,48,035 Equity Shares of ₹ 10 each) to ₹ 3,02,33,710\* (Rupees Three Crore Two Lakhs Thirty Three Thousand Seven hundred and Ten only) divided into 94,48,035 of ₹ 3.20 each thereby reducing the nominal value of Equity Shares from ₹ 10 each to ₹ 3.20 each per share by cancelling the Equity share capital of ₹ 6.80 per share and that such reduction be effected by writing off the Part of accumulated losses up to ₹. 6,42,46,640 and that such Reduced Issued, Subscribed and Paid up Equity Capital of ₹ 3,02,33,710\* (Rupees Three Crore Two Lakhs Thirty Three Thousand Seven hundred and Ten only) divided into 94,48,035 of ₹ 3.20 each shall be consolidated in to 30,23,371 Equity Shares of ₹ 10 each fully paid up forming and integral part of the Scheme of reduction of capital. Such reduction is to true and fair view of books of accounts of the company subject to the consent of the shareholders and the approval from NCLT.

For better understanding and clarity a Shareholder will be holding shares as mentioned below: -

Particulars	No of Shares	Paid up value per share in ₹.	Total Value in ₹.
Before Reduction	100	10	1000
After Reduction	100	3.2	320
After Consolidation	32	10	320

### **IV. REPORTS AND CERTIFICATES:**

The Board of Directors at its meeting on 07th August 2021 also considered the following documents:

- (i) Certificate as on 07th August 2021 provided by the statutory auditor of the Company certifying that the proposed capital reduction is in compliance with accounting standards as required under the Companies Act, 2013 ("Accounting Certificate")
- (ii) Certificate as on 07th August 2021 and 29<sup>th</sup> October 2021 from statutory auditor demonstrating the pre-reduction and post-reduction net worth of the Company ("Net Worth Certificate")
- (iii) Certificate as on 07th August 2021 from the statutory auditor of the Company that the Company is not in arrears in the repayment of the deposits or the interest thereon ("Arrears Certificate dated 07th August 2021"); and
- (iv) Declaration by a director of the Company that the Company is not in arrears in the repayment of the deposits or the interest thereon ("Director Declaration dated 07<sup>th</sup> August 2021)

#### V. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN OF THE COMPANY:

The capital structure and shareholding pattern of the Company pre reduction of capital and post reduction of capital are as follows

##### 1) Capital Structure of the company Pre- and Post-Scheme (expected) of Reduction of Capital

Particulars	As on 31.03.2021	As on effective date
Authorised Capital	₹. 12,00,00,000 (Rupees Twelve Crores Only) divided into 95,00,000 (Ninety Five Lakhs) Equity shares of ₹.10 each and 25,00,000 Redeemable Preference Shares of ₹.10/- each	₹. 12,00,00,000 (Rupees Twelve Crores Only) divided into 95,00,000 (Ninety Five Lakhs) Equity shares of ₹.10 each and 25,00,000 Redeemable Preference Shares of ₹.10/- each



<b>Issued &amp; Subscribed Capital</b>	₹. 11,94,80,350 (Rupees Eleven Crore and Ninety Four Lakh Eighty Thousands Three Hundred and Fifty Only) divided into 94,48,035 (Ninety Four Lakh Forty eight Thousand and Thirty Five) Equity shares of ₹.10 each and 2,50,00,000/- (Rupees Two Crore Fifty Lakhs) divided into 25,00,000 (Twenty Five Lakhs) Redeemable Preference Shares of ₹.10/- each	₹. 11,94,80,350 (Rupees Eleven Crore and Ninety Four Lakh Eighty Thousands Three Hundred and Fifty Only) divided into 94,48,035 (Ninety Four Lakh Forty eight Thousand and Thirty Five) Equity shares of ₹.10 each and 2,50,00,000/- (Rupees Two Crore Fifty Lakhs) divided into 25,00,000 (Twenty Five Lakhs) Redeemable Preference Shares of ₹.10/- each
<b>Paid Up Capital</b>	₹. 11,94,80,350 (Rupees Eleven Crore and Ninety Four Lakh Eighty Thousands Three Hundred and Fifty Only) divided into 94,48,035 (Ninety Four Lakh Forty eight Thousand and Thirty Five) Equity shares of ₹.10 each and 2,50,00,000/- (Rupees Two Crore Fifty Lakhs) divided into 25,00,000 (Twenty Five Lakhs) Redeemable Preference Shares of ₹.10/- each	₹3,02,33,710* (Rupees Three Crore Two Lakhs Thirty Three Thousand Seven hundred and Ten only) divided into 30,23,371 Equity Shares of ₹ 10 each fully paid up and 2,50,00,000/- (Rupees Two Crore Fifty Lakhs) divided into 25,00,000 (Twenty Five Lakhs) Redeemable Preference Shares of ₹.10/- each

## ii) PRE AND POST (EXPECTED) REDUCTION SHAREHOLDING PATTERN

	Before Reduction of capital		After Reduction of capital	
	No. of shares of ₹.10/- each	% to total	No. of shares of ₹.10/- each	% total
a) Promoters and Group holding	64,60,260	68.38%	20,67,381	68.38%
b) Public holding	29,87,775	31.62%	9,55,990	31.62%
<b>TOTAL</b>		100%	30,23,371	100%

	94,48,035			
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**VI. GENERAL:**

- 1) Article 57 of the Articles of Association of the Company authorizes the Company to reduce its share capital in any manner and in accordance with the provisions of the Act.
- 2) The Scheme will not have any adverse impact on any of the Company's creditors.
- 3) They would in fact be generally benefitted as the Scheme would help improving the financial position of the Company.
- 4) The Scheme will help the revival of the Company which will be in the interest of the Company's creditors/ banks/ financial institutions.
- 5) The Board of Directors of the Company considers that this resolution is in the best interests of the Company, its shareholders and therefore, recommends the passing of the special resolution as set out in the Notice.
- 6) The company had filed necessary applications before MSEI seeking their no-objection to the Scheme. The MSEI (designated Stock Exchange) had issued a "No adverse observation" to the above proposed Scheme. As per the terms of the Observation Letter, SEBI has given its 'no adverse objection' to the Scheme and has advised the Company to comply with the provisions of the SEBI Circulars.
- 7) None of the Directors or Key Managerial Personnel or their relatives are in any way concerned or interested, financial or otherwise in the resolution except to the extent of shares held by them.
- 8) Copies of the (i) Memorandum and Articles of Association of the Company as amended from time to time; (ii) Annual reports for the financial year ended 31st March, 2021; (iii) Unaudited Financial Accounts of the Company for the period ended June 30, 2021; (iv) The scheme for reduction of capital (v) Register of Director's Shareholdings of the Company; (vi) Accounting Certificate, (vii) Net Worth Certificate, (viii) Arrear certificate (ix) Director Declaration, (x) MSEI No Adverse observation Letter (xi) Fairness opinion (xii) The Complaints report filed by the Company with MSEI Limited and (xiii) Pre and Post Reduction Shareholding Pattern would be open for inspection by the members entitled to vote on the proposed resolution for reduction of share capital of the Company at the Registered Office of the Company on any working days during business hours of the Company, up to the Commencement of the Annual General Meeting.

Place: Chennai

Date: 07-07-2022

**By and on behalf of the Board**

Sd/-

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

**DIRECTORS REPORT**

Dear Shareholders,

Your directors have pleasure in presenting the 32<sup>nd</sup> Annual Report on the business and operations of your company along with the Audited Financial statements for the year ended 31<sup>st</sup> March 2022.

**1. FINANCIAL RESULTS:**

The Financial Results for the year ended 31<sup>st</sup> March 2022.

<b>PARTICULARS</b>	<b>2021-22 (Rs. In Lakhs)</b>	<b>2020-21 (Rs. In Lakhs)</b>
Revenue from operations	346.39	275.06
Other Income	7.92	11.77
Total Income	354.32	286.83
Total expenses	296.90	297.75
Profit/(Loss) before interest and Depreciation	66.74	(345.24)
Less: Interest	0.55	0.46
Profit before depreciation	66.19	(345.7)
Less: Depreciation	8.77	5.41
Profit/(Loss) before tax	57.42	(351.11)
Exceptional Item	-	-
Tax Expenses:		
Current Tax	13.37	2.61
Deferred Tax	1.07	1.79
MAT Credit entitlement	-	-
Transfer to Reserve	-	-
Profit / (Loss) carried to Balance sheet	42.96	(355.51)

**2. BUSINESS PERFORMANCE:**

During the year under review, the Company has made profit of Rs 42.96 lakhs against loss of Rs. 355.51 lakhs in the previous financial year. There is no change in the nature of business of the company. However, the profit of Rs 42.96 has been adjusted against accumulated loss of Rs 949.58 lakhs, which shows a balance of accumulated loss of Rs 906.61 lakhs.

**3. SHARE CAPITAL:**

The Company proposes to reduce 68% of its paid-up equity share capital by setting off against its accumulated losses.

The Company has placed the resolution for Capital reduction before the shareholders for their approval at the present AGM for making necessary application to NCLT for its approval to implement the scheme.

**4. DIVIDEND:**

The Board of Directors wish to conserve the profit for future development and expansion and hence have not recommended any dividend for the financial year 2021-22

**5. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:**

There has been no loan and guarantees given or made by the Company under Section 186 of the Act, 2013 during the financial year 2021-22

**6. TRANSFER TO GENERAL RESERVE:**

Your Company does not propose any transfer of funds to the General Reserve due to inadequacy of profits

**7. DEPOSITS:**

Your Company has not accepted any deposits from the public during the year under review. There are no outstanding deposits as on 31st March 2022

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

During the year 2021-22, the Company had not entered into any material transaction with related parties pursuant to the provisions of section 188 of the Companies Act, 2013

**9. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:****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.

**10. 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](http://www.paceautomation.com).

**11. BOARD POLICIES:**

The Company has the following policies which are applicable as per the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 which are placed on the website of the Company [www.paceautomation.com](http://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 Sebi (LODR) 2015 relating to corporate governance is not applicable.

**12. 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.

### **13. PARTICULARS OF EMPLOYEES:**

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

### **14. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT:**

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

### **15. DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

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](http://www.paceautomation.com)

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

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

### **16. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:**

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

**17. MATERIAL CHANGES BETWEEN THE END OF FINANCIAL YEAR AND THE DATE OF REPORT:**

There are no material changes and commitments occurred between the end of the financial year of the company to which the financial statements relate and the date of the report, affecting the financial position of the company.

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

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

**19. 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.

**20. AUDITORS:****STATUTORY AUDITORS**

Mr. TSR Sivasubramanian, Chartered Accountant, (Registration Number: 022713) were appointed as statutory auditor of the company for the term of five years in the 27<sup>th</sup> Annual General Meeting held on 18<sup>th</sup> August 2017 and they continue to be the Auditors till this 32<sup>nd</sup> Annual General Meeting.

M/S. Vivekanandan & Associates, Chartered Accountant, (Firm Registration Number: 005268 S) to be appointed as statutory auditor of the company for the term of five years in the 32<sup>nd</sup> Annual General Meeting which is to be held on 3<sup>rd</sup> August, 2022 and they continue to be the Auditors till 37<sup>th</sup> Annual General Meeting.

**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.



**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 2021-2022.

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

**Qualification In Secretarial Audit Report**

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

**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.

**COST AUDITORS**

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

**21. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

The Board consists of 3 directors and 2 KMP including a managing director and company secretary.

**22. NUMBER OF MEETINGS OF THE BOARD:**

The Board met 8 times during the financial year 2021-22

**23. NUMBER OF COMMITTEE MEETINGS:**

There were 5 Audit Committee meetings, 1 Nomination and Remuneration Committee meeting and 1 Stakeholders Relationship Committee held during the year 2021-22.

**24. 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, 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.

**25. SECRETARIAL STANDARDS:**

The Company has devised proper systems to ensure compliance with the provisions of all 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.

**26. 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, 2022, which has been relied on by the Company and placed at the Board Meeting.

**27. 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.

**28. 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

**29. 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.

**30. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

Your Company is not having profits more than Rs. 5 Crores in the year 2020-21 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.

**31. EXTRACT OF ANNUAL RETURN:**

The Submission of Extract of Annual Return in MGT-9 is dispensed with in terms of Companies (Management and Administration) Amendment rules, 2021 dated 5th March, 2021. Hence, the question of attaching MGT-9 with this report does not arise. However, the Annual return can be viewed in the website of the company [www.paceautomation.com](http://www.paceautomation.com).

**32. 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.

**33. 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](http://www.paceautomation.com)

**34. DIRECTORS' RESPONSIBILITIES 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 state of affairs of the Company at the end of the financial year and of the profit or loss 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.

### **35. 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 as follows.

#### **Conservation of Energy:**

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

#### **Technology absorption:**

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

**Foreign exchange earnings and outgo:**

Details	2021-2022 Rs.	2020-2021 Rs.
Earning in Foreign Exchange	Nil	Nil
Expenditure in Foreign Exchange	88099.20	
CIF value of imports - Raw Materials - Calcium Carbide	Nil	Nil

**36. 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 Sebi (LODR), 2015 relating to Corporate Governance, is not applicable to the Company.

**37. APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR:**

There were no applications made nor any proceeding pending under the insolvency and bankruptcy code, 2016 during the year

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

Nil

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

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

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

(Rs. In lakhs)

S no	Name	Designation	Remuneration for FY 2021-22 (April to Nov)	Remuneration for FY 2021-22 (Dec to March)	Increase in remuneration	Ratio/times per median of employee remuneration
1.	SRIPERAMBADUR GOPALAKRISHNAN CHANDRU	Managing Director	13.59	15.06	10.82 %	
2.	VENKATESWARAN KRISHNASWAMY	Independent Director	-	-	-	-
3.	MALATHY GOPALAKRISHNAN	Non-Executive Director	-	-	-	-
4.	RAGHAVAN SUGUNA	Independent Director	-	-	-	-
5.	BALAMURUGAN	Company Secretary	-	-	-	-

**41. 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.

**42. CAUTIONARY STATEMENT:**

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

Place: Chennai

Date: 07-07-2022

**By and on behalf of the Board**

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

Sd/-  
**Malathy Gopalakrishnan**  
Director  
(DIN: 00841108)



**Annexure-II****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31.03.2022**

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

To,  
The Members  
**Pace Automation Limited**

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we year ended on 31<sup>st</sup> March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have also examined the following with respect to the new amendment issued vide SEBI Circular number CIR/CFD/CMD1/27/2019 dated 8<sup>th</sup> 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 31<sup>st</sup> March, 2022 according to the provisions as applicable to the Company during the period of audit and subject to the reporting made hereinafter and in respect of all statutory provisions listed hereunder:

- i. The Companies Act, 2013 (the Act) and the rules made there under
- ii. The Securities Contracts (Regulation) Act 1956 (SCRA) and the rules made thereunder
- iii. The Depositories Act 1996 and the Regulations and Bye-laws framed thereunder;
- iv. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act 1992 (SEBI Act)
  - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. However, the Regulation 24 A relating to Secretarial Compliance Report is not applicable to the Company for the period under review;
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time;
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Securities and Exchange Board of India (Prohibition of Insider Trading Regulations 2015 as amended from time to time
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 as amended from time to time regarding the Companies Act and dealing with client to the extent of securities issued;

We hereby report that

- a. The Listed Entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder 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, the following laws are specifically applicable to the Company:

S.no	Particulars of the Act/Rules
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

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

- There were delay in filing e-Form DIR-12.
- The Company is yet to improve in certain areas of SS-1 & SS-2
- SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 is not complied in certain areas.
- Website is yet to be updated in certain areas.

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

- 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
2. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  3. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  4. The Securities and Exchange Board of India (Issue of Capital and Disclosure (Requirements) Regulations, 2009;
  5. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  6. Foreign Exchange Management Act 1999 and the Regulations Act By-laws framed thereunder to the extent of transactions

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

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

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

**We further report that:**

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

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

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

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

1. The projects, Multipurpose Terminal & POS, Shop Smart and Smart Kirana were treated as obsolete since the field trials were not successful and continuing to improve with additional resources seemed futile. Hence the project expenditure shown in the balance sheet was written off and shown in accumulated losses as a carry forward amount for the financial year 2021.
2. The period of redeemable preference shares is extended to 2024 with the consent of the preference shareholders.

There were no material events after the end of the financial year ended 31<sup>st</sup> March 2022 except the following:

1. The Company proposes to reduce 68% of its paid-up equity share capital by setting off against its accumulated losses. The Company has also received in principle approval in May 2022 from MSE of India Ltd for the proposed scheme of reduction of share capital.

**Place: Chennai**  
**Date: 01-07-2022**

**For LAKSHMMI SUBRAMANIAN & ASSOCIATES**

**Sd/-**  
**P.S.Srinivasan**  
**Partner**  
**C.P.No.3122**

**Peer Review Certificate No: 1670/2020**  
**UDIN: A001090D000553510**

## 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.

Place: Chennai  
Date: 01-07-2022

For LAKSHMMI SUBRAMANIAN & ASSOCIATES

Sd/-  
P.S.Srinivasan  
Partner  
C.P.No.3122

Peer Review Certificate No: 1670/2020  
UDIN: A001090D000553510



**INDEPENDENT AUDITORS REPORT**

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

**Opinion**

I have audited the standalone financial statements of M/s. Pace Automation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including other comprehensive income), statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "Financial Statements").

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, ("Ind AS") as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its Profit and Other total Comprehensive Income, Changes in Equity and 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 responsibilities under those Standards are 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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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 financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules made thereunder.

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

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

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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







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

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

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

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in





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the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, I report that:
- (a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
  - (b) In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In my opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and other operating effectiveness of such controls, refer to my separate report in "Annexure B".

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

- (g) In my opinion and to the best of my information and according to the explanations given to me, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in my opinion and to the best of my information and according to the explanations given to me:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or any other sources or kind of funds) by the





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company to or in any other person(s) or entity(is), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- v. Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, and Based on the audit procedures adopted by me, nothing has come to my notice that has caused me to believe that the representations made by the management under sub clause (i) and (ii) above, contain any material Misstatement.
- vi. In my opinion and according to the information and explanations given to me, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

Place: Chennai  
Date: 23/05/2022



*T.S.R. Sivasubramanian*

**T.S.R. SIVASUBRAMANIAN**  
Chartered Accountant  
Membership No. 22713  
UDIN: 22022713AKNDIM1368



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**"Annexure A" to the Independent Auditors' Report**

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of my report of even date to the financial statements of Pace Automation Limited for the year ended March 31, 2022:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipments. There are no intangible assets held by the Company.  
(b) These Property, Plant and Equipments have been physically verified by the management in a phased manner, at regular intervals, which in our opinion, is reasonable having regard to the size of the company and nature of its business and no material discrepancies between the books records and the physical fixed assets have been noticed.  
(c) The company does not hold any immovable properties and hence clause (i) (c) of the Order is not applicable.  
(d) The Company have not revalued its Property, Plant and Equipments (including right of use of assets) or intangible assets during the year ended March 31, 2022.  
(e) The Company is not holding any Property, Plant and Equipments under benami names and no proceedings have been initiated during the year or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- 2) (a) As informed to me, the management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate Discrepancies noticed on such physical verification is less than 10% in aggregate for each class of inventory and have been properly dealt with in the books of account.  
(b) The Company had not availed any working capital loans from banks during the year against the security of the stock of shares.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (f) of the Order are not applicable to the Company and hence not commented upon.
- 4) In my opinion and according to the information and explanations given to me, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.





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- 6) As informed to me, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) According to information and explanations given to me and on the basis of my examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to me, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2022 for a period of more than six months from the date on when they become payable. According to the information and explanation given to me, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) In my opinion and according to the information and explanations given to me, there are no transactions unrecorded previously in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the requirement to report on Clause 3(viii) of the Order is not applicable to the Company.
- 9) The Company has not defaulted in the repayment of dues to banks as it has not taken any loan either from financial institutions or from the government and it has not issued any debentures.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans during the year. The company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year under audit.  
  
Accordingly, the provisions of clause 3 (x) (a) and 3(x) (b) of the Order are not applicable to the Company and hence not commented upon.
- 11) (a) During the course of my examination of books and records of the company, carried out in accordance with the generally accepted audit procedures performed for the purpose of reporting true and fair view of the standalone financial statements, to the best of my knowledge and belief and as per the information and explanations given by the Management and the representations obtained from the Management, no material fraud on the company by its officers or employees has been noticed or reported during the year.

(b) There is no report under sub-section (12) of section 143 of the Companies Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year. According to the information and





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explanations given to me and records verified by me, the Secretarial Auditors have not filed report in Form ADT-4 prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) According to the information and explanations given to me and records verified by me, there are no whistle blower complaints received by the Company during the year.

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



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



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causes me to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. I, however, state that this is not an assurance as to the future viability of the Company. I further state that my reporting is based on the facts up to the date of the audit report and I neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

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

Place: Chennai  
Date: 23/05/2022



**T.S.R. SIVASUBRAMANIAN**  
Chartered Accountant  
Membership No. 22713  
UDIN: 22022713AKNDIM1368



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**"Annexure B" to the Independent Auditor's Report of even date on the Financial Statements of M/s. Pace Automation Limited for the year ended March 31, 2022**

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

I have audited the internal financial controls over financial reporting of M/s. Pace Automation Limited ("the Company") as of March 31, 2022 in conjunction with my audit of the Ind As financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.







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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**

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

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

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

**Opinion**

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, [based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control as stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India].

Place: Chennai  
Date: 23/05/2022



*T.S.R. Sivasubramanian*

T.S.R. SIVASUBRAMANIAN  
Chartered Accountant  
Membership No. 22713  
UDIN: 22022713AKNDIM1368

**PACE AUTOMATION LIMITED**  
**No2. III Street, Parameshwari Nagar, Adyar, Chennai 600020**  
**CIN: L29141TN1989PLC018133**  
**Balance Sheet as at March 31, 2022**

(Amount - Rs.)

Particulars	Note No.	31-Mar-22	31-Mar-21
<b>ASSETS</b>		Rs.	Rs.
<b>(1) Non-Current assets</b>			
(a) Property, Plant & Equipment	2	5,339,331	5,165,506
(b) Capital work-in-progress	2	96,000	-
(c) Other intangible assets	2	1,319,325	-
(d) Financial assets			
i. Investments		-	-
ii. Loans		-	-
iii. Other financial asset	3	20,487,045	14,337,045
(e) Deferred Tax assets			
(f) Other non-current assets			-
		<b>27,241,701</b>	<b>19,502,551</b>
<b>(2) Current Assets</b>			
(a) Inventories	4	50,000	1,000,000
(b) Financial assets			
i. Trade receivables	5	2,849,875	3,153,302
ii. Cash and Cash equivalents	6	4,864,523	5,493,631
iii. Loans	7	828,186	915,277
iv. Other Financial Assets		-	-
(c) Other current assets	8	6,642,355	3,120,433
		<b>15,234,939</b>	<b>13,682,643</b>
<b>Total Assets (A)</b>		<b>42,476,640</b>	<b>33,185,194</b>

*[Handwritten Signature]*

Katachi Gopalakrishnan

*[Handwritten Signature]*

M.R. Murthy



**PACE AUTOMATION LIMITED**  
**No2. III Street, Parameshwari Nagar, Adyar, Chennai 600020**  
**CIN: L29141TN1989PLC018133**  
**Balance Sheet as at March 31, 2022**

(Amount - Rs.)

Particulars	Note No.	31-Mar-22	31-Mar-21
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity share capital	9	94,480,350	94,480,350
(b) Other equity	10	(88,159,802)	(92,456,294)
		<b>6,320,548</b>	<b>2,024,056</b>
<b>(2) Liabilities</b>			
<b>(i) Non-current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	11	25,868,023	25,868,023
(ii) Lease liabilities		-	-
(b) Provisions		-	-
(c) Deferred tax liabilities(net)	12	1,163,698	1,056,478
(d) Other non-current liabilities		-	-
		<b>27,031,721</b>	<b>26,924,501</b>
<b>(ii) Current liabilities</b>			
<b>(a) Financial liabilities</b>			
i. Borrowings	13	-	-
ii. Lease liabilities		-	-
iii. Trade payables	14	3,196,190	907,837
iv. Other financial liabilities	15	3,146,935	1,885,359
(b) Provisions	16	2,781,246	1,443,441
(c) Other current liabilities		-	-
		<b>9,124,371</b>	<b>4,236,638</b>
<b>Total equity and liabilities</b>		<b>42,476,640</b>	<b>33,185,194</b>
Significant accounting policies	1		

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

*T.S.R. Sivasubramanian*

*Malathi Gopalakrishnan*

T S R SIVASUBRAMANIAN  
Chartered Accountant  
Memb. No: 022713  
UDIN: 22022713AKNDIM1368

Managing  
Director      Managing Director

Place: Chennai  
Date: May 23, 2022



*M.R. Murthy*  
Company  
Secretary

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

**Statement of Profit & Loss for the year ended March 31, 2022**

(Amount - Rs.)

	Notes	Year ended 31-03-2022	Year ended 03-2021	31
I	Revenue from Operations	17	34,639,350	27,505,970
II	Other Income	18	792,452	1,177,090
III	<b>Total Income</b>		<b>35,431,802</b>	<b>28,683,060</b>
IV	Expenses:			
	Cost of material consumed		-	-
	Purchase of stock in trade	19	-	-
	Change in inventories of finished goods, stock-in-trade, work-in-progress	20	950,000	1,108,735
	Employee benefit expense	21	18,417,477	19,665,401
	Finance costs	22	55,212	46,235
	Depreciation and amortisation expense	2	876,879	541,271
	Other expenses	23	9,390,717	8,413,818
	<b>Total expenses</b>		<b>29,690,285</b>	<b>29,775,460</b>
V	<b>Profit before exceptional and extraordinary items and taxes (III-IV)</b>		<b>5,741,517</b>	<b>(1,092,400)</b>
VI	Exceptional items		-	34,018,680
VII	<b>Profit before tax (PBT) (VII-VIII)</b>		<b>5,741,517</b>	<b>(35,111,081)</b>
VIII	Tax expense			
	i) Current tax		1,337,805	260,777
	i) Relating to Previous Years		-	-
	iii) Deferred tax		107,220	178,894
IX	<b>Profit/(Loss) for the period from continuing operations</b>		<b>4,296,492</b>	<b>(35,550,752)</b>
X	<b>Profit/(Loss) for the period</b>		<b>4,296,492</b>	<b>(35,550,752)</b>
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	<b>Total comprehensive income for the year</b>		<b>4,296,492</b>	<b>(35,550,752)</b>
XIII	Earnings per equity share		0.45	(3.76)
	Basic & Diluted Earnings per share		0.45	(3.76)

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

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T S R SIVASUBRAMANIAN  
Chartered Accountant  
Memb. No: 022713  
UDIN: 22022713AKNDIM1368  
Place: Chennai  
Date: May 23, 2022



*(Signature)*

Managing  
Director

*(Signature)*

Director

*(Signature)*  
Company  
Secretary

**Pace Automation Limited**  
**No2. III Street, Parameshwari Nagar, Adyar, Chennai 600020**  
**CIN: L29141TN1989PLC018133**  
**Cash Flow Statement for the year ended March 31, 2022**

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
<b>A. Cash Flow from Operating Activities</b>				
Net Profit After Tax and Extraordinary Items		4,296,492		(35,550,752)
Add:				
Depreciation and Amortisation for the year	876,879		35,436,449	
Loss on sale of assets	-		314,646	
Income tax - deferred tax	107,220		178,894	
Interest Income	(792,452)		(1,175,059)	
Finance cost	55,212		46,235	
Operating Profit before Changes in Working Capital (Increase)/ Decrease in Working Capital		4,543,351		(749,587)
Inventories	950,000		1,108,735	
Sundry Debtors	303,427		10,611,488	
Loans and Advances	87,091		2,096,930	
Other current assets	(3,521,922)		6,842,600	
Current Liabilities	4,887,734		(4,031,252)	
Cash generated from operations		2,706,329		16,628,501
Direct taxes paid		7,249,680		15,878,914
<b>Net Cash Flow from Operating Activities (A)</b>		1,507,800		-
<b>B. Cash Flow from Investing Activities</b>		5,741,880		15,878,914
Purchase of Property, Plant and Equipment	(862,228)		(468,517)	
Capital Work-in-Progress	(96,000)			
Interest received	792,452		1,175,059	
Sale of Fixed Assets	-		411,536	
Dividend received	-		-	
<b>Net Cash Flow from Investing Activities (B)</b>		(165,776)		1,118,078
<b>C. Cash Flow from Financing Activities</b>				
Long Term Borrowings repaid	-		-	
Short-Term Borrowings availed/(repaid)	-		-	
Interest Paid on Borrowings	(55,212)		(46,235)	
Dividend and dividend tax paid	-			
<b>Net Cash Flow from Financing Activities (C)</b>		(55,212)		(46,235)
<b>Total (A+B+C)</b>		<b>5,520,892</b>		<b>16,950,756</b>
Cash and Cash Equivalents at the Beginning of the year		19,830,676		2,879,920
Cash and Cash Equivalents at the end of the year		25,351,568		19,830,676
<b>D. Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>5,520,892</b>		<b>16,950,756</b>

See accompanying notes to financial statements

Vide my report of even date attached

*(Signature)*

I S R SIVASUBRAMANIAN

Chartered Accountant

Memb. No: 022713

UDIN: 22022713AKNDIM1368

Place: Chennai

Date: May 23, 2022



*(Signature)*

Director

*(Signature)*

Managing Director

*(Signature)*  
Company Secretary

## PACE AUTOMATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022

#### 1. SIGNIFICANT ACCOUNTING POLICIES

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

##### a) Brief description of the Company

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

##### b) Basis of Preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act. The financial statements have been prepared on the historical cost convention under accrual basis of accounting except for certain financial assets and liabilities (as per accounting policy below), which have been measured at fair value.

##### c) Use of Estimates

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

##### d) Revenue Recognition

Revenue is primarily derived from providing "online transaction services", software development and related services. Arrangements with customers for online transaction services are either on a fixed price, fixed timeframe or on a time and material basis. Annual technical services revenue from fixed-price on-line service contracts are recognized over the period in which the services are rendered. Where the service contracts are expired and not renewed/finalised before the end of the year, revenue is not recognised after the period for which negotiations for renewal is not accepted by the customers. The Company presents revenues net of indirect taxes in the Statement of Profit and Loss.

##### e) Provisions and Contingent Liabilities

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

#### **f) Property, Plant and Equipment**

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

#### **g) Depreciation and amortization**

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

#### **2) Intangible Assets**

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

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

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

#### **h) Retirement Benefits to employees**

##### **Gratuity**

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

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

##### **Provident Fund and Employees State Insurance Benefits**

Contribution to Provident Fund and Employees State Insurance Corporation is made every month at the prescribed rate, to the Provident Fund Commissioner and Employees State Insurance Corporation and accounted as expenses on accrual basis.

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

**i) Foreign Currency Transactions**

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

**j) Income Taxes**

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

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

**k) Earnings per Share**

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

**l) Investments**

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

**m) Trade Receivables**

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

**n) Cash and Cash Equivalents**

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

**o) Cash Flow Statement**

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



PACE AUTOMATION LIMITED  
PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

Description	Property, Plant & Equipment							Other Intangible Assets	
	Buildings	Plant and Machinery	Moulds and Tools	Office Equipment	Furniture & Fixtures	Computers	Total	Intangibles	Total
	1	2	3	4	5	6	8	9	10
Cost of assets									
Gross carrying value as at 01-04-2021	-	-	5,538,070	3,887,263	-	65,045,992	74,471,325	-	-
Additions	-	-	-	-	229,500	632,728	862,228	1,507,800	1,507,800
Sub total	-	-	5,538,070	3,887,263	229,500	65,678,720	75,333,553	1,507,800	1,507,800
Sales/deletion	-	-	-	-	-	-	-	-	-
Total	-	-	5,538,070	3,887,263	229,500	65,678,720	76,841,353	1,507,800	1,507,800
Depreciation/Amortisation									
Up to 31.03.2021	-	-	738,384	3,723,319	-	64,844,116	69,305,819	-	-
For the year	-	-	246,128	29,544	11,475	401,257	688,404	188,475	188,475
Sub total	-	-	984,512	3,752,863	11,475	65,245,372	69,994,222	188,475	188,475
Withdrawn on assets sold/deleted	-	-	-	-	-	-	-	-	-
Total	-	-	984,512	3,752,863	11,475	65,245,372	70,182,697	188,475	188,475
Carrying value									
As at 31-03-2022	-	-	4,553,558	134,400	218,025	433,348	6,658,656	1,319,325	1,319,325
As at 31-03-2021	-	-	4,799,686	163,944	-	201,876	5,165,506	-	-

## (B) Capital work in progress

Intangible Assets - Software Development

## (i) Ageing of Capital Work in progress as at 31-03-2022

Particulars	Amount in Capital work-in-progress for a period of				
	< 1 Year	1-2 Years	2-3 Years	More than 3 Yrs	Total
Project in progress	96,000	-	-	-	96,000

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 01-04-2020	-	20,091,204	5,538,070	3,808,026	6,572,013	64,656,712	340,820	101,006,844
Additions	-	-	-	79,237	-	389,280	-	468,517
Sub total	-	20,091,204	5,538,070	3,887,263	6,572,013	65,045,992	340,820	101,475,361
Sales/deletion	-	20,091,204	-	-	6,572,013	-	340,820	27,004,037
Total	-	-	5,538,070	3,887,263	-	65,045,992	-	74,471,325
Depreciation/Amortisation								
Up to 31.03.2020	-	19,642,724	492,256	3,693,775	6,578,345	64,578,517	56,786	95,042,403
For the year	-	-	246,128	29,544	-	265,599	-	541,271
Sub total	-	19,642,724	738,384	3,723,319	6,578,345	64,844,116	56,786	95,583,674
Withdrawn on assets sold/deleted	-	19,642,724	-	-	6,578,345	-	56,786	26,277,855
Total	-	-	738,384	3,723,319	-	64,844,116	-	69,305,819
Carrying value								
As at 31-03-2021	-	-	4,799,686	163,944	-	201,876	-	5,165,506
As at 31-03-2020	-	448,480	5,045,814	114,251	-	78,195	284,034	5,964,442

Capital Work in progress

Intangible Assets - Software Development

(i) Ageing of Capital Work in progress as at 31-03-2021

Particulars	Amount in Capital work-in-progress for a period of				Total
	< 1 Year	1-2 Years	2-3 Years	More than 3 Yrs	
Project in progress	-	-	-	-	-

**PACE AUTOMATION LIMITED**  
Notes to Balance Sheet for the year ended March 31, 2022

<b>3 Other Financial Assets - Non Current</b>	As at 31.03.2022	As at 31.03.2021
Other bank balances	19,900,000	13,750,000
Security Deposits (Secured, Considered good)	325,045	325,045
Security Deposits(Unsecured, Considered good)	262,000	262,000
<b>Total</b>	<b>20,487,045</b>	<b>14,337,045</b>

<b>4 INVENTORIES</b>		
a) Stock-in-Trade	-	-
(The Stock-in-trade are valued at lower of cost and net realisable value).		
b) Work-in-Progress (WIP)	-	-
c) Finished Goods	50,000	1,000,000
	<b>50,000</b>	<b>1,000,000</b>

<b>5 Trade Receivables</b>		
Secured, Considered good	-	-
Unsecured, Considered good	2,849,875	3,153,302
Doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
<b>Total</b>	<b>2,849,875</b>	<b>3,153,302</b>

**Ageing for trade receivable as on 31.03.2022**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 mon- 1 Years	1-2 Years	2-3 Years	More than 3 years	
Undisputed Trade receivables - considered good	683,301		-	743,299	1,423,275	2,849,875
Undisputed Trade Receivables - which have significant increase in credit risk	-		-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-		-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

Ageing for trade receivable as on 31.03.2021

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
Undisputed Trade receivables - considered good	1,695,527	1,457,775	-	-	-	3,153,302
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

**Cash And Cash Equivalents**

Balance with Banks in Current accounts	4,817,812	5,447,024
Cash on hand	46,711	46,607
	<b>4,864,523</b>	<b>5,493,631</b>

**Current Assets- Loans**

**(A) Loans and Advances to related parties**

- -

**(B) Others**

(i) Secured, Considered good

- -

(ii) Unsecured, Considered good

- -

Deposit

- -

Others

828,186 915,277

(iii) Doubtful

- -

**Total**

**828,186 915,277**

**Other Current Assets**

TDS Receivable

5,944,180 2,691,830

Interest accrued on Deposits

698,175 395,833

Other Receivables

- 32,770

**6,642,355 3,120,433**

PACE AUTOMATION LIMITED

Notes to Balance Sheet for the year ended March 31, 2022

9 EQUITY SHARE CAPITAL

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

Particulars	As at 31.03.2022		As at 31.03.2021	
	Number	Rupees	Number	Rupees
<b>Authorised:</b>				
Equity Shares of Rs.10 each	9,500,000	95,000,000	9,500,000	95,000,000
Redeemable Preference Shares Rs.10 each	2,500,000	25,000,000	2,500,000	25,000,000
<b>(b) Issued, Subscribed and Fully paid up :</b>				
Equity Shares of Rs.10 each	9,448,035	94,480,350	9,448,035	94,480,350
Redeemable Preference Shares Rs.10 each	2,500,000	25,000,000	2,500,000	25,000,000
<b>(c) Paid-Up, Share Capital :</b>				
Equity Shares of Rs.10 each	9,448,035	94,480,350	9,448,035	94,480,350
	<b>9,448,035</b>	<b>94,480,350</b>	<b>9,448,035</b>	<b>94,480,350</b>

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

Particulars	As at 31.03.2022		As at 31.03.2021	
	Number	Rupees	Number	Rupees
Number of shares outstanding as at the beginning of the year	9,448,035	94,480,350	9,448,035	94,480,350
Shares issued during the year	-	-	-	-
Number of shares outstanding as at the end of the year	<b>9,448,035</b>	<b>94,480,350</b>	<b>9,448,035</b>	<b>94,480,350</b>

(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 31-03-2022		As at 31-03-2021	
		Number	%	Number	%
Mr S G Chandru	Equity	650,606	6.89	650,606	6.89
Mrs Meera Chandru	Equity	2,615,600	27.68	2,615,600	27.68
Ms Malathi Gopalakrishnan	Equity	2,704,769	28.65	2,704,769	28.65
Electronics Corporation of Tamil Nadu Ltd	Equity	489,285	5.18	489,285	5.18
Redeemable Preference Shares Mrs Meera Chandru	Equity	2,500,000	100.00	2,500,000	100.00

(E)(i) Details of shareholding of promoters as on 31-03-2022

Promoter Name	Class of shares	As at 31-03-2022		As at 31-03-2021	
		Number	%	Number	%
Mr S G Chandru	Equity	650,606	6.89	650,606	6.89
Mrs Meera Chandru	Equity	2,615,600	27.68	2,615,600	27.68
Ms Malathi Gopalakrishnan	Equity	2,704,769	28.65	2,704,769	28.65
Electronics Corporation of Tamil Nadu Ltd	Equity	489,285	5.18	489,285	5.18

(ii) Details of shareholding of promoters as on 31-03-2021

Promoter Name	Class of shares	As at 31-03-2021		As at 31-03-2020	
		Number	%	Number	%
Mr S G Chandru	Equity	650,606	6.89	650,606	6.89
Mrs Meera Chandru	Equity	2,615,600	27.68	2,615,600	27.68
Ms Malathi Gopalakrishnan	Equity	2,704,769	28.65	2,704,769	28.65
Electronics Corporation of Tamil Nadu Ltd	Equity	489,285	5.18	489,285	5.18

**PACE AUTOMATION LIMITED**  
**Statement of Change in Equity for the year ended March 31, 2022**

**a. Equity Share Capital**

Rupees

As at 01-04-2020	119,480,350
Change in equity share capital due to prior period errors	-
Restated balance as at 01-04-2020	119,480,350
Changes in equity share capital during the year	-
<b>As at 31-03-2021</b>	<b>119,480,350</b>
Change in equity share capital due to prior period errors	-
Restated balance as at 01-04-2021	119,480,350
Change in equity share capital during the year	-
<b>As at 31-03-2022</b>	<b>119,480,350</b>

**b. Other Equity**

Particulars	Reserves & Surplus			
	Retained earnings	Capital Reserves	Export Market Development Grant	Total
Balance as at 01-04-2020	(59,407,382)	2,309,000	192,839	(56,905,543)
Changes in accounting policy/ prior period errors	-	-	-	-
Restated balance as at 01-04-2020	(59,407,382)	2,309,000	192,839	(56,905,543)
Add: Profit for the year 2020-21	(35,550,752)	-	-	(35,550,752)
Add: Additions during the year 2020-21	-	-	-	-
Less: Deductions during the year 2020-21	-	-	-	-
Balance as at 31-03-2021	-94,958,133.46	2,309,000	192,839	(92,456,294)
Changes in accounting policy/ prior period errors	-	-	-	-
Restated balance as at 01-04-2021	-94,958,133	2,309,000	192,839	(92,456,294)
Add: Profit for the year 2021-22	4,296,492	-	-	4,296,492
Add: Additions during the year 2021-22	-	-	-	-
Less: Deductions during the year 2021-22	-	-	-	-
Balance as at 31-03-2022	(90,661,641)	2,309,000	192,839	(88,159,802)

PACE AUTOMATION LIMITED

Notes to Balance Sheet for the year ended March 31, 2022

10 Other equity

	As at 31-03-2022	As at 31-03-2021
(i) Capital Reserve (a)	2,309,000	2,309,000
(ii) Export Market Development Grant (b)	192,839	192,839
(iii) Retained Earnings		
Opening Balance	(94,958,133)	(59,407,383)
Add: Profit/(Loss) for the year	4,296,492	(35,550,752)
Closing Balance (c)	(90,661,641)	(94,958,134)
<b>Total Other Equity</b>	<b>(88,159,802)</b>	<b>(92,456,294)</b>

11 Non-current Liabilities - Financial Liabilities- Borrowings

Particular	As at 31-03-2022	As at 31-03-2021
Redeemable Preference Shares	25,000,000	25,000,000
Trade Deposits	868,023	868,023
<b>Total</b>	<b>25,868,023</b>	<b>25,868,023</b>

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 2024 - 25.

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

	31.03.2022	31.03.2021
	No. of shares	No. of shares
Mrs Meera Chandru (100%)	25,00,000	25,00,000

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

Particular	As at 31-03-2022	As at 31-03-2021
Opening Balance	1,056,478	877,584
Add: Additions during the year on account of depreciation Benefits	107,220	178,894
<b>Closing Balance</b>	<b>1,163,698</b>	<b>1,056,478</b>

13 Current Liabilities - Financial Liabilities- Borrowings

Particular	As at 31-03-2022	As at 31-03-2021
SECURED LOANS	-	-
UNSECURED LOAN	-	-
Current maturities of long term debt	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

14 Current Liabilities - Financial Liabilities- Trade Payable

Particular	As at 31-03-2022	As at 31-03-2021
Dues to MSMEs	-	-
Dues to enterprises other than MSMEs	3,196,190	907,837
<b>Total</b>	<b>3,196,190</b>	<b>907,837</b>



Ageing for trade payable as on 31.03.2022

Particulars	Outstanding for following periods from due date of payment				
	Not due	< 1 Year	2-3 Years	More than 3 Years	Total
(i) MSMEs	-	-	-	-	-
(ii) Others	-	2,445,695	296,064	24,467	3,196,190
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
<b>Total</b>	-	<b>2,445,695</b>	<b>296,064</b>	<b>24,467</b>	<b>3,196,190</b>

Ageing for trade payable as on 31.03.2021

Particulars	Outstanding for following periods from due date of payment				
	Not due	< 1 Year	2-3 Years	More than 3 Years	Total
(i) MSMEs	-	-	-	-	-
(ii) Others	-	587,306	24,467	-	907,837
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
<b>Total</b>	-	<b>587,306</b>	<b>24,467</b>	-	<b>907,837</b>

15. Current Liabilities - Financial Liabilities- Other Financial Liabilities

Particular	As at 31-03-2022	As at 31-03-2021
Amount Payable to Managing Director	-	15,332
<b>Other Payables</b>		
-PF payable	60,322	56,627
-ESI payable	1,019	1,078
-GST payable	932,458	592,459
-TDS payable	340,935	27,515
-Gratuity Payable	80,769	-
-Other Creditors	1,731,432	1,192,349
<b>Toatl</b>	<b>3,146,935</b>	<b>1,885,359</b>

16. Current Liabilities - Provisions

Particular	As at 31-03-2022	As at 31-03-2021
For Income tax	2,781,246	1,443,441
<b>Toatl</b>	<b>2,781,246</b>	<b>1,443,441</b>

**PACE AUTOMATION LIMITED**  
**Notes to Statement of Profit and Loss for the year ended March 31, 2022**

<b>17 REVENUE FROM OPERATIONS</b>	<b>Year ended 3/31/2022</b>	<b>Year ended 3/31/2021</b>
Sales of material		-
IT related Services - Transaction Processing Charges	34,639,350	27,505,970
	<u>34,639,350</u>	<u>27,505,970</u>
<b>18 OTHER INCOME</b>		
Interest income	792,452	483,078
Interest on Income Tax Refund	-	691,981
Miscellaneous income	-	2,031
	<u>792,452</u>	<u>1,177,090</u>
<b>19 Purchase of Trade Goods</b>		
Electronic Goods		-
	<u>-</u>	<u>-</u>
<b>20 Change in Inventory of Finished Goods</b>		
Opening stock	1,000,000	2,108,735
Less: Material Rejected / Returned	-	-
Closing Stock of Finished Goods	50,000	1,000,000
	<u>950,000</u>	<u>1,108,735</u>
<b>21 Employee Benefit Expenses</b>		
Salaries, Wages and Bonus	11,705,119	12,789,680
Remuneration to directors	5,349,275	5,084,995
Sitting Fees to Directors	60,000	60,000
Contribution of PF and other funds	734,976	807,242
Staff Welfare Expenses	162,690	192,934
Gratuity/Ex-gratia	405,418	730,550
	<u>18,417,477</u>	<u>19,665,401</u>
<b>22 Finance Cost</b>		
Interest Expense	49,372	34,223
Bank Charges	5,840	12,012
	<u>55,212</u>	<u>46,235</u>

### 23 Other expenses

Advertisement Charges	27,600	38,400
Rent	240,000	1,049,480
Printing and Stationery	4,493	5,543
Repairs and Maintenance - Equipments	80,104	-
Repairs and Maintenance Others	152,086	25,252
Communication expenses	206,895	300,438
General Expenses	240,000	272,000
Electricity Charges	93,258	203,871
Virtual Server Charges	4,818,221	4,491,058
Professional charges	1,660,482	1,293,331
Rates and Taxes	692,797	5,980
Postage and courier expenses	1,035	7,990
Registrations and renewals	93,044	31,762
Office Maintenance	94,926	42,426
Listing Fees	55,000	55,000
Filing fees	31,200	9,800
Loss on sale of assets	-	314,646
Miscellaneous expenses	164,613	136,050
<b>Payments to statutory auditors:</b>		
- As Auditors	60,000	60,000
- For Certification	20,000	-
- Taxation Matters	15,000	15,000
- Reimbursement of expenses	10,000	10,000
Travelling and Conveyance	629,962	45,793
Selling and distribution expenses	-	-
	<b>9,390,717</b>	<b>8,413,818</b>

PACE AUTOMATION LIMITED

24. Other Notes Forming Part of Financial Statement for the year ended March 31, 2022

	(` in Lacs)	
	2021 – 22	2020 – 21
1. Adjustment to the carrying amount of investments	---	---
2. Net gain/loss on foreign currency transaction and translation (other than considered as finance cost)	---	---
3. Value of imports calculated on CIF basis by the company during the financial year in respect of Material	---	---
4. Expenditure in foreign currency during the financial year	0.88	---
5. The amount remitted during the year in foreign currencies on account of dividends	---	---
6. Earnings in foreign exchange	---	---
7. Other Liabilities include Deposits from customers	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 realizable approximately at the values stated in the Balance Sheet in the ordinary course of business.		

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

**Managing Director**

Mr. S G Chandru

**Key Management Personnel**

Mr. N. Sripathi – Chief Financial Officer  
(Employed for Part of the year)

(` in Lacs)

Salary and other employee benefits to Whole-Time Directors and Executive Officers	57.24	64.98
Sitting fees to Directors	0.60	0.60
Rent paid to other Director	2.40	1.78

11. The company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Company has created an Employees' Group Gratuity Fund which has taken a Group Gratuity Assurance Scheme with the Life Insurance Corporation of India. Company's contributions are based on actuarial valuation arrived at the end of each year and charged to Profit and Loss Statement. An amount of Rs. Nil paid on this account during the year is charged to the Profit & Loss Statement. Defined benefit plans as per actuarial valuation is given below:

	(Amount in Rupees)	
	31.03.2022	31.03.2021
i. Present value of projected benefit obligation as at the beginning of each year	23,38,317	16,89,987
ii. Service cost	161,552	125,589
iii. Interest cost	163,682	126,891
iv. Actuarial Loss/(Gain)	(1,37,720)	24,98,314
v. Benefits paid	(80,769)	(21,62,693)

vi. Present value of projected benefit obligation as at the end of each year	24,45,062	23,38,317
vii. Fair value of Plan Assets as at the end of each year	27,03,925	23,05,974
viii. Liability / (Asset) recognised in the Balance Sheet	(2,58,863)	(2,10,481)
ix. Amount charged to Profit & Loss Account (Gross)	7,876	711,666
x. Actuarial assumptions:		
a) Discount rate	7.00%	7.00%
b) Future Salary Escalation	7.00%	7.00%
c) Expected rate of return on Plan assets	7.00%	7.00%

**12. Details of Earnings per Share:**

	31.03.2022	31.03.2021
Profit / (Loss) after tax (in Rs.)	42,96,492	(3,55,50,752)
No of equity shares at the beginning of the year	94,48,035	94,48,035
No of equity shares at the end of the year	94,48,035	94,48,035
Face value of per share (in Rs.)	10.00	10.00
Earnings per share (in Rs) – Basic and Diluted	0.45	(3.76)

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

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

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

On the basis of the information and records available with the Company, the Company had not paid any interest during the year to any parties who are classified as Micro, Small and Medium Enterprises on account of default in payment of their dues. Also there are no amounts outstanding as on 31.03.2022 in excess of Rs.1,00,000/- to any party classified as Micro, Small and Medium Enterprises.

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

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

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

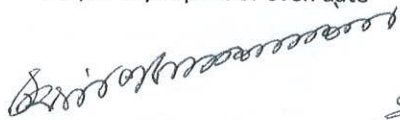
**17. KEY FINANCIAL RATIOS**

S. No	Particulars	As at 31-03-2022	As at 31-03-2021	Variance
1	Current ratio (Current Asset/ Current Liabilities)	1.67	3.23	48%
2	Debt-Equity ratio (Borrowings/ Equity share capital)	4.09	12.78	68%
3	Debt service coverage ratio (EBIT/ Finance charges)	104.99	(22.63)	568%
4	Return on equity (PAT/ Avg shareholders fund) [Note 1]	102.98%	(179.55)%	157%
5	Inventory turnover ratio [Note-2]	NA	NA	NA
6	Debtors turnover ratio (Annual turnover/ Average debtors)	11.54	8.72	(32%)
7	Trade payables turnover ratio	2.45	2.81	13%
8	Net capital turnover ratio (Sales/ (Current Asset-Current Liabilities))	5.669	2.912	(95%)
9	Net profit ratio (PAT/ Sales) [Note 1]	12.40%	(129.25%)	(110%)
10	Return on Capital employed (EBIT/ (Equity + Preference share capital) [Note 1]	17.47%	(3.32%)	626%
11	Return on Investment (EBIT/ Total Assets)[Note 1]	13.64%	(3.15%)	112%

**Note:**

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

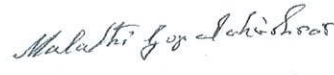
As per my report of even date




**T.S.R.Sivasubramanian**  
Chartered Accountant  
M. No: 022713  
UDIN:22022713AKNDIM1368



**S G Chandru**  
Managing  
Director



**Malathi**  
Gopalakrishnan  
Director



**M. Balamurugan**  
Company Secretary

Place: Chennai  
Date: May 23, 2022

