

ANNUAL REPORT 2013 - 14

DIRECTORS

S G CHANDRU

MALATHI GOPALAKRISHNAN

MEERA CHANDRU

AUDITORS

N. SUBRAMANIAN

CHARTERED ACCOUNTANT

CHENNAI - 600 006.

REGISTERED OFFICE

“EMPEE TOWERS”, V FLOOR

59, HARRIS ROAD

PUDUPET, CHENNAI - 600 002

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NOTICE TO SHAREHOLDERS

Notice is hereby given that the Twenty Fourth Annual General Meeting of the Members of Pace Automation Limited will be held on Monday, September 29, 2014 at 3:00 P.M. at the Registered Office of the Company, "Empee Towers", V Floor, 59 Harris Road, Pudupet, Chennai – 600 002, to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet of the Company as at March 31, 2014 and the Statement of Profit & Loss Account for the year ended on that date together with the Report of the Directors and Auditors of the Company.
2. To appoint a Director in place of Ms Meera Chandru (holding DIN 00814640) who retires by rotation and being eligible, offers herself for reappointment.
3. To appoint Statutory Auditors of the Company and fix their remuneration and to pass the following resolution thereof.

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, Shri. N. Subramanian, Chartered Accountant, be and is hereby appointed as the auditor of the company, to hold office from the conclusion of this AGM until the conclusion of the 25th AGM of the Company (subject to ratification of the appointment by members at every AGM) on a remuneration to fixed by the Board of Directors.

Special Business:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013, the consent of the Company be and is hereby accorded for the appointment of Mr. S.G. Chandru (holding DIN 00814605) as Managing Director of the Company for a period of five years with effect 29th September 2014 on such terms and conditions as set out in the statement annexed to the Notice convening this meeting with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. S G Chandru, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors of Pace Automation Ltd

Place : Chennai
Date: May 31, 2014

S. G.Chandru
Director

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
2. The Register of Members and Share Transfer Books will remain closed from September 20, 2014 to September 29, 2014 (both days inclusive) for the purpose of AGM.
3. The Explanatory Statement as required under section 102 of the Companies Act, 2013 in respect of Special Business is attached herewith.

/ By Order of the Board /

Place : Chennai
Date: May 31, 2014

S. G. Chandru
Director

PACE AUTOMATION LIMITED

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

Mr. S G Chandru, aged 71 years, has decades of industry experience at various levels of responsibilities, focusing more on envisioning new solutions and strategizing to enter new verticals. He has rich experience, expertise and knowledge in areas such as product vision, engineering and product management, business administration and human resources. He pioneered concepts such as SaaS, Cloud computing and Transactional Intelligence even when they had not even entered technology lexicon.

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

As per the provisions of Section 203 of the Companies Act, 2013, the Company should have atleast one Key Managerial Personnel. Keeping in view his rich experience, it was recommended to appoint Mr. S G Chandru as a Managing Director of the Company subject to Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the name of Mr. S G Chandru is proposed for the position of Managing Director, for a period of five years, with effect from 29th September 2014.

- a. Term of appointment is 5 years with effect from 29th September 2014.
- b. A consolidated salary shall be payable as remuneration in terms of the provisions of section 197 read with Schedule V of the Companies Act 2013. The term fixed for payment of remuneration shall be for a period not exceeding three years. In addition to remuneration, he is eligible for perks and benefits, as prescribed under Schedule V of the Companies Act, 2013.

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

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

By Order of the Board of Directors of Pace Automation Ltd

S. G.Chandru
Director

Place : Chennai

Date: May 31, 2014

Additional information on directors recommended for appointment in the AGM as required under clause 49 of the equity listing agreement:

Mr. S G Chandru

Name of the Director	Mr. S G Chandru
Date of Birth	08-11-1943
Date of Appointment	18.10.2002
Qualification	B.E (Mech)
Expertise in Specific Functional Area	Engineering and Product Management, Marketing and Business Administration
List of other Companies in which Directorship is held	M/s Spur Venture Funds Private Limited
No of Shares Held	55,506
Relationship with other Directors	Spouse of Ms Meera Chandru Brother of Ms Malathi Gopalakrishnan

PACE AUTOMATION LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors are pleased to present the Twenty Fourth Annual Report and the audited accounts for the year ended March 31, 2014

The results for the year 2013 – 14 under review are given below:

(Rs in lacs)

Details	For the year ended March 31, 2014	For the year ended March 31, 2013
Gross Income	495.68	401.02
Total Expenses	355.94	313.42
Profit / (Loss) before Depreciation & Interest	139.74	87.60
Depreciation	66.36	42.75
Interest & Finance Charges	0.45	0.66
Profit / (Loss) before tax	72.93	44.19
Provision for Taxation - Deferred	---	---
Profit / (Loss) after Tax	72.93	44.19
Balance brought from previous year	(949.94)	(994.13)
Profit/(Loss) carried forward to Balance sheet	(877.01)	(949.94)

Your company is currently engaged in providing software services as a solution utilising the in-house software developed by the Company till date.

FIXED DEPOSITS

During the year the Company has not accepted / renewed any fixed deposits.

DIRECTORS

Ms Meera Chandru retires by rotation and being eligible offer herself for reappointment.

DIRECTOR'S RESPONSIBILITY STATEMENT

As required under the Companies Act, 1956, your Directors wish to state:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed and there is no material deviation there from
2. They have selected such accounting policies and applied them consistently and made judgements and estimates which are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31st March 2014 and of the loss for the year ended on that date
3. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. The financial statements have been prepared on a going concern basis.

AUDITORS REPORT

With regard to the comments in the Auditors Report, the company is taking efforts to reconcile the debtors / creditors/advances accounts and get confirmations and to install an internal audit system. The Company has taken steps to appoint a Company Secretary.

AUDITORS

Mr. N. Subramanian, Chartered Accountant, retires as Auditor of the Company at the end of the Twenty Fourth Annual General Meeting..Confirmation has been received from Shri. N Subramanianthat the appointment, if made, will be within the limits specified in Section 224 of the Companies Act, 1956.

DISCLOSURE UNDER SECTION 217 (1)(e)

Particulars that are required to be disclosed in accordance with Section 217(1)(e) of the Companies Act, 1956 are given in Annexure to this report.

DISCLOSURE UNDER SECTION 217 (2-A)

There is no employee who was in receipt of remuneration during the year in excess of the limit specified under Section 217(2A) of the Companies Act, 1956.

GENERAL

Your Directors wish to keep on record their appreciation for the support and patronage of the Shareholders of the Company. The Company also wishes to keep on record its sincere thanks to all its clients who have reposed faith on the Company and its products.

Your Directors are thankful to the Electronics Corporation of Tamilnadu Limited and Bankers for their continued support and co-operation.

Your Directors are appreciative of the efforts put in by the employees.

/By order of the Board/

Place : Chennai
Date :May 31, 2014

S G Chandru
Director

MalathiGopalakrishnan
Director

ANNEXURE TO DIRECTORS' REPORT**PARTICULARS PURSUANT TO SECTION 217(1)(E) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT****1. Conservation of Energy:**

Energy conservation has always been the focus of the company from the point of view of cost control and also as a social responsibility. Strict control and monitoring of usage, good upkeep and tuning of equipments like servers, AC units etc results in optimal usage of electrical power. Energy saving gadgets like timers are deployed to avoid wastage of energy.

2. Research and Development

Your company is constantly engaged in the research and development of newer technologies. To deliver the best solutions to its customers with high level of productivity and service, your company is being investing much effort into the development of newer processes, frameworks and methodologies.

a. Specific Areas of R&D:

Your company's focus has always been on taking the initiative in the development of new application oriented software depending on the needs of the market. You will continue to invest in latest technologies to suit the business needs in the market place, focusing on training its employees in the latest technologies. The company will continue to scan the environment for emerging trends, invest in and incubate these technologies and roll them out as service offerings through business units.

b. Benefits arrived:

Your company achieved a higher degree of methodology standardization in handling software projects, which has resulted in delivering better solutions to its customers with improved margins.

**3. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:
EFFORTS MADE IN TECHNOLOGY ABSORPTION**

New applications are being developed using latest technology including Android Platform.

4. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	Rs. in Lacs	
	Year ended 31.03.2014	Year ended 31.03.2013
Foreign Exchange earned	41.32	13.16
Foreign Exchange used	6.61	74.02

5. CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement entered with the Stock Exchange, a report on Corporate Governance forms part of the Annual Report. The Company has obtained the certificate from Practising Company Secretary regarding compliance with the provisions relating to Corporate Governance as laid down in Clause 49 of the Listing Agreement. The same is appearing elsewhere in this Annual Report.

Declaration by the Director regarding affirmation for compliance with the Company's Code of Conduct is annexed to the Corporate Governance Report.

REPORT ON CORPORATE GOVERNANCE**Philosophy on Code of Governance:**

The Company adopts the policy of transparency in all its transactions and therefore the standards of disclosures to the shareholders, employees, government and customers is of the highest standard.

Board of Directors:

The Board of Directors consists of three directors out of which one is a whole time director who is in overall charge of the operations of the company and reports to the Board.

Composition of Board of Directors as on March 31, 2014

S No	Name of the Director	No of Shares Held	
		Equity	Preference
1	S G Chandru	55,506	---
2	Meera Chandru	26,15,600	25,00,000
3	Malathi Gopalakrishnan	27,04,800	---

Number of Board Meetings held and attended by the Directors:

Four meeting of the Board of Directors were held during the year ended 31.3.2014 viz.,(i) 13.05.2013, (ii) 19.06.2013, (iii) 12.08.2013, and (iv) 12.11.2013 and 10.02.2014

Attendance recorded of each of the Directors at the Board Meeting during the year ended 31.3.2014 as also the Annual General Meeting

Name of the Director	No. of Board Meetings attended	Attendance at the last AGM
Mr. S G Chandru	4	Yes
Ms.Malathi Gopalakrishnan	4	Yes
MrsMeera Chandru	4	Yes

Audit Committee

The Audit Committee of the Company consists of the following Directors as its members

1. Mr. S G Chandru
2. Ms.Malathi Gopalakrishnan

The Audit Committee meetings were held on (i)13.05.2013, (ii)12.08.2013, (iii) 12.11.2013 and 10.02.2014

Shareholder's / Investor's Grievance Committee

The Shareholder's / Investor's Grievance Committee of the company consists of the following Directors

1. Mr. S G Chandru
2. Ms. Malathi Gopalakrishnan

All the complaints received from the shareholders have been duly attended by the Company and there is no pending complaint.

Share Transfer System

Share Transfers are registered and returned within a maximum period of 30 days from the date of receipt. The transfers are effected in-house

Dematerialisation of Shares

The Company is yet to provide for dematerialization of shares.

Code of Conduct

The Board has laid down a Code of Conduct for all Board members of the Company. All Board members have affirmed the compliance with the Code of Conduct. A declaration to this effect signed by one of the Directors forms part of this Annual Report.

Annual General Meetings

Location, date and time of Annual General Meetings held in the last 3 years

S No	AGM	Year	Time & Date	Location
1	23	2013	3.00 PM / 30.09.2013	"EmpeeTowers, V Floor, 59 Harris Road, Pudupet, Chennai – 600 002
2	22	2012	3.00 PM / 28.09.2012	
3	21	2011	3.00 PM / 30.09.2011	

All resolutions as set out in the respective notices were duly passed by the shareholders in the meeting

No special resolution was passed in the past 3 Annual General Meetings.

General Shareholders Information**Annual General Meeting**

Date & Time: September 30, 2014 at 3:00 P.M

Venue : EmpeeTowers, V Floor, 59 Harris Road, Pudupet, Chennai – 600 002

PACE AUTOMATION LIMITED

Details of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting of the Company

Ms Meera Chandru

Date of Birth	18/12/1946
Qualification	B.A.,
Expertise in Specific Functional Areas	Worked in a nationalised bank for over 30 years. Well versed in financial management and banking.
Directorship in other Companies	Nil
Shareholdings in the Company	Equity : 26,15,600 Preference : 25,00,000

Financial Calendar (Tentative)

Quarter ending June 30, 2014	Second week of August 2014
Quarter ending September 30, 2014	Second week of November 2014
Quarter ending December 31, 2014	Second week of February 2015
Year ending March 31, 2015 (Audited)	End of May 2015

Date of Book Closure

September 20, 2014 to September 29, 2014 (both days inclusive)

Details of Stock Exchange where listed

Madras Stock Exchange (MSE)

Shareholding Pattern as on March 31, 2014

Category	Shares Held (Nos)	% of Holding
Promoters Holding (Indian and Foreign)	64,60,260	68.38
Mutual Funds	---	---
Bank, Financial Institutions, Insurance Companies and others	---	---
Corporate Bodies, Indian Public and NRI's	29,87,775	32.62
Total	94,48,035	100.00

Distribution of Shareholding as on March 31, 2014

Range	No of Shareholders	No of Shares held	% of shareholding
1-500	19,825	23,53,875	24.91
501-1000	247	2,18,200	2.31
1001-2000	66	1,04,800	1.11
2001-5000	27	82,900	0.88
5001-10000	7	36,700	0.39
10001- above	11	66,51,560	70.40
Total	20,183	94,48,035	100.00

Address for correspondence

Registered Office

Pace Automation Limited
"EmpeeTowers", V Floor,
59 Harris Road, Pudupet, Chennai – 600 002
Ph: 044 2855 4821
Email : paceauto@vsnl.com

DECLARATION BY A DIRECTOR UNDER CLAUSE 49(1) (D) (ii) OF THE LISTING AGREEMENT

I, S G Chandru, Director, Pace Automation Limited declare that all the members of the Board of Directors have for the year ended March 31, 2014 affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of the Listing Agreement entered with the Stock Exchange.

For Pace Automation Limited

Place : Chennai
Date: May 31, 2014

S G Chandru
Director

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To
The Members
Pace Automation Ltd

I have examined the compliance of the conditions of Corporate Governance by Pace Automation Limited ("the Company"), for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Chennai
Date: May 31, 2014

N. SUBRAMANIAN
Chartered Accountant
Membership No.: 21628

**INDEPENDENT AUDITORS REPORT
TO THE MEMBERS OF PACE AUTOMATION LIMITED**

Report on the Financial Statements

I have audited the accompanying financial statements of **PACE AUTOMATION LIMITED** ("the Company"), which comprises the Balance Sheet as at March 31, 2014, the Statement of Profit & Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I have conducted my audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgements, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- I) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- II) in the case of the Statement of the Profit & Loss, of the profit for the year ended on that date; and
- III) in the case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, I give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. As required by Section 227(3) of the Act, I report that
 - a) I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purposes of my audit;
 - b) In my opinion, proper books of account as required by law have been kept by the Company so far as appears from my examination of those books.
 - c) The Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In my opinion, the Balance Sheet, the Statement of Profit & Loss and the Cash flow Statement dealt with by this report comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Act.
 - e) On the basis of written representations received from the directors, as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1) (g) of the Act.

Place: Chennai
Date : May 31, 2014

N.SUBRAMANIAN
Chartered Accountant
Membership No.: 21628

(Referred to paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of my report of even date)

1. Having regard to the nature of the Company's business/activities/ results, during the year, clauses (ii), (viii), (xiii) and (xiv) of paragraph 4 of the Order are not applicable to the Company.
2. In respect of its fixed assets:
 - i) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - ii) According to the information and explanations given to me, the company has a programme of verification of fixed assets to cover all the items in a phased manner over the year, which in my opinion, is reasonable having regard to the size of the company and nature of its assets. Pursuant to the programme, all the fixed assets were physically verified by the management during the year. According to the information and explanations given to me no material discrepancies were noticed on such verification.
 - iii) No major fixed assets have been disposed off during the year and this has not affected the going concern status of the company.
3. According to the information and explanations given to me, during the year the Company has not taken/given any loan from or to any party covered in the register maintained under section 301.
4. In my opinion and explanations given to me there are adequate internal control procedures commensurate with the size and nature of its business with regard to purchase of inventory, fixed assets and sale of goods. During the course of the audit no major weakness in the internal control system has been noticed.
5. In respect of the contracts or arrangements entered in the Register maintained in pursuance of section 301 of the Act, to the best of my knowledge and belief and according to the information and explanations given to me:
 - (a) The particulars of contractors or arrangements referred to in section 301 that needed to be entered in the register maintained under that section have been so entered.
 - (b) Based on the audit procedures applied by me and the information and explanations furnished by the management, I am of the opinion that there were no transactions during the year in excess of Rs.5 lakhs that need to be entered in the register maintained under section 301 of the Act.
6. According to the information and explanations given to me, the Company has not accepted any deposits from the public during the year within the meaning of section 58A, 58AA or any other relevant provisions of the Act. Therefore, the provisions of clause (vi) of paragraph 4 of the Order are not applicable to the company.
7. ***The Company is not having an internal audit system commensurate with the size and nature of its business.***
8. According to the information and explanations given to me in respect of statutory dues:
 - a. According to the records, information and explanations given to me, the Company has generally been regular in depositing with the appropriate authorities the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales Tax (VAT), Wealth Tax, Service Tax, Cess and other statutory dues applicable to it with the appropriate authorities.
 - b. There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales Tax (VAT), Wealth Tax, Service Tax, Cess and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they become payable.
9. In my opinion, the accumulated losses at the end of the financial year is more than fifty percent of its net worth and the Company has not incurred cash loss during the financial year covered by my audit but incurred cash loss in the immediately preceding financial year.
10. In my opinion and according to the information and explanations given to me, the Company has not defaulted in repayment of dues to any bank or financial institution.
11. According to the information and explanations given to me, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
12. In my opinion and according to the information and explanations given to me, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
13. In my opinion and according to the information and explanations given to me, the Company has not taken any term loan during the year.

14. In my opinion and according to the information and explanation given to me and on an overall examination of the Balance Sheet, in my opinion, there are no funds raised on short term basis which have been used for long term investment.
15. In my opinion and according to the information and explanations given to me, during the year the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
16. In my opinion and according to the information and explanations given to me, the company has not issued any debentures.
17. The company has not raised money by way of public issues during the year.
18. To the best of my knowledge and belief and according to the information and explanations given to me, no fraud by the Company and no material fraud on company was noticed or reported during the year..

Place : Chennai
Date May 31, 2014

N. SUBRAMANIAN
Chartered Accountant
Membership No.: 21628

PACE AUTOMATION LIMITED**BALANCE SHEET AS AT 31-03-2014**

	Note	31.03.2014 Rs	31.03.2013 Rs
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	119,480,350	119,480,350
(b) Reserves and Surplus	3	(85,199,323)	(92,492,257)
		<u>34,281,027</u>	<u>26,988,093</u>
(2) Non-Current Liabilities			
(a) Long Term borrowings	4	---	12,000,000
(b) Other Long term liabilities	5	1,208,023	1,275,000
		<u>1,208,023</u>	<u>13,275,000</u>
(3) Current Liabilities			
(a) Short Term borrowings	6	302,500	302,500
(b) Trade payables	7	876,765	1,541,619
(c) Other Current Liabilities	8	3,956,506	3,896,763
		<u>5,135,771</u>	<u>5,740,882</u>
TOTAL		<u>40,624,821</u>	<u>46,003,975</u>
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9A	20,89,210	8,109,319
(ii) Intangible Assets	9B	---	4,590
(iii) Capital Work In Progress		11,727,180	8,079,261
		<u>13,816,390</u>	<u>16,193,170</u>
(b) Deferred tax assets (net)		439,745	439,745
(c) Long term Loans and advances	10	2,281,858	2,604,258
		<u>16,537,993</u>	<u>19,237,173</u>
(2) Current Assets			
(a) Trade Receivables	11	14,097,489	15,208,789
(b) Cash and cash equivalents	12	3,033,924	1,140,859
(c) Short Term Loans and Advances	13	6,955,415	10,417,154
		<u>24,086,828</u>	<u>26,766,802</u>
TOTAL		<u>40,624,821</u>	<u>46,003,975</u>

Significant Accounting Policies 1

The accompanying notes form an integral part of the financial statements

Vide our report of even date attached

N. Subramanian
Chartered Accountant
Mem. No: 021628**S G Chandru**
Director**Malathi Gopalakrishnan**
DirectorPlace : Chennai
Date : May 31, 2014

PACE AUTOMATION LIMITED**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2014**

	Note	For the Year ended 31.03.2014 Rs	For the Year ended 31.03.2013 Rs
I Revenue from Operations	14	44,901,445	39,706,054
II Other Income	15	4,666,391	395,942
III Total Revenue (I+II)		49,567,836	40,101,996
IV Expenses :			
Cost of materials consumed	16	---	89,000
Employee benefits expense	17	20,208,096	16,920,688
Finance Costs	18	45,491	66,501
Depreciation and amortization expense	9	6,635,877	4,274,965
Other expense	19	15,385,437	14,331,347
Total Expenses		42,274,901	35,682,501
V Profit before exceptional and extraordinary items and taxes (III-IV)		7,292,934	4,419,495
VI Exceptional Items		---	---
VII Profit before extraordinary items and taxes (V-VI)		7,292,934	4,419,495
VIII Extraordinary Items		---	---
IX Profit before Tax (PBT) (VII-VIII)		7,292,934	4,419,495
X Tax Expense			
Deferred Tax Asset		---	---
XI Profit/(loss) for the period from continuing operations		7,292,934	4,419,495
XII Profit/(loss) for the period		7,292,934	4,419,495
XIII Earnings per equity share			
(1) Basic		0.77	0.47
(2) Diluted		0.77	0.47

The accompanying notes form an integral part of the financial statements

As per my report of even date

N Subramanian
Chartered Accountant
Mem. No: 021628

S G Chandru
Director

Malathi Gopalakrishnan
Director

Place : Chennai
Date : May 31, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2014

		For the Year ended 31.03.2014 Rs	For the Year ended 31.03.2013 Rs
Cash Flow from Operating Activities			
Net Profit Before Tax and Extraordinary Items		7,292,935	4,419,495
Adjustments For -			
Depreciation		6,635,877	4,274,965
Bad Debts Written Off		3,371	---
Advances Written Off		317,400	---
Excess Provision Written Back		4,450,000	---
Interest Expenses		45,491	66,501
Operating Profit before Changes in Working capital		18,745,074	8,760,961
(Increase)/ Decrease in Working Capital			
Sundry Debtors		1,107,929	(2,243,024)
Loans and Advances		3,466,849	(3,553,564)
Current Liabilities		(12,672,088)	(692,274)
Capital Work In Progress		(3,647,919)	(1,158,110)
		(11,745,229)	(7,646,972)
Net Cash Flow from Operating Activities	A	6,999,845	1,113,989
Cash Flow from Investing Activities			
Purchase of Fixed Assets		(611,289)	(378,544)
	B	(611,289)	(378,544)
Cash Flow from Financing Activities			
Repayment of Unsecured Loan		(12,000,000)	---
Receipt of Advance		7,550,000	---
Interest Charges		(45,491)	(66,501)
	C	(4,495,491)	(66,501)
Increase/(Decrease) in Cash and Cash Equivalents	A+B+C	1,893,065	668,944
Cash and Cash Equivalents at the Beginning of the year		1,140,859	471,915
Cash and Cash Equivalents at the end of the year		3,033,924	1,140,859

As per my report of even date

N Subramanian
Chartered Accountant
Mem. No: 021628

S G Chandru
Director

Malathi Gopalakrishnan
Director

Place : Chennai
Date : May 31, 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2014

1. ACCOUNTING POLICIES

1.1 All revenue costs, assets and liabilities are accounted for on accrual basis.

1.2 SALES & SERVICE INCOME

1.2.1 Sales are accounted on despatch net of sales tax and returns.

1.2.2 Revenue from Software Development is recognised based on the terms of contract with the customer. Revenue from Software / Technical Services is recognised proportionately over the period in which services are rendered, notwithstanding the billing at a later date.

1.3 FIXED ASSETS AND DEPRECIATION / IMPAIRMENT

Fixed assets are stated at cost less accumulated depreciation and impairment loss.

Revenue expenditure on development of in house software is expensed as incurred. Capital expenditure on such developmental work including proto types and design / product development is capitalised as fixed assets and depreciated in accordance with the depreciation policy of the Company.

Depreciation on all assets has been provided under straight line method at the rates prescribed in Schedule XIV to the Companies Act, 1956 on prorata basis, except as under:

Impairment loss is recognized when carrying amount of assets net of accumulated depreciation is less than the estimated recoverable amount of those assets.

COMPUTERS

Computers used for development of software are treated as Plant & Machinery used in production and accordingly rate applicable under Schedule XIV to machineries used in manufacture of electronic goods or components has been applied. However, computers and software acquired on or after 1.7.2002 have been charged on straight line method over their estimated useful life of 4 years which is higher than the rates specified under Schedule XIV of the Companies Act, 1956.

SOFTWARE

Software development costs are amortized on prorata basis over the technically estimated useful life span of the software developed which has been estimated as 5 years.

Where the value of an individual asset acquired during the year does not exceed Rs. 5000/-, depreciation has been provided at 100%.

Depreciation on impaired assets is provided by adjusting the depreciation charge in the remaining periods so as to allocate the assets' revised carrying amount over its remaining useful life.

1.4 RETIREMENT BENEFITS

Contribution to Provident Fund is made monthly at the prescribed rate, to the Provident Fund Commissioner and debited to Profit & Loss Account on accrual basis. The Company has taken a Group Gratuity Scheme policy with Life Insurance Corporation of India, the premium of which is debited to the Profit and Loss Account. There is no benefit in the nature of short / long term compensated absence.

1.5 INVENTORIES

Components, spares and traded products are valued at lower of cost or market value. Work-in progress is valued at lower of cost or net realisable value after providing for obsolescence.

1.6 FOREIGN CURRENCY TRANSLATION

Current Assets and liabilities related to foreign currency transaction are translated at the year-end rate and the exchange difference other than for fixed assets is recognised in the Profit & Loss Account.

1.7 TAXATION

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.

1.8 CONTINGENT LIABILITIES & PROVISIONS

Contingent liabilities are not recognised but are disclosed in the notes. Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be outflow of resources.

PACE AUTOMATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2014

	As at 31.03.2014 Rs	As at 31.03.2013 Rs		
2.(A) Share Capital				
(a) Authorised Share Capital				
(I) 95,00,000 (Previous Year: 95,00,000) Equity Shares of Rs.10/- each	95,000,000	95,000,000		
	<u>95,000,000</u>	<u>95,000,000</u>		
(ii) 25,00,000 (Previous year: 25,00,000) 5% 2019 Redeemable Preference Shares of Rs.10/- each.	25,000,000	25,000,000		
	<u>25,000,000</u>	<u>25,000,000</u>		
(b) Issued & Subscribed Share Capital				
(I) 94,48,035 Equity Shares of Rs.10/- each fully paid up	94,480,350	94,480,350		
	<u>94,480,350</u>	<u>94,480,350</u>		
(II) 25,00,000 5% 2019 Redeemable Preference Shares of Rs.10/- each fully paid up	25,000,000	25,000,000		
	<u>25,000,000</u>	<u>25,000,000</u>		
(c) Paid-up Share Capital				
(I) 94,48,035 Equity Shares of Rs.10/each fully paid up	94,480,350	94,480,350		
(II) 25,00,000 5% 2019 Redeemable Preference Shares of Rs.10/- each fully paid up	25,000,000	25,000,000		
	<u>119,480,350</u>	<u>119,480,350</u>		
2.(B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year				
Number of shares outstanding as the beginning of the year				
Equity Shares	94,48,035	94,48,035		
Redeemable Preference Shares	25,00,000	25,00,000		
Number of shares outstanding as at the end of the year				
Equity Shares	94,48,035	94,48,035		
Redeemable Preference Shares	25,00,000	25,00,000		
2.(C) Shares in the company held by each shareholder holding more than 5% shares as on the balance sheet date				
	31-03-2014		31-03-2013	
	No of Shares held	Percentage of Shares held	No of Shares held	Percentage of Shares held
Equity Shares				
Mrs C Meera	26,15,600	27.68%	27,15,600	28.74%
Ms Malathi Gopalakrishnan	27,04,769	28.63%	27,04,769	28.63%
Electronics Corporation of Tamil Nadu Ltd	4,89,285	5.18%	4,89,285	5.18%
Redeemable Preference Shares				
Mrs C Meera	25,00,000	100%	25,00,000	100%
3. Reserves and Surplus				
(A) Capital Reserves				
(i) Export Market Development Grant				
Opening Balance		192,839		192,839
Add: Transfer from Profit and Loss Account		---		---
Closing Balance		<u>192,839</u>		<u>192,839</u>
(ii) Capital Subsidy				
Opening Balance		2,309,000		2,309,000
Add: Transfer from Profit and Loss Account		---		---
Closing Balance		<u>2,309,000</u>		<u>2,309,000</u>
(B) Surplus / (Deficit)				
Balance of Profit / (Loss) brought forward		(94,994,097)		(99,413,591)
Add: Profit / (Loss) for the period		7,292,935		4,419,495
Closing Balance		<u>(87,701,162)</u>		<u>(94,994,096)</u>
Balance carried to Balance Sheet		<u>(85,199,323)</u>		<u>(92,492,257)</u>

PACE AUTOMATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2014****4. Long Term Borrowings****UNSECURED LOANS**

From Others

---	12,000,000
<u>---</u>	<u>12,000,000</u>

5. Other Long Term Liabilities

Trade Deposits

1,208,023	1,275,000
<u>1,208,023</u>	<u>1,275,000</u>

6. Short Term Borrowings**(A) UNSECURED LOANS**

From Directors

302,500	302,500
<u>302,500</u>	<u>302,500</u>

7. Trade Payables

Trade Creditors

876,765	1,541,619
<u>876,765</u>	<u>1,541,619</u>

8. Other Current Liabilities

Other payables

- PF payable	52,259	48,187
- ESI payable	8,096	9,086
- Service Tax Cenvat	513,560	718,744
- TDS payable	229,976	185,315
- Professional Tax payable	---	1,095
- Other Creditors	3,152,615	2,934,336
	<u>3,956,506</u>	<u>3,896,763</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2014

9A. FIXED ASSETS - TANGIBLE

Name of Asset	GROSS BLOCK			DEPRECIATION / IMPAIRMENT			NET BLOCK	
	As At 01.04.2013	Additions	As At 31.03.2014	As At 01.04.2013	For the Year	Up to 31.03.2014	As At 31.03.2014	As At 31.03.2013
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Plant & Machinery	19,712,174	---	19,712,174	16,998,052	1,417,070	18,415,122	1,297,052	2,714,122
Computers & Printers	63,280,158	424,357	63,704,515	60,748,448	2,386,367	63,134,815	569,700	2,531,821
Office Equipments	3,711,191	15,250	3,726,441	2,291,414	1,318,123	3,609,537	116,904	1,419,777
Furniture & Fittings	6,400,331	171,682	6,572,013	4,956,732	1,509,727	6,466,459	105,554	1,443,599
Total	93,103,854	611,289	93,715,143	84,994,646	6,631,287	91,625,933	2,089,210	8,109,319
Previous Year	92,725,310	378,544	93,103,854	80,755,800	4,238,735	84,994,535	8,109,319	15,836,624

9B. FIXED ASSETS –INTANGIBLE

Name of Asset	GROSS BLOCK			DEPRECIATION / IMPAIRMENT			NET BLOCK	
	As At 01.04.2013	Additions	As At 31.03.2014	As At 01.04.2013	For the Year	Up to 31.03.2014	As At 31.03.2013	As At 31.03.2013
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Software Developed	64,560,658	---	64,560,658	64,556,068	4,590	64,550,658	---	4,590
Total	64,560,658	---	64,560,658	64,556,068	4,590	64,550,658	---	4,590
Previous Year	64,560,658	---	64,560,658	58,842,058	36,230	64,519,838	4,590	40,820

PACE AUTOMATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2014

	As at 31.03.2014 Rs	As at 31.03.2013 Rs
10. Long-Term Loans And Advances		
Security Deposits		
(i) Secured, Considered good	325,045	330,045
(ii) Unsecured, Considered good	1,956,813	2,274,213
	<u>2,281,858</u>	<u>2,604,258</u>
	<u>2,281,858</u>	<u>2,604,258</u>
11. Trade Receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, Considered good	162,055	---
Others		
Unsecured, Considered good	13,935,434	15,208,789
	<u>14,097,489</u>	<u>15,208,789</u>
12. Cash And Cash Equivalents		
(A) Balance with Scheduled Banks		
(i) Current Account	3,020,825	1,127,676
(ii) Fixed Deposit	12,000	12,000
(B) Cash on hand		
	1,099	1,183
	<u>3,033,924</u>	<u>1,140,859</u>
Note		
(1) Earmarked Bank Balances	---	---
(2) Bank balances held as margin money or as security	---	---
(3) Repatriation restrictions	---	---
(4) Bank Deposit with more than 12 months maturity	12,000	12,000
13. Short-Term Loans And Advances		
Others		
Unsecured, Considered good	6,955,415	10,417,154
	<u>6,955,415</u>	<u>10,417,154</u>
Contingent Liabilities and Commitments		
(A) Contingent Liabilities		
(a) Claims against the company not acknowledged as debts	---	---
(b) Guarantees	---	---
(c) Other money for which the company is contingently liable	---	---
Total (A)	---	---
(B) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	---	---
(b) Un-called liability on shares and other investments partly paid	---	---
(c) Other commitments	---	---
Total (B)	---	---
Total [(A)+(B)]	---	---
14. Revenue from Operations		
Sales of Material	---	166,320
IT related services	44,901,445	39,539,734
	<u>44,901,445</u>	<u>39,706,054</u>
14.1 Particulars of IT related services		
Licence Fee Receipts	---	---
Transaction Processing Charges	41,312,765	38,389,740
Off Shore Software Dev Charges	3,588,680	1,149,994
	<u>44,901,445</u>	<u>39,539,734</u>

PACE AUTOMATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2014

	As at 31.03.2014 Rs	As at 31.03.2013 Rs
15. Other Income		
(A) Interest income	16,391	395,942
(B) Miscellaneous income	200,000	---
(B) Other non-operating income (net of expenses directly attributable to such income)	4,450,000	---
	4,666,391	395,942
16. Cost of Materials Consumed		
Indigenous (100%)	---	89,000
	---	89,000
16.1. Particulars of Materials Consumed		
Electronics & Mechanical Components	---	89,000
17. Employee Benefit Expenses		
Salaries and wages	17,637,116	14,684,408
Remuneration to Directors	1,200,000	990,000
Contribution to PF and other funds	941,997	857,928
Staff Welfare Expenses	416,643	349,422
Gratuity	12,340	38,930
	20,208,096	16,920,688
18. Finance Costs		
Interest Expense	58,945	43,314
Net gain/loss on foreign currency transactions/translation	(48,489)	(12,840)
Bank Charges	35,034	36,027
	45,490	66,501
19. Other Expenses		
Rent	7,175,320	6,381,630
Printing & Stationery	24,380	29,402
Repairs and Maintenance Others	955,363	1,328,529
Communication Expenses	1,955,324	2,008,861
Electricity Charges	2,499,174	2,601,259
Professional Charges	417,953	521,094
Postage & Courier Expenses	36,935	63,836
Registrations & Renewals	55,038	46,125
Miscellaneous Expenses	621,292	182,505
Payment to statutory auditors:		
- As Auditors	60,000	60,000
- Taxation Matters	14,494	15,000
- Reimbursement of expenses	---	10,000
- Service Tax	---	12,257
Travelling and Conveyance	941,721	1,044,244
Selling and Distribution expenses	311,043	26,605
Advances Written Off	317,400	---
	15,385,437	14,331,347
Additional Information disclosed as per Part II of The Companies Act, 1956		Rs in Lacs
(i) Adjustment to the carrying amount of investments	---	---
(ii) Net gain/loss on foreign currency transaction and translation (other than considered as finance cost)	---	---
(iii) Value of imports calculated on CIF basis by the company during the financial year in respect of:		
	2.59	73.63
(iv) Expenditure in foreign currency during the financial year	4.02	0.39
(v) The amount remitted during the year in foreign currencies on account of dividends	---	---
(vi) Earnings in foreign exchange	41.32	13.16

20. OTHER NOTES FORMING PART OF FINANCIAL STATEMENT

1. Other liabilities include Deposits from customers of Rs.12.08 lacs (previous year : Rs.12.75 lacs)
2. Sundry Debtors/Creditors and advances are subject to confirmation/reconciliation
3. 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.
4. Managerial Remuneration :

Remuneration to Whole Time Director:	31.03.2014	31.03.2013
	Rs in Lacs	
a) Salaries	12.00	9.90
b) Contribution to Provident Fund	---	0.36
c) Perquisites	1.65	1.19
Total	13.65	11.45

5. The company is exempted from the licensing provisions of the Industrial (Development & Regulations) Act, 1951 in accordance with Notification No. 629(E), dated June 30, 1988 read with Press Note No.3(89), dated February 14, 1989.

6. Related Party Transactions :

A. Related parties:

- i) Key Management Personnel (KMP) Mr S G Chandru, Whole Time Director
- ii) Relative of KMP Mrs Meera Chandru,
Proprietrix M/s. Emcee Associates and Wife of KMP

B. Transaction with :	(Rs in Lacs)	
	KMP (Pre. Yr.)	Relative of KMP (Pre. Yr.)
1. Remuneration	13.65(11.45)	--(--)
2. Car Hire Charges	--(--)	--- (1.65)
3. As Creditor/Advances outstanding	--(--)	--- (75.50)

7. The company has adopted AS-15 (Revised) and liability of arising on this account Rs.0.39 lacs is charged to the Profit & Loss Account .

Other disclosure as required under AS-15 (Revised):		2013 - 14 Rs	2012 - 13 Rs
i)	Present value of projected benefit obligation as at 1.4.2013	11,00,572	14,51,796
ii)	Service cost	1,12,514	1,13,847
iii)	Interest cost	88,046	1,16,144
iv)	Actuarial Gain / (Loss)	8,15,663	(5,81,215)
v)	Benefits paid	---	---
vi)	Present value of projected benefit obligation as at 31.3.2014/2013	13,29,872	11,00,572
vii)	Fair value of Plan Assets as at 31.3.2014	9,10,499	14,25,141
viii)	Liability / (Asset) recognised in the Balance Sheet	(4,19,373)	481,439
ix)	Amount charged to Profit & Loss Account (Gross)	38,930	115,257
x)	Actuarial assumptions:		
a)	Discount rate	8%	8%
b)	Future Salary Escalation	5%	5%
c)	Expected rate of return on Plan assets	8%	8%

8. Details of Earnings per Share:

Rs in Lacs

	31.03.2014	31.03.2013
Profit / (Loss) after tax (in Rs)		5,260,031
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	0.77	0.47

9. Quantitative details concerning goods traded:

	For the year ended 31.03.2014		For the year ended 31.03.2013	
	Qty Nos	Value (Rs. in Lacs)	Qty Nos	Value (Rs. in Lacs)
(A) OPENING STOCK	---	---	---	---
(B) PURCHASES (Others)	---	---	---	0.89
(C) SALES (Others)	---	---	---	1.62
(D) CLOSING STOCK	---	---	---	---

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

As per my report of even date

N Subramanian
Chartered Accountant

S G Chandru
Director

Malathi Gopalakrishnan
Director

Place : Chennai
Date : May 31, 2014