



# Driving Business Transformation for our Customers



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**WeP Solutions Limited**  
Twenty Third Annual Report 2017-18



## CORPORATE INFORMATION

### Board of Directors

Ram N Agarwal	- Chairman and Managing Director
H V Gowthama	- Independent Director (Resigned w.e.f 26th June 2018)
Sudhir Prakash	- Independent Director
Shankar Jaganathan	- Independent Director
Mythily Ramesh	- Independent Director
G H Visweswara	- Independent Director
B R Ganesh	- Small Shareholders and Independent Director (Cessation w.e.f 22nd September 2017)
Dr. A L Rao	- Non-Executive Director
Prashee Agarwal	- Non-Executive Director (Resigned w.e.f 27th July 2018)

### Share Transfer Agent

Cameo Corporate Services Limited,  
#1, Subramanian Building,  
Club House Road, Chennai – 600 002  
Email: investor@cameoindia.com

### Bankers

Axis Bank  
Corporation Bank  
HDFC Bank

### Statutory Auditors

M/s N M Rajji & Co, Chartered Accountants,  
Mumbai

### Secretarial Auditor

S Kannan & Associates, Practicing Company Secretary,  
Bengaluru

### Internal Auditors

M/s Gnanoba & Bhat, Chartered Accountants, Bengaluru

### Corporate Identity Number (CIN)

L72200KA1995PLC025617

### Listed on

Bombay Stock Exchange (BSE)  
Scrip Code: 532373  
Scrip Name: WEPSOLN

### Website

www.wepsolutions.co.in

### Investor E-mail ID

investor@wepsol.in

### Registered Office

40/1 A, Basappa Complex, Lavelle Road,  
Bengaluru 560 001  
Ph : 91 80 66112000 Fax : 91 80 66112055  
E-mail : info@wepsol.in

### Manufacturing Location

Himachal Pradesh:  
Plot No. 87, EPIP, Phase I, Jharmajri, District : Solan,  
Himachal Pradesh -174 103.

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# Letter to the Shareholders

*Dear Shareholders,*

## **Indian Business Environment**

*Change is not only inevitable but also essential today. Continuous improvement and innovation is a key to the success of any organization. India is rapidly getting aligned to the global trends. India is also the center of focus across the globe for its potential opportunities. The present government has set the ball rolling for growth by bringing out very meaningful and sometime even disruptive economic reforms. Every business in the country had to respond by internalizing these reforms and transforming themselves for its sustenance, survival and growth.*

*The mega reforms initiative unleashed over the last two years includes:*

1. *Jan-Dhan Yojna (J)*
2. *Aadhaar (A)*
3. *Mobile Data & Voice (M)*
4. *Taxation – Goods and Services Tax (T)*
5. *Digital Transaction and Cash Settlement (D)*
6. *Compliance & Formalization (F)*

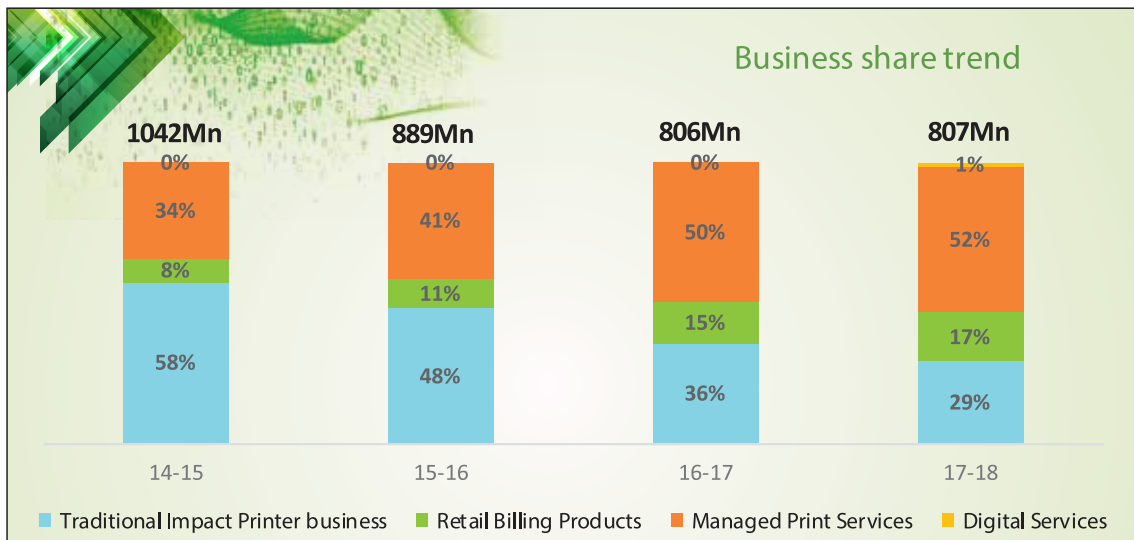
*The above reforms (JAM-TDF) are giving rise to trends which include:*

1. *Shift from unorganized to organized sector,*
2. *Growing momentum for clean business practices where SMEs can be profitable and grow without resorting to any shortcuts*
3. *Increased speed of doing business*
4. *Data based decision making*

*WeP has over the years been working towards a transformational journey both for itself and for its customers. The reforms in India have accelerated the need for this transformation for both WeP and its customers. I would like to provide a snapshot of our transformation journey over the last few years.*

## WeP's Transformation Journey

Until FY14-15, WeP was primarily an Impact Printer company with more than 50% of the revenues coming from this traditional business. The trends of the last four years indicate that we have successfully transformed your company from a business of traditional impact products to a digital age products & services company. Digital business contributed Rs.11Mn in revenues in FY17-18.



This journey of Transformation has also resulted in changing our company from a Products centric to Solution and Services centric company. This is visible in the gross value add of the company moving up from 41.8% in 14-15 to 53.9% in 17-18.

As indicated in our last annual report, we have begun our transformation journey from 15-16. This should accelerate from now as traditional business constitute only 29% of our revenue.. Our growth path is built upon a three-pronged strategy, which each of our three business lines represent.

### Managed Print Services

MPS business is the core of our growth strategy. With more and more enterprises moving towards print outsourcing, we find ourselves well poised to take up this challenge. Our strength is operational efficiency. We have created a business that can scale up and grow at a much faster pace than earlier. With a strong technical blend we are uniquely positioned to take on competition.

### Retail Billing Products

The advent of the GST regime and need for automation at the base of the Retail pyramid has made us more confident about the tremendous potential this segment has. Our current product portfolio coupled with our ability to design and customize to the needs of multiple business segments is best suited for this business to grow by leaps and bounds in the coming years.

### Digital Services

Our foray into Digital Services like GST automation and Aadhaar identity verification has opened a new avenue for us to grow and transform ourselves and our customers. Our entry into Document Management Solutions (DMS) in the last couple of years along with the new initiatives have enabled us to provide a bouquet of digital services to enterprises, more particularly focused on MSMEs where we believe digital services are needed the most. Over the coming years we endeavour to be a one-stop-shop for all digital solutions and services encompassing document digitization , automating tax filings, payment solutions etc. We are also India's only device-based GST solution provider where a retail outlet can transact, make payments and file GST returns at the click of a button. There are more than 20 million SME establishments in the country of which 13 million are already registered for GST. Many of these establishments will move from 'informal' sector to formal sector over next 5 years. We will help these MSME establishments in making the transformation happen.

During 17-18, our growth expectations were high but these anticipated growth plans could not be realized due to moving and uncertain milestones in implementing GST and Aadhar. However, we strongly believe that our long term direction is certain. There could be uncertain phases due to rapidly changing JAM-TDF scenario on technology, commercial and regulatory front, but we believe we are capable and equipped to tide over and continue our growth path.

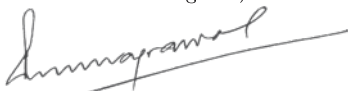
In subsequent pages, we have listed some of the many experiences our customers have shared with us, expressing their appreciation for our help and support in their transformational journey . Our endeavour would be to reach all our potential customers as early as possible and as fast as possible in profitable ways.

Our growth path has begun. We need to accelerate it further.

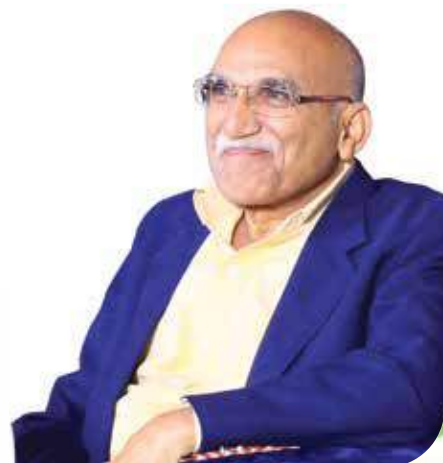
We will continue to provide "WoW" to our customers by providing innovative and new age solutions coupled with long term return to our shareholders.

I convey my gratitude and place on record my appreciation to the WeP team for their hard work, solidarity, co-operation and dedication during the year. I sincerely convey their appreciation to Customers, Shareholders, Vendors, Bankers, Business Associates, Regulatory and Government authorities for their continued support and co-operation.

With Best Regards,



**Ram N Agarwal**





## WeP Introduction

**W**eP is a diversified company with 3 business units viz. WeP Managed Print Services (MPS), WeP Retail and WeP Digital. The 3 businesses operate in distinct domains and reach out to different sets of customers. WeP MPS provides end-to-end Printing solutions to large enterprises, WeP Retail provides billing and business solutions to the large unorganized retail sector in India and WeP Digital offers GST, Aadhaar, Document Management Services (DMS) and Payment solutions to both enterprises and retailers.

There are 2 common factors that unify these different businesses viz. a track record of continuous Innovation and a shared set of Values.



# Driving Business Transformation by Innovation

Every organization, as Peter Drucker perceptively pointed out exists to produce results *Outside* itself. *Inside* an organization, there are only costs. It is what an organization does for its customers that defines a business. From the very beginning, WeP has been clear about the role it intends to play in its engagement with its customers – to help drive business transformation for them. The key to achieving this is to be an organization that is continuously at the forefront of Innovation and this is what WeP's journey for the past two decades has been all about.

## Innovation at WeP MPS

WeP traces its origins back to being a part of Wipro with a strong heritage in printing. Yet, at its very inception, WeP had to face up to a huge challenge. The printer market which it dominated was undergoing structural change and printing was moving from a product-centric to a service-oriented business. WeP addressed this by introducing the concept of Managed



Printing Services in India. This was a breakthrough innovation at that time and WeP has maintained its position as India's No.1 MPS player since then.

MPS helps organizations by delivering significant cost savings, boosts employee productivity and reduces avoidable waste. It helps organizations to optimize or manage a company's document output without compromising on the quality. MPS can reduce printing costs by 10% to 30%.

At the global level, the MPS market is expected to expand at 14.8% CAGR from 2016 to 2024 and reach a value of US\$ 94.97 bn by 2024 (*Source: Transparency Market Research*). Market adoption in this segment is led by large enterprises. MPS is used extensively for managing complex IT infrastructure in large enterprises, thereby boosting the growth of the segment. In India WeP currently engages with 25% of the Top 500 companies in the country for their MPS requirements. The government and public sector are also emerging as the large consumers for MPS as they have a massive volume of paperwork.

## Innovation at WeP Retail

If MPS was an innovation that transformed an existing market, WeP's innovation in its Retail Business Unit created a completely new market for its products and services. India's large unorganized retail sector with over 13 million players accounts for close to 90% of the retail market in India. Yet it remained below the radar screens of technology companies in terms of creating products and services suitable for them.

After a careful market study, WeP realized that there was a latent need for printers in this segment as well, but that the existing enterprise printers were too large and complex for small retailers. WeP launched a range of billing printers with a much smaller footprint, which were easy to use and most importantly were at price points the small retailers could afford.

WeP's innovation, which met unfulfilled customer needs created a whole new market for printers but even more importantly helped transform a sector crucial for the overall economy by making it more efficient and helping integrate it with the mainstream.



## Innovation at WeP Digital

India has entered into the age of Digital Transformation and WeP Digital has positioned itself to play a major role in this exciting journey with a whole slew of offerings in the area of Document Management Services (DMS), Aadhaar Authentication Applications, GST Services and Digital Payment Services. Each of these initiatives from WeP Digital is essentially an innovation which helps transform the way organizations and individuals operate.

DMS helps enterprises automate manual or semi-automated processes across a wide range of areas. In Sales, for example, a current process which requires manual filling of forms by the salesperson can be completely automated using DMS. The end result would be a factor reduction in delivery cycle times leading to customer delight.

Similarly, a HR process, instead of requiring a set of documents having to be provided by an employee for proof of date of birth and other relevant details can be quickly and conveniently done by using an Aadhaar Authentication Application, which significantly improves the experience of the internal customer.

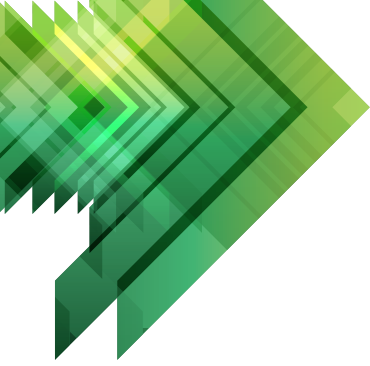




The GST rollout is one of the major initiatives of the government and WeP has positioned itself to be a key player across the whole GST ecosystem. WeP's GST portal offers the complete set of GST Services for organizations from large enterprises to SMEs. WeP's GST enabled retail billing printers enable retailers in the unorganized sector to comply with all GST requirements. In addition, over 100 WeP Suvidha Kendras across 15 states offer over 25 services to help micro organizations including filing of GST Returns, using Digital Signatures, filing IT Returns, buying Mutual Funds etc.

WeP's Aadhaar enabled Payment enables a customer who has already created her UPI (Unified Payment Interface) profile to just walk in to a merchant outlet and make a payment without any gadgets. The customer only gives her fingerprint and Aadhaar number. An instruction goes to the bank to transfer money to the merchant.

Through its cloud-based technologies, which provide digital solutions to both the enterprise and retail segments, WeP Digital is focused on becoming the largest Digital Service Provider in the country. New offerings from WeP Digital on the anvil include E-sign Services and Corporate Compliance Services.



# Our Values

## Our Attitude



**CONSUMER  
PROACTIVE**

## Our Behaviour



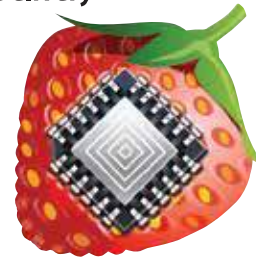
**CONSISTENCY  
WITH INTEGRITY**

## Our Action



**CUTTING EDGE  
SPEED**

## Our Delivery



**YOUR TECH  
FANTASY**





Attitude

### CONSUMER PROACTIVE

Like a pilot braving turbulence of the weather, we proactively follow social and technological trends to innovate consumer needs and desires



Behaviour

### CONSISTENCY WITH INTEGRITY

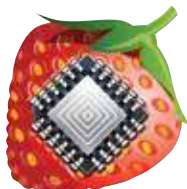
As a water Lily blossoms like clockwork in any environment, we leverage the strengths of various businesses into converging focus through consistency with integrity, upholding human values.



Action

### CUTTING EDGE SPEED

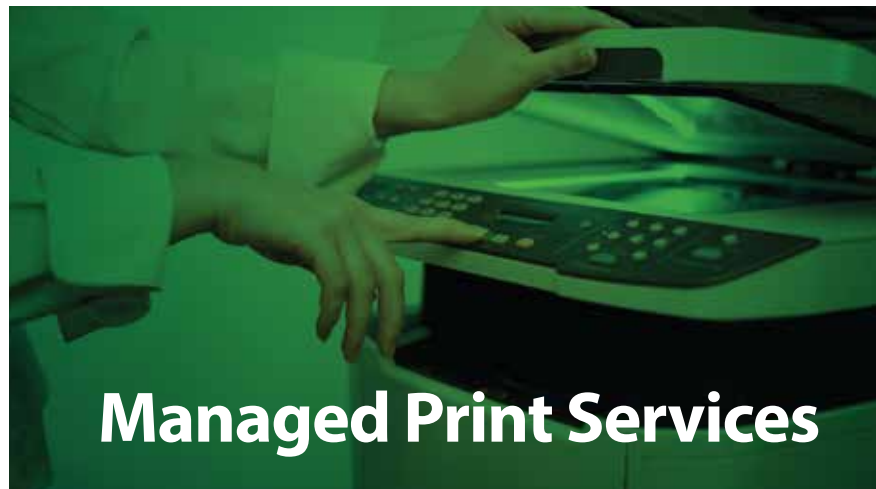
With precision and speed like a laser beam, we innovate at the cutting edge of technology to surprise consumers with friendly products and services



Delivery

### YOUR TECH FANTASY

Like the fantasy of enjoying Strawberry, we deliver tech fantasy into consumer's mind, to make our business robust, sustainable and socially responsible.



## Introduction

The past two decades witnessed a major shift in India's economic landscape. The gates opened for global players to invest in India. As a result, businesses started expanding. And so did the operations. In the process the need for printing multiplied manifold. Enterprises started realizing that printing not only dealt with procurement of printers and toners, but it also required a dedicated team that could understand, analyse and implement the systemic changes needed for efficient printing.

That's when WeP stepped into the action and launched Managed Print Services (MPS) in India. WeP understood that printing is a complete ecosystem in itself and negligence in any one area can result in a tremendous rise in both operational costs and security threats. WeP MPS transforms this process by managing the entire Print requirements from end-to-end and providing customized solutions. From streamlining the entire print infrastructure and establishing print policies for large organizations to maintaining a printer's health by providing timely resolution, WeP is a one-stop solution for all printing needs. It helps identify business critical issues like user wise print consumption, toner consumption levels to reduce the wastage in printing, helping in up to 40% cost savings, optimizes print automation to reduce manpower and helps reduce the carbon foot print. With world class security solutions, WeP ensures a secured print environment. WeP has been awarded as India's No. 1 MPS company for its innovative services by IBC, USA. WeP is supporting 500+ enterprise customers across 2000 locations in India. WeP is also set to launch a cloud printing solution in India to help people to print securely anywhere, any time.

The key role of WeP MPS includes:

- Understanding the complete printing process of the organization and thereby catering to the needs by developing customized technological solutions.
- Understanding that different organizations have different needs and providing customized solutions such as specific types of printers, toners, management tools, security, accessibility, change management programs, etc.
- Providing software components pertaining to Security, Cloud Printing & Device Management.
- Supplying printer spare consumables such as toners, standby printers and cartridges and ensuring no downtime in printing.



- Providing end-to-end support, print policies and service which includes providing onsite resource and support.
- Asset Management solutions wherein WeP manages the existing printers of a customer without any initial investments.

**Vision**

To be the most Preferred and largest MPS company in India.

**Mission**

To empower and encourage organisations and society to Print Securely & Responsibly.

**When an online learning portal needed an offline printing solutions provider**

This customer has got it all to make readers curious about their case. It is an e-learning portal that makes learning a fun-filled experience for students from LKG to 10th standard. Their modus operandi included delivering activity boxes to the doorsteps of students. These activity boxes contain activity kits for the kids. Thus the need for printing arose in large scale.

They initially outsourced all their printing to a third party vendor. They faced hurdles as they fell short of exploring their full capability. Also customization was a big problem due to standardized format of printing from the third party vendors. Modifications and last minute changes were a huge disadvantage. Adding to it, full dependency on third party vendors made it difficult for the customer to meet the turn around time.

It's where WeP stepped in with its MPS services. WeP assessed the situation carefully and set up 4 printers at their premises, making printing an in-house affair. This helped the customer to customize the activity boxes as and when they required. Orders doubled and printing grew manifold. It became a 24 hour exercise. Identifying the critical need of the business, WeP helped them with standby printers and toners which nullified any machine downtime. All it needed was a dedicated, in-house printing solutions set up. Rightly said, transformation is when business operations flow smoothly.

**When smooth on - ground functions helps the business take off**

The customer is a pan India airport ground handling service provider. With an employee strength of over 7000 staff, printing plays an important role in day-to-day operations. From front desk services to back end operations like passenger checklist, printers are an integral part of the operations. The customer faced a big challenge in managing the printing solutions.

They realized that they were paying a huge amount for small support from their ex vendors. WeP stepped in with complete end-to-end printing solutions. From streamlining the printing process to ensuring the availability of standby printers to maintaining printer uptime, WeP did it all.

The MPS services enabled efficiency and smooth functioning of the business by introducing new technologies and best practices. Further, the customer reduced the management cost and improved the overall performance with no downtime. The MPS services transformed the way the company handled its on ground operations.

### When you get business solutions at the cost of printer's ink

Yes! You read it right. The customer is a world leading pipeline solutions provider, providing clean drinking water to over 35 countries in the world. The company is a pioneer in India for introducing Ductile Iron Pipes. The large size of the organisation meant that it had vast operations spread across the country. This also meant huge demand for printing solutions.

The company needed effective print management solutions for printing invoices, documents, tender and financial statements. Personal printers solved the problem up to a certain extent but the company faced hurdles in its plant area and remote locations. With its huge employee base using the same printers, the customer faced a crisis in print management. It was looking for a partner who could give cost effective print solutions as well as reduce the pain points of the staff without compromising on quality and quantity.

Enter WeP MPS. It helped the customer achieve more than just cost savings. WeP identified the loopholes in the processes and helped the company reduce the operating costs. It installed 124 printing devices across 6 locations. All the customer needed to pay for was the printer's ink and rest would be taken care of by WeP. These included on-site support, keeping track of cartridges and maintaining the printers. Further, WeP also paved the path for device management software which helped them to monitor and track all the printers in the network through one dashboard and standby printers for emergency. Now, isn't that transformation of a business in the true sense?

### When 329 printers solved the hassles of 99,275 insurance agents

The customer has its presence in around 167 cities and towns in India. This large corporation with 99,275 agents had to deal with huge paperwork daily. Their printing needs included printing documents for policy applications, claims, beneficiary changes and many of the other services. The customer wanted PIN based Printing Solution with real time reporting module across India along with Complete Access Card printing in their head office. Also, they were looking for a MPS provider who can reduce the cost and time in managing printing.



It was here that the customer approached WeP. They were impressed by WeP's approach of evaluating the business needs and ability to the right solutions at the right place at the right time. WeP deployed printers across India with complete Managed Information System (MIS) reporting and Service Level Agreement (SLA) reporting for the customer. Apart from this, WeP also installed Card Based Pin printing in the customer's head office which includes features like Quota, Follow-me and Complete MIS report with user and group-wise. This helped the customer by keeping their



confidentiality secured and eliminate any uncollected prints thus nullifying any wastage.

Today, WeP has grown a strong partnership base with the customer. WeP has installed 329 printers across 139 locations in India. The flexibility of MPS, transparency in printing cost and streamlining documentation environment has strengthened the relationship between WeP and the customer. Currently, the customer has a MPS single window platform where they can control printing, manpower and IT costs in a better printing environment. Truly transforming. Truly inspiring.

*"It's been 10 years that we are working with WeP and the partnership has grown by leaps and bounds. Thanks to their innovative thinking that we have been able to keep a check on the printing costs."*  
 Leading Bank

**When printing solutions reduced manual work and increased productivity**



The customer operates in 3,747 branches across 28 states in India. Further it manages assets worth Rs.1,30,140 million with a workforce of 19,372 people. Being India's leading gold loan NBFC, it dealt with offering secured loans to people against personal property as a collateral. The customer is supposed to prepare a report daily and keep a repository of pawn tickets, receipts, release notes, etc. This made printing a crucial part of their business.

For a company that earlier depended on handwritten notes for records, changing to automation was a tough ask. Moreover, you need a trusted partner to make it happen seamlessly. What better option than WeP? WeP MPS also offered device management solutions and a server to ping the printers and track the printers remotely and take proactive measures to maintain printer uptime whenever required.

WeP MPS also provided a resident coordinator who would be a single point of contact for all printer related queries. This eliminated printer downtime. Automation of printing of pawn ticket and releasing receipts are now done directly through applications. Further, the scanners are configured with the application that can scan automatically, leading to less involvement of man power. Sometimes, transformation is all about making business transactions easy.

*"Everything is automated when it comes to WeP. The printer maintenance, the scanner checks, the toner refilling. We need not spend our crucial time thinking about printing problems. It's at a snap of a finger."*  
 Leading Financing company



### **When one single dashboard manages printing solutions for 2,00,000 employees**

The customer is a globally renowned MNC with operations in over 200 countries. In India the customer managed its admin printing by outsourcing it to a local vendor along with paper in their head office. Earlier, the customer was managed by an OEM under Full Service Solution (FSS) model. With the big size of the organization, the customer faced problems in keeping track of printing accounting which included factors like paper cost, ink, printing charges, etc. This led to frequent printing breakdowns in their warehouses.

The reason for rising printing costs was lack of a single dashboard where one can view printing and support. Thus the need for a single window platform which can monitor and manage end-to-end processes for 2,00,000 employees arose. That's where WeP stepped in with its expertise in MPS.

WeP's MPS measured print loads and used right-powered printer models at the right nodes. This helped in reducing the cost of consumables, real estate footprint, spare stocks, and electric power of the helpdesk team. The overall cost of the printer network came down reasonably. Further, WeP provided a single dashboard with complete secured printing solution in the customer's head office like password printing, follow-me printing, Quota Management and MIS reporting. No wonder when costs are effectively managed, the business runs seamlessly.

### **When high spirits meant cutting down on printing costs and paper usage**

The customer is India's largest beer manufacturer. It operated in over 46 different work locations in India which have world-class manufacturing facilities. Being the largest producer of beer in India meant dealing with various stake holders such as company-owned and independent wholesalers and retailers. Its daily administrative work included responding to the rising demand for beers from various wholesalers and retailers. This made printing very critical to the customer.

In the past, they had used personal printers. But keeping a track of printing costs, toner cartridge and paper consumption for a fast-growing company was getting really difficult. Without a proper setup for printing, the result was an inefficient, uncoordinated network of mismatched and aging printers and a dizzying and expensive collection of leases and maintenance plans to support them all. This hazard called for the need of a Managed Printing Solutions provider.





Enter WeP MPS. It helped in eliminating the usage of manpower for printer related issues. Further, it also maintained transparency in printing cost. WeP MPS proactively monitors the entire fleet of devices, tracks device alerts such as toner refilling and conditions. WeP printers trigger new toner cartridges automatically in need, ensuring that no printer runs out of toner and avoiding the build up of costly cartridge inventories in each location. WeP has deployed 235 printers in 18 locations across the country. WeP's different type of printers – Laser, Dot Matrix and Line Matrix – help the customer according to their requirements.

### When cementing your position meant keeping a check on rising printing costs

The customer is one of the largest cement producer in the country. It has a presence in over 70 locations in India. With a decentralized printing set up and local vendor outsourcing, printing costs and maintenance spiralled out of control. With more than 1,000 printers in their premises, wastages and printing costs shot up. Also, security of print infrastructure was a big concern. The task on hand was to install 630 printers in over 70 locations. These printing solutions required centralized monitoring, reducing printing wastage and costs and keeping a track on the manpower and man hours wastage. WeP with its years of expertise in Managed Print Services stepped in by visiting their various locations and understanding the problem at all levels. It then prepared an optimised solution framework to deploy in all the locations. This resulted in consolidation of 40% of the cost. The rest was then taken care of by securing printing solutions by authorizing access to printers. This reduced the uncollected wastage. It also implemented Device Management software to bring in print policy. It offered single invoicing to the customer which helped reduce operational hassles and manhours.

The results were overwhelming as WeP installed Drivers for over 5,000 users at over 70 locations. The device management software enabled the customer to monitor, track and manage all their printers through one single dashboard. This gave them complete visibility, helped in reducing manpower and provided a one window print solution for their entire print infrastructure. The dependency on local vendors for spares and toners was eliminated. WeP enabled proper handling of the toners by WeP MPS experts which helped in reduction of the carbon footprint. Sometimes effectively managing printing solutions contributes significantly to transforming a business.





## Retail Business



### The Opportunity

The Indian Retail Industry has emerged as one of the most dynamic and fast-paced industries due to the entry of several new players. It accounts for about 15% of the country's Gross Domestic Product (GDP) and around 8 per cent of the employment. India is the world's fifth largest global destination in the retail space. The Organized/Modern Retail Market, which is valued at \$60 billion constitutes only about 9% of the total sector.

The balance 91% comprises of the Traditional Retail Market. There are about 13 million such outlets across the country. These outlets are largely dominated by small retailers such as local kirana shops, owner managed general stores, chemists, footwear shops, apparel shops and other small and medium retail showrooms. Billing adoption in the traditional sector is less. This simply means that there is a huge untapped market in the traditional retail sector. WeP's Retail Business Unit (RBU) caters to all of the above mentioned sectors and more.

The WeP Billing Printers help firms in the traditional sector do their work more efficiently by providing solutions which are customized to each sector. The WeP Billing Printers are deployed extensively in Food & Beverages (Fast Food stalls, Bakeries, Restaurants and Ice Cream shops) followed by Grocery, Textiles, Footwear and Jewellery Outlets. The WeP Billing Printers have helped them migrate from physical bills to electronic bills, besides equipping them to manage their businesses in a more tech savvy and effective manner. At the most basic level, WeP provides Billing Services at the most affordable, simple and compact level. The biggest transformation is from handwritten to print bills. Then comes Cash management, Inventory Management and Profit Management. The customer then ultimately migrates to the Digital phase. WeP is thus present at all stages of the customer's journey.

WeP's all-in-one point of sale solutions, cloud and mobile based applications are thus fulfilling a fundamental need gap in the Traditional Retail Market.

The WeP Retail team works closely with customers, understands the stated and unstated needs and provides them with customized solutions. WeP Retail rolled out many innovative products like BP Gold – specific to the Jewellery segment, BP Joy series – the most affordable 2 inch and 3 inch billing printers and several others.



### Vision and Mission

500,000 Profitable customers by 2021. To help all small and tiny outlets to do their commercial activities more effectively and efficiently by deploying WeP technology Products and Services.

### Value proposition

Our Billing solutions aim to help customers automate their stores with unique simple to use products thereby making them more efficient and grow their business.

## On the ground Transformation Stories

### Where efficient billing meant adding to productivity

In the heart of the commercial capital of the country, lies a commercial hub, Manish Market. It's where unorganised retail finds an organized space. Amongst the many retail units, is a businessman who owns 6 shops. Operating 6 shops simultaneously at one go requires constant involvement. This is where the WeP Billing Printers played a prominent role in the smooth functioning of the business. They not only solved the billing hassles, but also helped the business unit generate reports. It's all about transforming the way business is done by adding an edge to productivity.



### Where a bakery redefined the ease of doing business

Ease of doing business can also mean smooth functioning of a business. Divadkar Bakery is a testimony to the above statement. What would have been a small bakery shop in the Nagpur is now on an expansion mode. Thanks to the WeP Billing Printers which not only helped Divadkar Bakery in billing solutions, but also helped them in the smooth functioning of their business. They bill and generate reports which help them identify the problems in their business. This is all at the touch of a button. Now, that's transformation.



### Where God's own country uses a man-made wonder

Yes! It's all about Kerala and the Kerala State Co-operative Federation for Fisheries Development Ltd. (Matsyafed Fishmart). It's where the WeP Billing Printers meant social good for a co-operative initiative. What could have been a chaotic business operation is now a synchronised effort. In all, Matsyafed Fishmart has purchased 20 Billing Printers across the state. It not only makes it easy for the traders to bill, but also helps them identify the loopholes and act on them on the basis of detailed sales reports. When it's WeP, it's growth for all.

*"The printer is very easy and fast to use. We are using over 20 WeP Printers all over the state."*

*Retailer, Matsyafed Fishmart*





### Where accuracy is all about the touch of a button

RR Joints is a dream realised by a trader in Vijayawada. With 6 branches in operation, getting accurate reports required close monitoring of the business by the trader. But with the WeP Billing Printers at their disposal, working efficiently was as easy as a touch of a button. RR Joints installed WeP Billing Printers in 5 of their branches. And all they had to say was it's easy, it's fast and it's perfect for small businesses. Getting accurate figures and analysing the data doesn't require huge capital investment. It just takes an intelligent Printer to do the job.



### Where a small innovation makes a big difference in our daily lives

Innovation is all about thinking new. You can find one such example at a parking lot at Kanhangad, Kerala. Here the parking staff have used WeP Billing Printers to bill the people parking their cars. The result, billing is smoother and faster. It can't get better than this where a small business gets a big advantage. That of accuracy in billing. For the parking lot staff it's business as usual with a convenience that's unusual. Isn't that transformation for good?

*"It helps us keep a track of all parked vehicles. Also we get all the details at the touch of a button."*

*Supervisor, Kanhangad Parking Lot*



### Where maximising results mean minimising efforts

Baba Store, Patna is a retail business unit based out of Patna. Like every other retailer, Baba Store too dreams of making it big in the business world one day. But the first step towards the goal begins with finding an efficient working partner. Baba Store found a reliable partner in WeP Billing Printers. With fast and easy billing, expansion is now on the cards. With the store productivity on the rise, Baba Store now recommends WeP Printers for many small and medium business units. No wonder, it takes a trader to inspire a fellow trader.



### Where good health means efficient management of patients

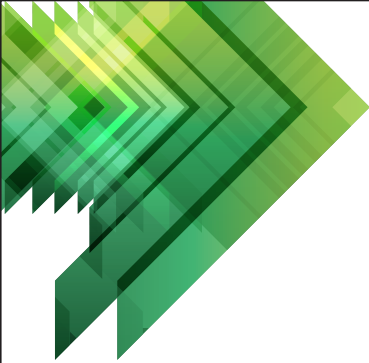
The out-patient department is one of the most chaotic places in hospitals. The reason for this chaos lied in manual management of the crowd at the billing counter. WeP was quick to analyse this problem and brought the WeP BP 20 series token firmware. This device generated token numbers for patients in the queue. This in turn helped the hospitals manage their out patients effectively. WeP devices are not always only about effective billing solutions. Sometimes they mean efficient customer management as well.



### Where a billing printer helped realize a business dream

A mechanical engineer and an architect fulfilled their dream of starting a hangout for chocolate and coffee lovers. This is how Café Chocolicious came into being. What started as 1 outlet is now a booming business chain of 26 outlets. When it comes to business growth of this magnitude, smooth functioning of the business matters the most. This includes keeping a track of sales. WeP BP Joy, BP25T and BP20 Billing Printers did just that for the customer. They not only helped them get billing figures, but also enabled them to get detailed sales reports. This is all at the touch of a button. Sometimes, it takes just one simple business solution to realize a great business idea.





## Introduction

The Digital India initiative was launched by the Government on July 1, 2015 with the vision of transforming our nation and creating opportunities for all citizens by harnessing digital technologies. The initiative includes plans to connect rural areas with high speed internet as well as to streamline businesses, transactions, authentications, verifications and data management through the digital platform.

WeP is committed to play a prominent role in helping India achieve this futuristic dream. This is what gave birth to WeP Digital. It all began in the year 2017 with an aim to devise tailor made digital solutions for future problems. The areas of operations include GST, Aadhaar, Document Management, Retail Automation Solutions, Business Services, Compliance Services and Payment Services. WeP's aim is to help every business, small, medium or large, be it a startup or companies that have been in the market for a long time and develop solutions customized to their needs. It also includes providing digital business solutions through cloud based technology for retail and enterprise units. WeP Digital's vision is to be the largest digital service provider in the country by 2022 to both enterprise and retail segments.

In the enterprise business segment, WeP offers digital business solutions to medium and large enterprises. From managing documents to helping them file their GST returns to developing app based tracking services to making operations easy, WeP Digital takes care of it all with its customized end-to-end digital solutions.

With digital transactions on the rise, the need for authentication and verification also becomes very important. Aadhaar is an UIDAI (Unique Identification Authority of India) initiative that helps authenticate a person's identity through biometrics. WeP Digital is committed to help India attain its mission of a cashless society through Aadhaar-enabled payment services. Just with the linkage of the Aadhaar number to the bank account and with an individual's fingerprints, money can be transferred. WeP Digital Services aims to create a platform and a user-friendly environment to enable Aadhaar based transactions.

With large businesses and huge transactions, paperwork is at the core of an organization's day-to-day operations. This is where WeP Document Management Solutions (DMS) helps ease the process. Managing a mountain of documents is a huge task for companies, making it essential for companies to have a dedicated team for the same. This increases the costs as well as results in wastage of important human work hours. WeP Digital has helped create an automated





environment for managing crucial documents. From cloud-based storage of data to creating applications that ensure paperless operations to enabling access of crucial documents at their fingertips, WeP DMS does it all.

WeP DMS services have been well acknowledged by the industry. With its new initiatives, WeP provides tailored and scalable solutions to facilitate Smart Content Collaboration and Process Automation for Enterprises. WeP DMS enhances Process Digitization for proper documentation storage. The solution is designed to streamline workflows, aggregate all kinds of communication, track and ensure data compliance and secure digital assets with adequate disaster recovery. It is deployed as on-premise or cloud-based solution depending on the client's choice. Adding a feather to the cap of WeP Digital is the fact that it was recently featured amongst the 20 most promising DMS solutions providers for the year 2018. The acknowledgement was from CIO Review. The fact that WeP has been amongst the leading DMS solutions providers is a testament to the company's commitment to transform the business environment on a digital platform.



With the advent of Goods and Services Tax (GST), the complex tax structure of India was converted into one simple and uniform structure. It eliminated numerous different taxes and merged them into one GST. But with the new tax structure in place came new problems. Filing of GST returns turned into a mammoth task with the government portal not being that simple and easy to access. The need of the hour was an easy to use web portal where traders and organizations can file their returns without too many hassles. WeP GST portal does just that. It provides an easy to use platform for the people to file their GST returns. In addition to this, WeP also paved a path for e-way bill where solutions are integrated to various ERPs like SAP, Oracle thus helping in generating invoices and e-way bills. WeP is committed to the goal of digitized India and will help in every way possible to ease the digital transactions of the future.

Apart from the enterprise segment, WeP Digital also provides solutions to retail business units. India is home to a booming retail business. Here the bulk of business happens in the traditional sector of retail. WeP is committed to its aim of organizing the unorganized retail units. WeP goes in depth to analyze and understand the needs of traditional retail units.

One such need arose when small retail units could not file their returns. They needed a go to a place where they can find people who can help them file the returns. WeP stepped in with WeP Savidha Kendras which would help small



and medium businesses to file the returns easily and physically. In addition, WeP Suvidha Kendras helps get information about loans, mutual funds and much more. Today, WeP Suvidha Kendras offer over 25 different business services. Over 100 Suvidha Kendras are present in 15 states in the country.

In another effort to formalize the informal sector, WeP introduced WeP Genie. A unique billing device that helps retailers generate bills, tracks records, manages inventory and sales, helps in sales counter management, helps in payment collections and reconciliations and files returns at the touch of a button. It helps traders to analyze their finance statements and keep a track of billing transactions. WeP Genie is available in DR 1 and P3 versions which enable retailers to file their GSTR as the android based billing device is integrated to the WeP ASP platform. These products are available at affordable price points which have helped in quick penetration and product adoption.

### **Vision**

To be India's  
Largest Digital  
Service provider

### **Mission**

To empower businesses with Digital Technology  
Solutions for applications particularly in the areas  
of GST, Aadhaar, Document Management,  
Retail Automation Solutions and Payment Services.

## Enterprise Segment

### **Aadhaar**

Adding an edge to employee verification

In an age where personal verification plays a crucial role in selecting a candidate or giving a loan, the need for authentic data is absolutely critical. WeP's premier customer is one such leading background verification company.

The company provides comprehensive background screening solutions that provide employers straightforward and actionable reports. But with no live mechanism for verification of person & Government ID, data verification was a big pain point. WeP addressed this issue by providing a Web based application on Aadhaar based authentication for live verification of candidates and Ids based on Aadhaar. This helps in reducing the verification time to 2-5 seconds and helps in increasing the authenticity of the data. WeP helped the customer to verify data for more candidates in practically no time. Fool proof data verification was now at their fingertips.





*"I think WeP's job is to make their client's job easy. Given the complexity of our affairs, it would have taken mammoth man hours to manage data. WeP did it with a simple Aadhaar tool. You couldn't have asked for anything better than this." HR Manager*

### **Document Management Solutions**

Go paperless. Work effortlessly

Organisations on an average manage about 50 – 60 pages of records per employee. As the size of the company expands, the workforce grows and so does the paperwork for HR managers. Every detail of the employee must be recorded. Education certificates, pay slips, relieving letters, joining letters, offer letters and the list goes on. Initially screening of candidates used to happen on physical papers. Storage of joining letters, signing of candidate on physical papers, retrieving records of the candidate and keeping a track of any document was a huge challenge. This was till WeP introduced Document Management Solutions. With WeP DMS, screening of profiles is done through soft copy. This can be stored securely and can be easily tracked at a touch of a button. WeP introduced Aadhaar based biometric authentication which prevents impersonation. The Aadhaar based e sign helps in going paperless by signing the appointment letters electronically. The WeP DMS notification system, notifies the HR on any document yet to be submitted by the candidate. The WeP Cloud DMS takes care of security, high availability of the system and disaster recovery. It's all about transforming business operations with new technologies.



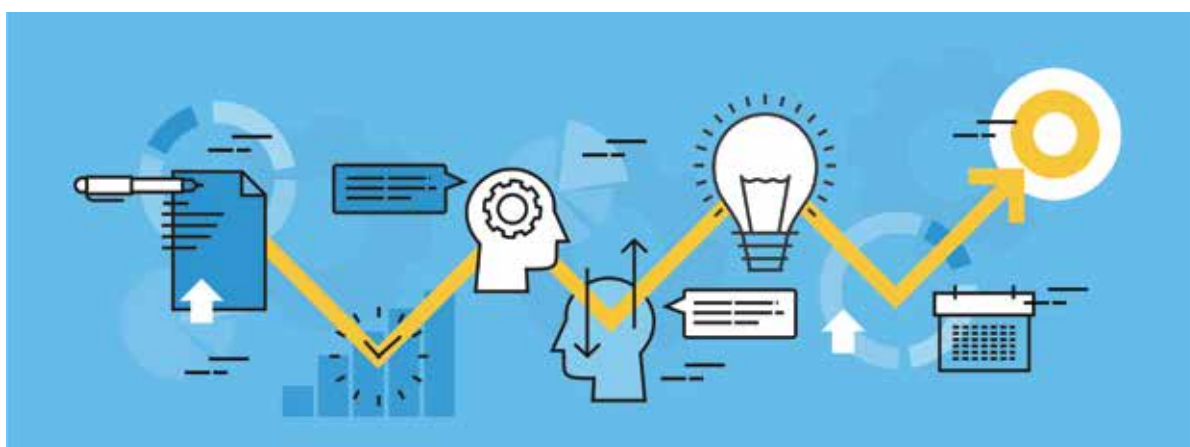
### **Managing documents, at a touch of a button**

Imagine generating 3 lakh pages worth of maintenance records per month. Well, that's the documentation of 3 departments of WeP's Airline client. Managing these documents is nothing short of a nightmare. Especially when newly generated physical copies are not easily accessible when needed. The need called for a server-based solution to access these files whenever needed. Enter WeP DMS. WeP developed a work flow solution for this client and all the records were tagged with key words and stored in a repository. To ensure security of the information, the complete process was implemented at the customer premises. The results were clear. PDF/A files were uploaded into Alfresco (Maintenance Dept, Cabin Crew Dept & Exim Dept) based Server. The access to the documents were secured as per the client's security policy. With this, the client almost cleared their backlog files. WeP Digital set up a new digitized process for smooth document flow. With the onsite team at WeP's disposal, it was easy for the customer to access information at their fingertips. This not only provided a central repository of documents which could be accessed from anywhere in the world securely, it also increased the value of the aircrafts during lease back since

decade old maintenance records were available instantly. And last but not the least, the efficiency of the client improved a lot. Now, isn't that transformation?

*"They collect the documents, they scan them and make it available for us anytime we want. WeP is all about making complicated matters simpler with customised solutions." Manager, Admin and Ops*

*"We have been using WeP's services for our Digitization/ Scanning Project and using WeP's Document Management Solutions. We have always been completely satisfied with their performance. They do an excellent job and are always punctual. We are happy to recommend the services of WeP." Lalitha M Shetty, Senior Director- Human Resources, Omega Healthcare Services*



#### From physical documentation to total digitization

In an era where everything is available at a touch of a button, why aren't employee records accessible in the same way? It was a question that was waiting to be answered by WeP for its healthcare client. It's a USA based healthcare service provider with 5 branches in India. The company recruited hundreds of employees every month. This meant a lot of paperwork in the process of gathering employee information including pay slips, resignation letters, relieving letters, offer letters, and many more. To complete the paperwork manually was a tedious and a time-consuming process. To add to it, keeping physical copies was not so safe and accessing data whenever needed was a mammoth task for the administration team. WeP had the perfect answer for this very question in the form of Document Management Solutions. WeP understood that the client here needed a central On-premise repository for all the documents and easy search and controlled access to the documents. WeP setup a complete digitization process for the customer with implementation of Alfresco. The process converts the documents to electronic form, adds the keywords to each document, converts the documents to ISO compliant PDF/A format with full content search options. These documents are released to Alfresco with an easy to manage folder structure. What was once a tedious and a time consuming process is now an easy and a feasible solution. As a result of digitization of documents, the employee data is now accessible at one's fingertips and whenever the client needs it. The backlog files were completed in time. The WeP way of doing things meant providing solutions that make the client's operations smooth and easy.



### **GST Website**

#### Transformation occurs when the problem of plenty strikes

With the advent of GST, filing GST returns was a huge task for traders. Lack of information and infrastructure was the main reason. The problem multiplied when it came to chartered accountants. They had to upload invoices in bulk. One such instance was with a leading chartered accountancy firm. Despite purchasing ASP software from another vendor, it faced challenges in the bulk upload of GSTR1 returns. Also, it was difficult for them to upload as many as 12,000 invoices and the reconciliation of the same. As we say, in every problem lies an opportunity. WeP came up with a solution for the client. A personalised service was given to them where WeP demonstrated ASP platform and focused on the customer's pain area i.e. bulk invoice up loads, rectification of errors etc. It also gave them a free hand in using the software and addressing their concerns as and when problems arose. All in all, understanding the key issue and addressing the concerns, following up with regular visits and personalised service helped the client overcome the GSTR1 obstacle. It takes a small solution to solve a big problem.

*"It gives me immense pleasure and satisfaction to put on record my appreciation for WeP Digital Services, for helping us file our GSTR Returns on time. The service included GSTR1 data preparation, data validation and reconciliation." Rameshwar Galwa, Indirect Taxation, Acer India Pvt. Ltd.*

#### When a wholesale business couldn't carry out their GST filings

750 wholesale stores in 30 countries spanning across 3 continents, supplying up to 50,000 food and non-food products and Annual sales of €30 billion. That's what is the business worldwide for one of WeP's clients. However, in India the company has about 20+ wholesale centers catering to clients like hotels, restaurants, caterers, canteens, small and medium size retailers as well as service companies. A company of this magnitude means every store having to deal with thousands of transactions and large amount of outward & inward supplies. Due to the large amount of transactions, the company struggled to prepare the data and file returns on time. WeP Digital with its expertise in GST filing came to the rescue of the company. WeP uploaded more than 1.5 Crore line items coming in from almost 45 different formats in their GST portal. WeP converted data from different format files, each containing more than 3 Lakhs data to a single format. Using the single file, WeP successfully uploaded the data to GSTIN. Today, the company successfully files its own data with accuracy and on time. With WeP Managed Filing services, this company needn't invest in resources for filing GST. Welcome to WeP's digital revolution.

*"For a business of our size, transactions are in millions. WeP solved our million dollar question with their GST website. It's fast, easy and convenient. What more can you ask for when a vendor saves your operational cost and efforts." – Director, Finance*



### Sometimes transformation is all about coordination

Over 684 retail stores, operations in 150 cities, 700 MBOs, over 656 departmental store counters and 113 departmental store counters across Middle East and South Africa. This was all about dealing with one of the leading players in the textile industry. Large operations mean large number of GSTINs and different groups to coordinate for data upload. With over 100 GSTIN registrations, the company faced a challenge of a new kind. This was of coordination and formatting. WeP, after multiple rounds of file preparation and correction was able to format all the files and upload them to GSTIN in a short span of time. Dedicated service and in-depth understanding of the problem helped WeP in coming up with an appropriate solution that can help them file returns within the given deadline. It takes a small effort to bring in a big change. An effort which was essentially about smooth coordination.



### WeP ASP, the new USP

GST broke the complicated tax structure for Indian traders. But what it couldn't break through is the hassles of filing GSTR in the government portal. The reason is simple. With many traders queuing up online to file returns, the website often turns slow. The result - missing deadlines. One of WeP's clients faced the same problem while filing its customers GSTR. Uploading the files took more time than usual. Adding to it, detailed reports weren't available making supplier management a huge hurdle. In times like these, the company needed an easy-to-use platform which can solve all the problems at one go. WeP ASP was just meant to do that. The WeP team gave a demo of the ASP platform and its working to the company. The client saw the difference as WeP gave them free trial of the software. Updating services and additional services are being made available by WeP as and when the firm needs it. The company is happy filing its customer's GSTR on ASP software as it helps them track the records as well as file the returns on time.



*"The ASP Platform of WeP is really commendable. It's easy to use and file the returns." CEO, An Outsourcing company*

## Retail Segment

### Suvidha Kendra

When the going gets tough, WeP makes it easy

Time consuming, busy server, non-user-friendly platform and choking network. A nightmare scenario for anyone filing GSTR. The problems were in plenty and solutions were unknown to the service providers who filed GSTR. So was the case with one of WeP's clients which filed returns for its clients. The result was that some

returns were missed out by the service provider. In addition to this, they had to remember passwords for every client and cope up with rising OTPs each time they had to file the returns. This made it tedious for the firm. It's when they got introduced to WeP. WeP set up franchisees for filing GST Returns. These were named as GST Suvidha Kendras. It gave a franchise for the company where they were equipped with latest ASP software which made it easy to file returns. Now they were able to track the GSTR filing status of each client on a single dashboard. Not only this, WeP also gave hands-on training for the staff and equipped them with apt expertise. It now files GST Returns, New GST Registrations, Reconciliation, Challan Printing & GST Consultation for various MSMEs. It's all about transforming lives by making business easy.



*"I have worked with many citizen service centers over the years. I have been impressed by the incredible help of WeP GSK Services that I have received." Shrvaya One Source, Bangalore*

### WeP Genie

To the new CA in town. Complete Accountant

What if you had a tool that could bill your customers, generate inventory reports and help you file GST returns? An upcoming fashion house does it all with an android based billing machine called the WeP Genie. They understood that manual billing makes it difficult for a trader to track his inventory. To save the



cost and organize the unorganized retail sector, WeP Introduced an Android based billing device named WeP Genie P3. This machine does it all. Due to automation, the storage of bills was never a problem and thus it helped the client to keep a track of inventory. Also, the machine was linked to WeP ASP platform from where it could file GSTR Returns very easily and quickly. WeP also gave them WeP Retail Dashboard – a mobile app from which the trader could keep a track of his store transactions from anywhere. WeP Genie P3 also helps the shop owner to collect payment from various modes like Card, Wallet, UPI, AEPS. etc. WeP provided billing, Inventory, Customer Management, Supplier Management, Reports, GSTR Filing, Payment Services, mobile dashboard app all at a nominal cost of just Rs. 950/- to 1750/- per month on Pay per Use model. Thanks to the COMPLETE ACCOUNTANT. Or call it a magician Genie.

*" I have been doing business in sweets and dairy products since 1999. It was difficult to maintain all the accounting and tax processes. I purchased the WeP Genie and it was so easy to use. Besides the support I received from WeP was very good. They taught me how to use the device and were always there to answer my queries. I'm very thankful to WeP and wish all companies have such good customer care and support."* Mayur Dairy and Sweets, Ahmedabad

*"Easy to use and solves all the problems which were faced by me to run the business smoothly. Thanks to WeP, their excellent product and customer support."* Owner, Retail Shop

*"Easy to use and solves all problems which I faced. WeP Support is good and they have developed effective solutions which are tailor made."*Baba Motors, Wardha, Maharashtra

*"Easy to use and easy to file GST returns. It is a complete solution for my shop. It has a compact design. We are receiving customer support from the team of WeP Digital."* Mahankali Fashions

#### Transforming the way, a business looks at solutions

With the advent of GST, business transactions have changed completely. A uniform centralised tax structure came into existence for different taxes imposed by central and state government. With new solutions, came a whole bunch of problems. Filing returns was a tedious task. Lack of information and digital infrastructure was a key spoiler for businesses. WeP Digital understood that different businesses faced different kind of problems and no one shoe fits all.



To begin with, WeP developed an architecture based on Microsoft Azure stack to meet large scale invoices transactions in the enterprise segment. For the small scale and tax return segment, WeP

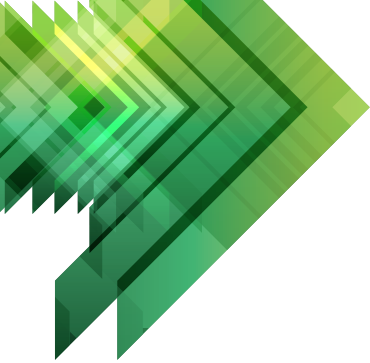




introduced device based solutions that integrates invoice modules. On the online front, WeP introduced ASP & GSP solutions that dealt with all the functionalities required to file the returns. It further simplified and added the well-known functionalities and provided easily identifiable links to key modules.

For the large scale enterprises, where the transactions happen in huge amounts, the need was for collection of data from multiple legacy applications, centralized role based access management and high-volume invoice processing for GST Return filing. For this segment, WeP provided solutions for centralized role-based access, system login for multiple GSTIN, multiple templates format, API integration and connectors for invoices data transfer and large scale invoices processing with validation engine.

For e-billing, WeP brought in initiatives like integrated invoice generation, GST return filing platform and seamless integrated e-Way Bill solution. In E way bill, the businesses usually go for manual generation by CSV upload. Different users access the NIC portal with the same username and password from multiple locations. This creates confusion and chances of one user cancelling the other users' E-Way bill. WeP has integrated its solutions with various ERPs like SAP, Oracle etc. This automatically generates e-way bill after the invoice or delivery challan is created. It can be used to generate invoices also. Multi user management and branch wise user allocation helps the customers to remove the earlier challenges of user management being faced by them.



Youth



## The Spirit of Youth

A business needs good strategy, strong competencies, and rigorous processes to be successful. Yet, at the end of the day, a business is about people. WeP recognises this fact and believes that the bedrock of its success is based on the commitment and capability of its people.

Over the years, WeP has developed a 'style of working' which energises and motivates every individual WePian and allows them to perform at their very best. This style of work is what we call 'The Spirit of Youth'.

The Spirit of Youth, as we see it at WeP is about two things – building a learning culture across the organization and being agile in everything we do. Together, these infuse an element of freshness and dynamism in our work and reflect in the solutions we offer our customers.

### The Learning Culture at WeP

Since its inception, WeP has always believed in encouraging young talent and giving them the opportunity to develop into future leaders. Some of WeP's key initiatives in its drive towards developing a learning culture and building employee morale are:

- Creating a platform for knowledge sharing where experts share their knowledge and employees are able to understand and keep pace with the industry dynamics and trends.
- Ensuring regular internal training sessions that provide timely upgradation of skill sets for the employees.
- Encouraging external training for employees who want to get a better perspective of business operations at a macro level.
- Motivating employees to take up higher studies and supporting them in their education.
- Having a flat organizational structure and encouraging an intrapreneurial work culture so that each WePian owns the work and works like an entrepreneur.





- Having employee friendly policies such as medical insurance, team outings, celebrations, hobby classes, summer care and many more.



These policies and processes have resulted in WePians rapidly rising into positions of responsibility. To give just a few examples, our CFO for all three business units is from our first batch of campus hires 15 years ago. Our CEO of WeP Digital Services joined as an Area Manager 15 years ago. Our Baddi factory operations are headed by a recruit from the 2004 batch. A 5th batch campus hire is now an Assistant Zonal Manager. Our Sales Head for MPS joined as a field executive just 14 years ago.

WeP's commitment to learning and growth goes beyond its organizational boundaries. WeP Udaya is a unique programme to identify young college students in rural towns and provides opportunities to them as interns as well as support during their college education to help them grow into successful sales executives.

### The Dynamics of an Agile Organization

Agility is about the ability of an organization to rapidly adapt to and capitalize on change. WeP's three businesses all operate in very dynamic ecosystems characterised by rapid shifts in technology and market conditions. To survive and thrive in such environments, WeP has needed to be agile in its approach since its very inception.



WeP began with a strong legacy in manufacturing printers when the market for printers was undergoing a structural shift from printers being bought as products to printing being seen as a service. WeP introduced the Managed Printing Services (MPS) business concept 15 years back when it was not even heard of in the Indian market. Since then WeP has been at the forefront of development of MPS in the country, being among the first to offer an asset management model to its customers and pioneering remote management and support of printing assets.

Mobile App is an industry first initiative, where a user can simply log calls for toners or spares through the mobile app. Once a call is logged in, it ensures tracking and monitoring at every level, where one can clearly see where the job is pending. This ensures saving of valuable time.

Today's printers are no less than a high-performance PC. With great agility also comes the vulnerability of being prone to viruses and malware infections. To deal with such vulnerabilities, WeP has come up with a robust security system to protect the printers. With secured printing in place, customers can keep their confidential data secured and protected from any security threats or breaches. Also, WeP's serverless architecture allows customers to print remotely anytime, anywhere, while keeping the entire network and print infrastructure secured. It is robust and allows the user fast execution and saves an organization a lot of productivity hours.

WeP is the only Indian company to manufacture Print Heads and over a decade ago it leveraged this competence to build a series of compact, easy-to-use, affordable Retail Billing Printers for the large unorganised retail sector in India. WeP has played a role in transforming this critical sector by making it more efficient and helping make it a part of the formal economy. Over the years, WeP has



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introduced customized printers for different market segments such as jewellers, kirana outlets, food & beverage outlets etc. With the launch of GST last year, WeP provided the firmware solutions to its existing customers well in time and ensured business continuity for them during GST migration. WeP has rolled out its online retail channel [www.wepmyshop.com](http://www.wepmyshop.com) where customers can shop online and also made the products available on Amazon. WeP's website [www.wepindia.com](http://www.wepindia.com) provides a chat box option where customers can interact with the support team. In addition, customers can reach WeP through various digital media like Facebook, YouTube, WhatsApp etc.

Today, as India is ushering in the digital revolution, WeP is participating in this with a host of solutions in the areas of GST, Aadhaar and Document Management Services (DMS). The GST rollout on 1st July 2017 created the need for rapid development, integration and implementation by players in the GST ecosystem and WeP adopted agile process methodologies to deliver on this time and again over the past year. To start with, Production GST API as per revised GSTR forms was released on 29th June 2017 by GSTN. GSTR API implementation, connectivity between GSTN datacentre and WeP's Azure datacentre and queue management for large concurrent calls validation was completed by WeP's development team and released in a short span of time. WeP was among the first few GSPs to receive production access from GSTN by the first week of August 2017. WeP GSP platform was also released to ASP customers at the same time.

When the e-way bill was announced, WeP was among first few companies to complete the e-way bill Application and received the production access from the first day of e-way bill product release by NIC. WeP released the e-way bill User Interface application and API integration application to customers on the rollout day, 1st April 2018.

Today, WeP is the only GSP company which can host all an organization's GST requirements

WeP Digital realized the need for automation in customer acquisition. Logistical documentation for on boarding customers was full of hurdles as the process was done manually by operations. The processes include registering the customer in the Oracle EBS System with all the required details like organization name, site address, TAN and VAT details. The Operations Executive had to access all the details like customer details, shipping address, billing address and warehouse details to book the order. After this, the Executive had to create, book and ship the order manually in the system and run the programs to get the invoice raised against the order. The invoice was then processed in the Oracle EBS Systems. This created more user dependency to gather the required information in processing the order in the Oracle EBS System.

WeP automated the customer registration process without providing access to Oracle and by accepting the details in the Oracle System through integration with the WeP Digital Portal. It also enabled the customer to directly select the product on its secured platform <https://portal.wepdigital.com> and add it in the cart and choose from a variety of digital payments methods on the portal. After the completion of the payment, the portal order details were sent to the Oracle system. The order creation and booking process was turned into a click based request from the WeP Digital portal. The order gets assigned to the designated warehouse and simultaneously the invoice is generated. WeP Digital eased out the business transactions through automation of the process without any direct access to the Oracle System, for the users in a secured manner.

In the final analysis, Agility has been about adopting new technologies fast when they are still young and being early movers who are quick to embrace and drive change. It is about sensing new opportunities as they unfold and building the requisite capabilities in the organization to capitalise on these. It is ultimately about unleashing the entrepreneurial spirit in each WePian so that the organization as a whole is innovative and dynamic.

## Our Customers

### Aviation

AirIndia SATS Airport Services Private Limited.  
Airasia India Private Limited  
Jet Airways (India) Limited

### Banking, Financial Services & Insurance

Andhra Bank  
Bharat Financial Inclusion Limited  
DCB Bank Limited  
HDFC Asset Management Company Limited  
Kotak Mahindra Prime Limited  
Manappuram Finance Limited  
Reliance Nippon Life Asset Management Limited  
Tata Motors Finance Limited  
Future Generali India Insurance Limited  
Cholamandalam Investment and Finance Company Limited  
IDBI Federal Life Insurance Co Limited  
Kotak Mahindra Old Mutual Life Insurance Limited

### FMCG

Eureka Forbes Limited  
Goodricke  
Pepsico India Holdings Private Limited  
United Breweries Limited  
Wipro Enterprises Private Limited

### IT/ITES Services

Acer Limited  
Meritrac Services Private Limited  
Mindtree Limited  
Mphasis Limited  
Quest Global  
Coromandel Infotech  
Tata Consultancy Services Limited  
Randstad India Pvt Limited

### Manufacturing

3M India Limited  
Asian Paints Limited  
Electrosteel Casting Limited  
JK Paper Limited  
Roca Bathroom Products Private Limited  
Saint-Gobain Glass India  
Yokogawa  
Hyundai Motor India Limited

### Media and Entertainment

HT Media Limited  
Wonderla

### Pharmaceutical and Healthcare

Biocon Limited  
Galaxy Surfactant Limited  
JL Morison India Limited  
Venkateshwar Hospital  
CK Birla Hospital  
Dr. Agarwal's Health Care Limited

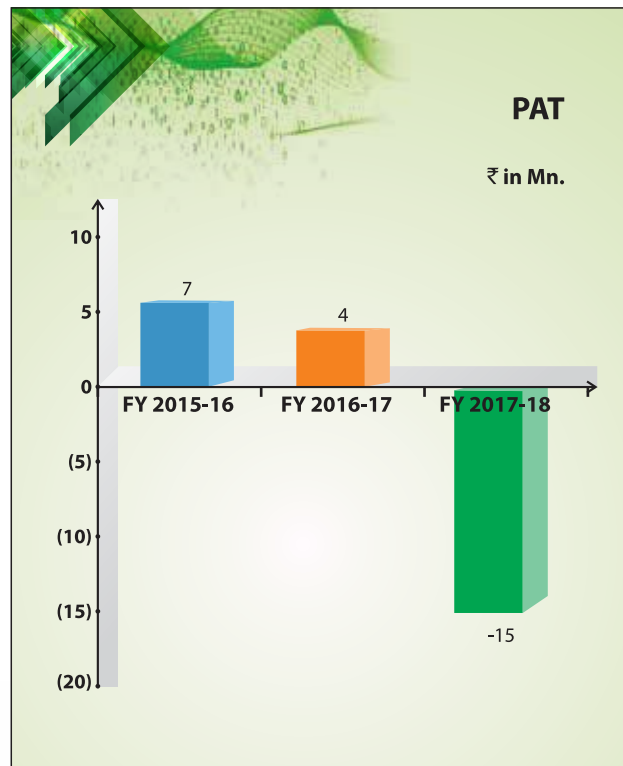
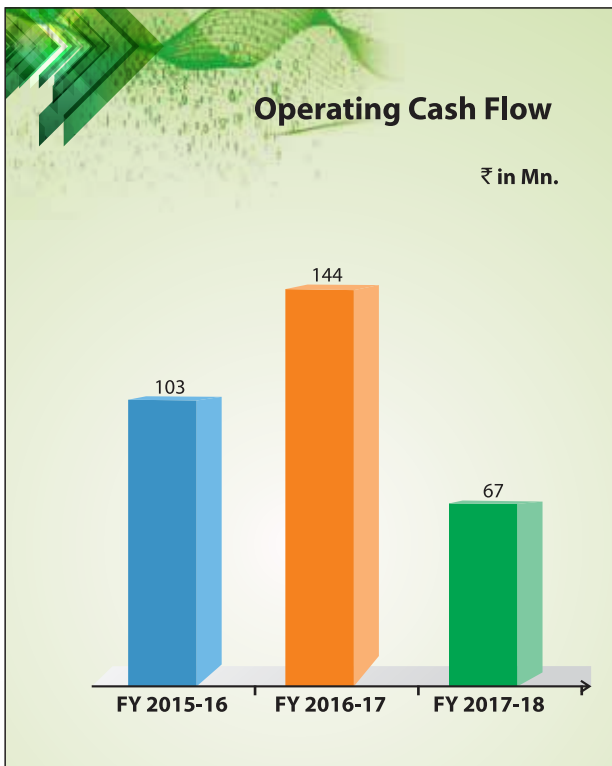
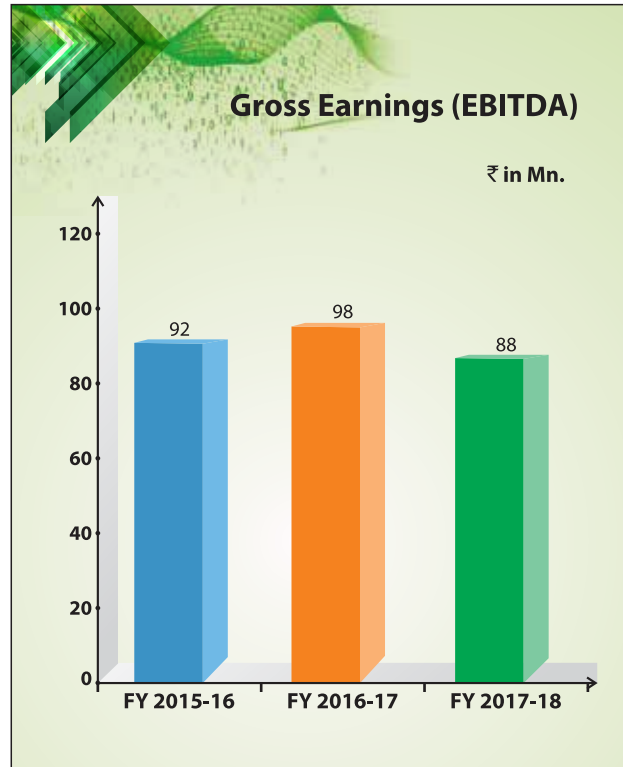
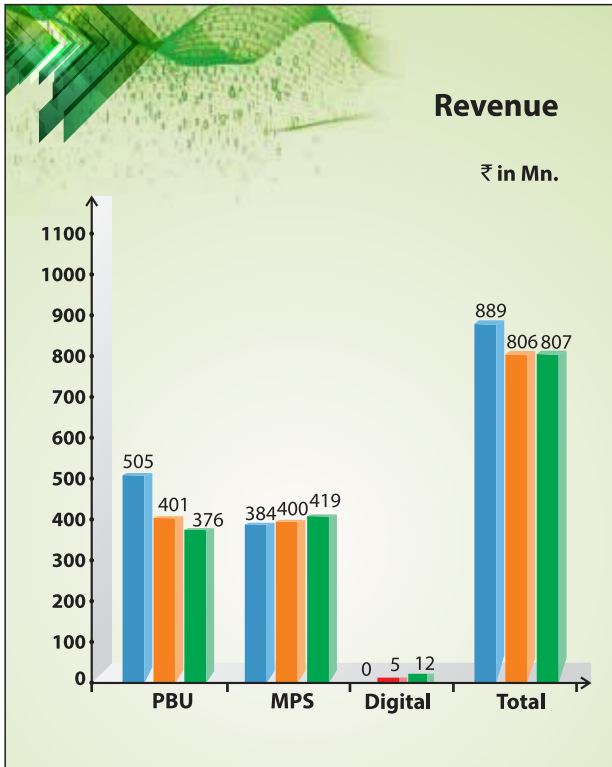
### Real Estate

Bharthiya City  
Sobha Limited

### Retail

Lulu International Mall  
Metro Cash and Carry

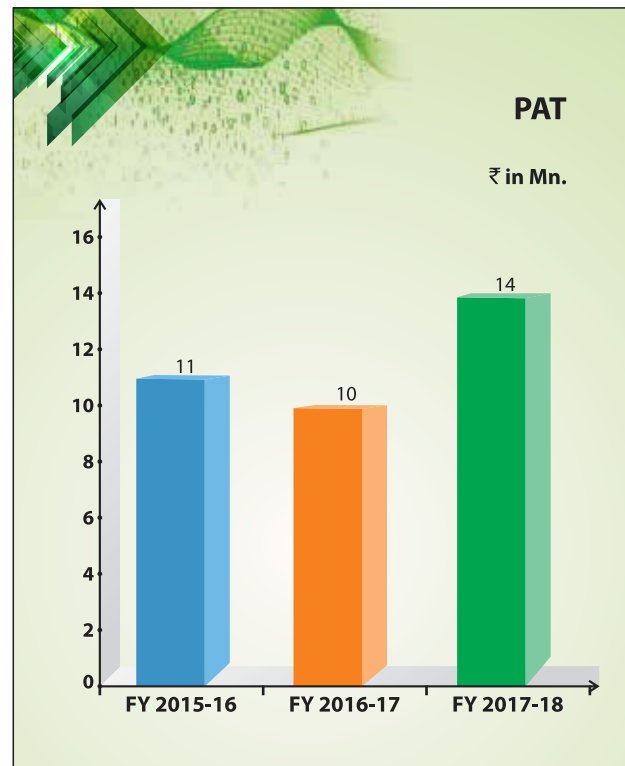
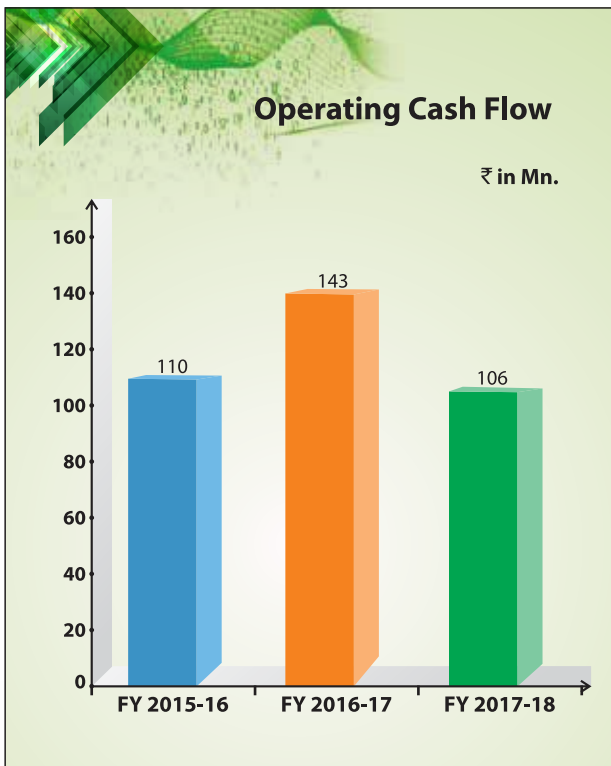
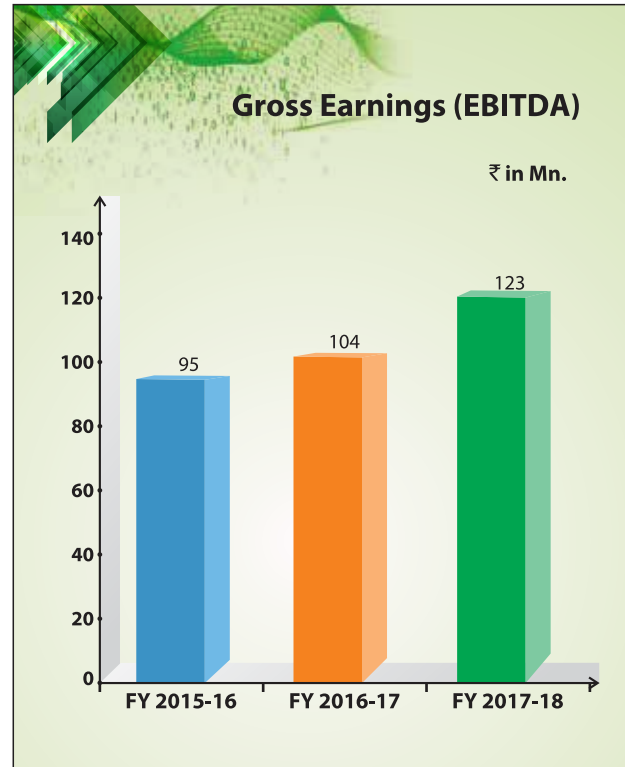
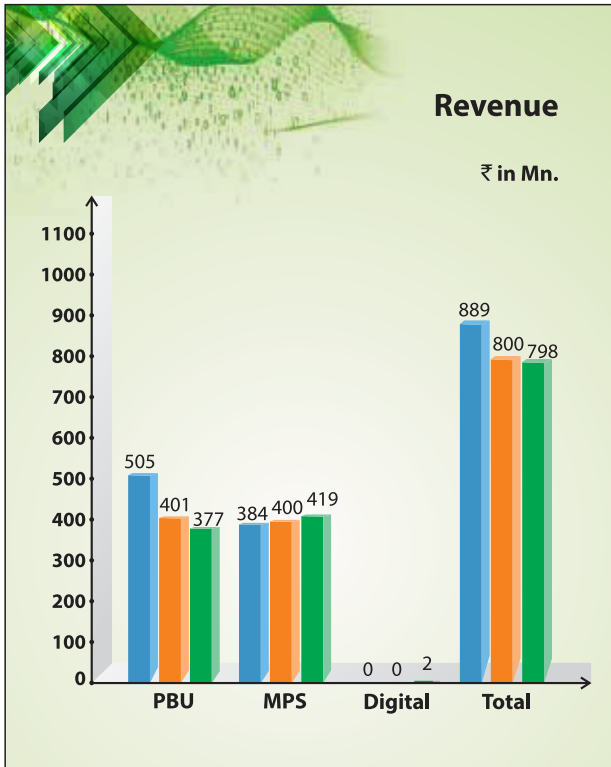
# Consolidated Highlights



Note: Figures of FY 2015 - 16 are based on previous IGAAP

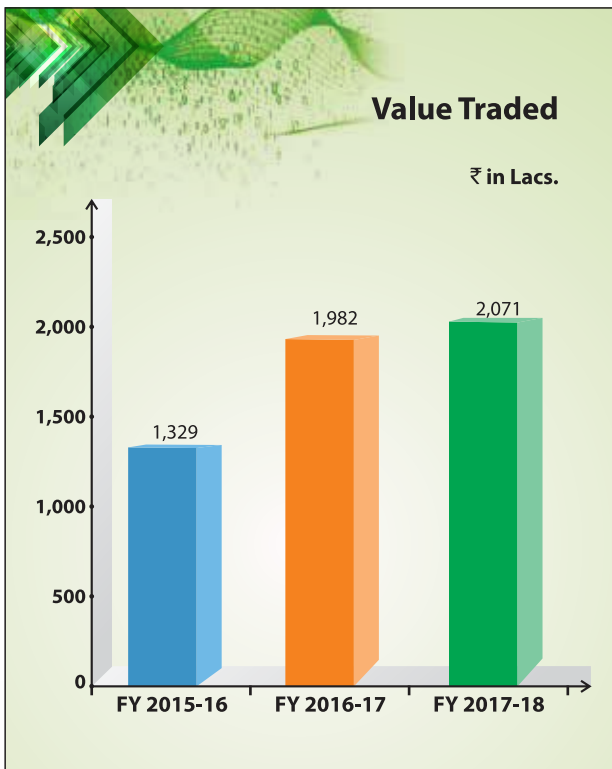
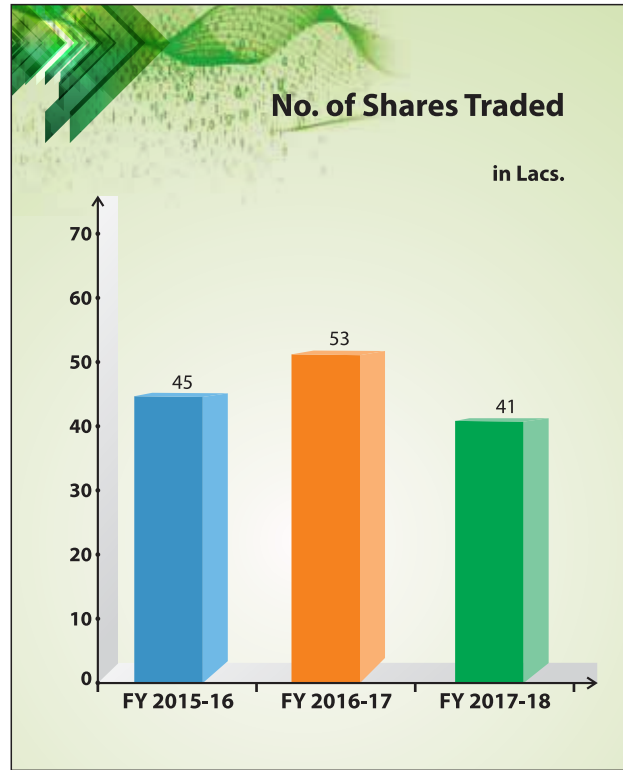
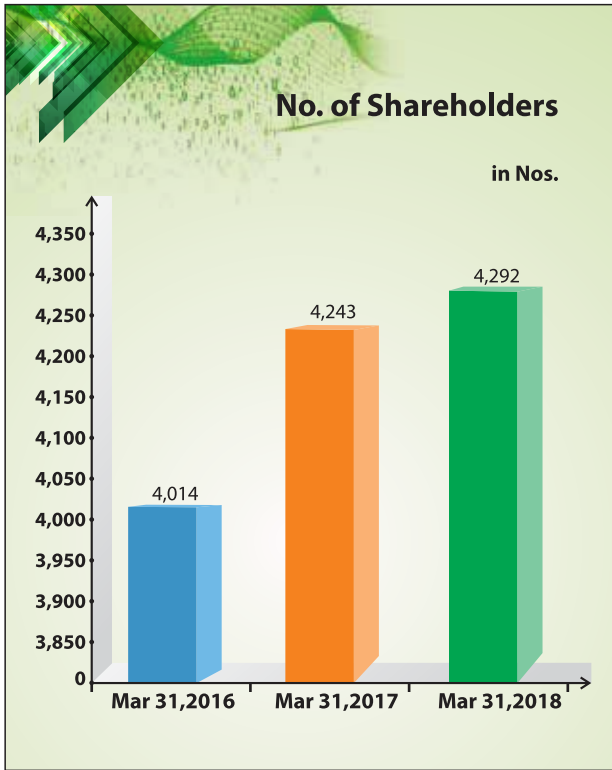


## Standalone Highlights



Note: Figures of FY 2015 - 16 are based on previous IGAAP

# Shareholder Analytics





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Dear Members,

Your Directors are pleased to present 23<sup>rd</sup> Annual Report and the Company's Audited Financial Statements for the Financial Year ended March 31, 2018.

## Financial Performance

The Company's financial performance, both Standalone and Consolidated, for the year ended March 31, 2018 is summarised below:

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Revenue from Operations	7983.74	8004.62	8072.69	8059.17
Other Income	88.89	94.43	68.20	86.79
<b>Total Revenue</b>	<b>8072.63</b>	<b>8099.05</b>	<b>8140.89</b>	<b>8145.96</b>
<b>Profit Before Depreciation, Interest and Taxes</b>	<b>1233.38</b>	<b>1039.92</b>	<b>879.55</b>	<b>983.82</b>
Finance Cost	94.36	119.51	94.61	119.63
Depreciation and Amortisation	936.76	774.04	962.68	798.34
<b>Profit Before Tax</b>	<b>202.25</b>	<b>146.38</b>	<b>(177.74)</b>	<b>65.85</b>
Provision for Tax	62.33	49.17	(30.48)	26.87
Other Comprehensive Income	0.89	1.38	0.57	1.38
<b>Profit / (Loss) for the Year</b>	<b>140.82</b>	<b>98.59</b>	<b>(146.69)</b>	<b>40.36</b>
Earnings Per Share (Equity share par value ₹ 10/- each) Basic (₹ per share)	0.56	0.42	0.59	0.17

## Consolidated Accounts

The Consolidated Financial Statement of your Company for the Financial Year 2017-18 are prepared in compliance with the applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, applicable Indian Accounting Standards and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## Subsidiary Company

During the year, the Board of Directors ('the Board') reviewed the affairs of the subsidiary. Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Section 129 (3) of the Companies Act, 2013, the Consolidated Financial Statements of your Company and its subsidiary is provided in this Annual Report.

Further, a statement containing the salient features of the financial statement of our subsidiary in the prescribed format **AOC-1** is included in this report as **Annexure – III** and forms an integral part of this Report.

The Financial Statement of the subsidiary company and the related information is available for inspection by the members at the registered office of the Company during the business hours on all days except Saturday, Sunday and Public Holidays upto the date of Annual General Meeting as required under section 136 of the Companies Act, 2013.

## Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming integral part of this Annual Report.

## Dividend and Reserves

In order to conserve the available resources for future, the Board of Directors of the Company have not recommended any Dividend for the Financial Year 2017-18.

## Unpaid / Unclaimed Dividends

Pursuant to applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, after completion of seven years from the date of transfer to Unclaimed Dividend Account of the Company.

Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the Demat Account of the IEPF Authority. The said requirement does not apply to the orders of Court, Tribunal or Statutory Authority, restraining transfer of the shares.

The due date for transfer of unpaid dividend to Investor Education and Protection Fund (IEPF) is given in the Corporate Governance Report. The shareholders are requested to verify their records and claim their unclaimed dividends for the past years, if not claimed.

The details of the consolidated unclaimed / unpaid dividend details as required by the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, for all the unclaimed / unpaid dividend accounts outstanding (upto the date of 22<sup>nd</sup> Annual General Meeting on 3<sup>rd</sup> August, 2017) in terms of the Ministry of Corporate Affairs Notification No.G.S.R 352(E) dated May 10, 2012 has been uploaded on the Company's website [www.wepsolutions.co.in](http://www.wepsolutions.co.in).

## Share Capital

During the year under review, the Company allotted 10,00,000 Convertible Warrants of Face Value ₹ 10/- each at a price of ₹ 60/- (including a premium of ₹ 50/-) to Promoters on a preferential basis.

Further during the year under review, the Company allotted 42,900 Equity shares of ₹ 10/- each pursuant to exercise of stock options under the Employees Stock Option Plan 2011.

Consequently the paid up equity share capital of the Company stood at ₹ 25,12,25,720 consisting of 2,51,22,572 Equity Shares of ₹ 10/- each.

## Public Deposit

During the year under review, your Company has not accepted any deposit within the meaning of Section 73 and 74 of the Companies Act 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

## Corporate Governance

Pursuant to Regulation 27 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, your company adheres to the Corporate Governance Code as prescribed by the Bombay Stock Exchange and Securities and Exchange Board of India (SEBI).

A detailed Corporate Governance Report is made a part of this Annual Report. A certificate from Practicing Company Secretary regarding Compliance of the conditions of Corporate Governance as stipulated in Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is attached to this Report.

## Board of Directors

Company's Policy relating to appointment / re-appointment of Directors, Payment of Managerial Remuneration, Induction, Performance Evaluation and other related matters are as mentioned below:

### A. Inductions

During the year under review there was no change in Directors of your Company.

### B. Retirement by Rotation and Subsequent Re-appointment

Pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, one third of such of the Directors as are liable to retire by rotation, shall retire every year and, if eligible, offer themselves for re-appointment at every Annual General Meeting.

Dr. A.L Rao is liable to retire by rotation at the ensuing Annual General Meeting. Dr. A.L Rao has confirmed his eligibility and willingness to accept the office of the Director of your Company, if confirmed by the Members at the ensuing Annual General Meeting. In the opinion of your Directors, Dr. A L Rao has requisite qualifications and experience which would be useful for your Company and would enable him to contribute effectively to your Company in his capacity as the Director of your Company.

In accordance with the provisions of the Companies Act, 2013 read with the Rules issued thereunder, the Listing Regulations, as amended and the Articles of Association of the Company, the Independent Directors and the Managing Director of the Company are not liable to retire by rotation.

### C. Re-appointment

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 8 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Articles of Association of the Company, Ram N Agarwal has been appointed as Chairman and Managing Director of the Company with effect from 16<sup>th</sup> February, 2018 by the Board of Directors at their meeting held on 15<sup>th</sup> February, 2018 on the recommendation of the Nomination and Compensation Committee. A separate resolution seeking members approval for confirmation of his appointment has been included in the Notice of the 23<sup>rd</sup> Annual General Meeting of the Company along with his brief profile.

### D. Resignation of Director

H V Gowthama, Independent Director (DIN: 00250122) has resigned from the Board and all Committees of the Board w.e.f 26<sup>th</sup> June, 2018.

Prashee Agarwal, Non-Executive Director (DIN: 03420048) has resigned from the Board w.e.f. 27<sup>th</sup> July, 2018.

### E. Performance Evaluation of Director

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, performance evaluation of the Board, its Committees and individual Directors was conducted.

A separate meeting of the Independent Directors was convened, which reviewed the performance of the Board as a whole, the Non-Independent Directors and the Chairman of the Company against the objectives set at the beginning of the year.

The Directors carried out the Annual Performance Evaluation of the Board, Committees of the Board and Individual Directors along with assessing the quality, quantity and timeliness of flow of information between the Company management and the Board to effectively and reasonably perform their duties.

### F. Committees of the Board

The details of the powers, functions, composition and meetings of the Committees of the Board held during the year are given in the Report on Corporate Governance section forming part of this Annual Report.

### G. Independent Directors' Declaration

Independent Directors have submitted a declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

Further, there has been no change in the circumstances which may affect their status as 'Independent Director' during the year under review.

### H. Familiarization Program for Independent Directors

Pursuant to Regulation 25(7) and Regulation 46(2)(i) of Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company conducts the 'Familiarization Program' when a new Independent Director joins the Board of the Company.

'Familiarization Program' provide an opportunity to the Independent Directors to interact with the senior leadership team of the Company and help them to understand their roles, rights and responsibilities, Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time. The details of the 'Familiarization Program' have also been uploaded on the website of the Company at [www.wepsolutions.co.in](http://www.wepsolutions.co.in).

### I. Statutory Disclosures

H V Gowthama, Independent Director (DIN: 00250122) has resigned from the Board and all Committees of the Board w.e.f 26<sup>th</sup> June, 2018. H V Gowthama, Independent Director (DIN: 00250122) appears in the list of directors published by the MCA who are disqualified to act as a Director u/s 164 (2) read with rule 14(5) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

H V Gowthama, had informed the Board that his disqualification in the list published by the MCA is attributed to non-filing of Financial Statements by a Company in Vijayawada of which he was never a Director. However, due to a technical error his name appeared as a Director in that Company, due to which, his name has been included in the list of Defaulter Directors by the MCA. He also informed that he is in the process of getting this error rectified by appropriate authorities.

Your Directors have made necessary disclosures as required under various provisions of section of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## Directors' Responsibility Statement

Pursuant to the requirements under Section 134(5) of Companies Act, 2013 with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- a) In the preparation of the Annual Accounts for the Financial Year 2017-18, the applicable accounting standards had been followed and there are no material departures;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the annual accounts on a going concern basis;
- e) The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## Material Changes and Commitments

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this Report.

## Conservation of Energy, Technology Absorption and Foreign Exchange Earnings / Outgo

The information pertaining to 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(3) of the Companies (Accounts) Rules, 2014 is furnished in *Annexure-I* and is attached to this Report.

## Number of Meetings of the Board

The Board met seven times during the Financial Year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

## Extract of Annual Return

Pursuant to the provisions of the Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of Annual return of the Company in *Form MGT – 9* for the Financial Year ended 31<sup>st</sup> March, 2018 is included in this Report as *Annexure – II* and forms an integral part of this Report.

## Corporate Social Responsibility Initiatives

Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable to the Company.

## Particulars of Loans, Guarantees and Investments

Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

## Statutory Auditors and Their Report

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and rules framed thereunder, M/s. N M Rajji & Co, Chartered Accountants, Mumbai (Firm Registration Number: 108296W) were appointed as the Statutory Auditors of the Company in the 21<sup>st</sup> Annual General Meeting of the Company until the conclusion of 26<sup>th</sup> Annual General Meeting subject to ratification of the appointment at every Annual General Meeting.

In accordance with the Companies (Amendment) Act, 2017, enforced on 7<sup>th</sup> May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

The Report given by the Auditors on the financial statement of the Company is part of this Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review. The observations of the Auditor, together with notes to accounts referred to in the Auditor's Report are self explanatory and do not call any further explanation from the Directors.

## Secretarial Auditors

Pursuant to the provision of Section 204 of the Companies Act, 2013 and rules made there under, the Company has appointed S Kannan and Associates, Practicing Company Secretary, Bengaluru (Firm Registration No.: S2017KR473100) as the 'Secretarial Auditor' of the Company to conduct the Secretarial Audit as prescribed under Section 204 of the Companies Act, 2013.

The Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March, 2018 in **Form MR-3** is presented in **Annexure-IV** attached to this Report.

## Related Party Transactions

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provision of Section 188(1) of the Companies Act, 2013 are not attracted.

Further, there are no material related party transactions during the year under review with the Promoters, Directors, and Key Managerial Personnel. Related Party Transactions are placed before the Audit Committee and the Board for review and approval on annual basis.

**Form AOC-2** pursuant to clause (h) of Section 134(3) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure-V** attached to this Report.

The Policy to determine materiality of related party transactions and dealing with related party transactions as approved by the Board of Directors is available on the Company's website [www.wepsolutions.co.in](http://www.wepsolutions.co.in).

## Risk Management

The Company has a well-defined process in place to ensure appropriate identification and treatment of risks. The identification of risks is done at strategic, business, operational and process level. While the mitigation plan and actions for risks belonging to strategic, business and key critical operational risks are driven by senior leadership, for rest of the risks, operating managers drive the conception and subsequent action and mitigation plan.

As per the requirements of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 your company has constituted a Risk Management Committee to oversee the Risk Management efforts in your company. The details of Committee and its terms of reference including elements of risk as identified for the Company are set out in the Corporate Governance Report and Management Discussion and Analysis Report (MDA) forming part of this Report.

The key strategic, business and operational risks which are significant in terms of their impact to the overall objectives of the Company along with status of the mitigation plans are periodically presented and discussed in the Risk Management Committee (RMC) meetings. Inputs from the Risk Management Committee are duly incorporated in the action plans. All significant risks are well integrated with functional and business plans and are reviewed on a regular basis by the senior leadership.

## Internal Control System and Their Adequacy

According to Section 134(5)(e) of the Companies Act, 2013, the term Internal Financial Control (IFC) means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, safeguarding of company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records and timely preparation of reliable financial information.

The Company has well placed, proper and adequate Internal Financial Control (IFC) system which ensures that all assets are safeguarded and protected and that the transactions are authorized, recorded and reported correctly. The Internal Auditors of the company M/s. Gnanoba & Bhat, Chartered Accountants, Bengaluru independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms.

Independence of audit is ensured by direct reporting of the Internal Auditors to the Audit Committee of the Board.

During the year, the Internal Auditors have also been engaged for providing assistance in improving Internal Financial Control (IFC) framework.

## Significant / Material Orders Passed by the Regulators or Courts

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

## Employee Stock Option Plan

The Company has Employee Stock Option Plan 2011 and Employees Stock Option Plan 2016 which are administered by the Nomination and Compensation Committee for the benefit of employees.

During the Financial Year 2017-18, there has been no change in the Employee Stock Option Plan 2011 and Employees Stock Option Plan 2016 of the Company.

During the Financial Year 2017-18; 42,900 Options were exercised by the employees after vesting. Accordingly the Company has made the allotment 11,700 Equity Shares on 27<sup>th</sup> May, 2017 and 31,200 Equity Shares on 18<sup>th</sup> November, 2017.

Pursuant to Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and as required under the Securities and Exchange Board of India Guidelines, the applicable disclosures as on 31<sup>st</sup> March, 2018 is as tabulated below:

	ESOP Plan 2011	ESOP Plan 2016
Date of Shareholders' Approval	27 <sup>th</sup> September, 2017	22 <sup>nd</sup> September, 2016
Total number of Options approved under the scheme	6,00,000	6,00,000
Vesting Schedule		
On Completion of 12 months from the date of Grant of Options	30% vesting	30% vesting
On Completion of 24 months from the date of Grant of Options	30% vesting	30% vesting
On Completion of 36 months from the date of Grant of Options	40% vesting	40% vesting
Exercise Price	Rs. 10 per share	Rs. 10 per share
Exercise Period	5 Years from the date of vesting	5 Years from the date of vesting
Option movements during the year		
Options outstanding at the beginning of the year	3,92,300	NIL
Options granted during the year	93,000	1,32,000
Options Lapsed during the year	17,000	Nil
Options vested and available for exercise	2,86,300	Nil
Options exercised during the year	42,900	Nil
Variations of terms of Options	None	None
Money realised by exercise of Options (Rs.)	4,29,000	Nil
Total number of Options in force as at the end of the year	4,25,400	1,32,000
Vested and available for exercise	1,67,200	Nil
Unvested	2,58,200	1,32,000

## Vigil Mechanism / Whistle Blower Policy

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. Your Company has a Whistle Blower Policy under which the employees are free to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethical policy. Employees may also report illegal or unethical behavior to the Chairman of Audit Committee. During the year under review, no employee was denied access to the Audit Committee. During the Financial Year 2017-18, Company has not received any complaint. The Whistle Blower Policy as approved by the Board of Directors is available on the Company's website [www.wepsolutions.co.in](http://www.wepsolutions.co.in).

## Prevention of Sexual Harassment Policy

The Company has in place a Prevention of Sexual Harassment Policy in line with requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. Internal Complaints Committee has been set up across locations in India to redress complaints received regarding sexual harassment. The cases reported to such Committee are investigated by the respective Committee members and the detailed report thereon is presented to the Board of Directors on a regular basis.

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment of woman at workplace and to provide a platform for redressal of complaints and grievances against sexual harassment. During the Financial Year 2017-18, Company has not received any complaint on sexual harassment.

## Research and Development

WeP has dedicated Research & Development team focused on Retail, Printer and Application Specific Printer products solutions. WeP R&D has complete in-house facility for executing projects from concept to product involving various engineering domains like Electro-Magnetics, Power Electronics, Thermal and Vibration. WeP with rich experience in design and development of mechatronics products has delivered 320 varieties of products. Inspired by trends and the consumers' latent desires, we are proactively re-fashioning our R&D outlook to deliver consumer sensitivity in our product design and development. We have a dedicated Research & development team focusing on Digital Platform for tax compliance, Document Management, Aadhaar and Payment solutions, Retail product solutions and Application Specific Printers. R&D team is equipped to meet the challenging demands, dynamic change requirements for developing customer centric technical solutions to deliver our customer promise of "TECH FANTASY".

## Policies of Company

Your Company has posted the below mentioned policies on its website [www.wepsolutions.co.in](http://www.wepsolutions.co.in) under the heading 'Investor Corner'.

1. Code of Conduct for Directors and Senior Management Personnel
2. Whistle Blower's Policy
3. Prevention of Sexual Harassment Policy
4. Related Party Transaction Policy
5. Compensation Policy
6. Risk Management Policy
7. Internal Code for Prevention of Insider Trading
8. Policy for Determining Material Subsidiaries
9. Policy for Determining Materiality of Event or Information
10. Policy for Preservation of Documents
11. Familiarization Program for Independent Director

## Particulars of Employees

The information required pursuant to Section 197 of Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company shall be provided on request. The Company is not having any employee drawing remuneration exceeding the limits as specified under the Companies Act, 2013. The applicable disclosures as on 31<sup>st</sup> March, 2018 pursuant to the provisions of Companies Act, 2013 is furnished in **Annexure-VI** and is attached to this Report.

## Depository System

The Company's shares are tradable compulsorily in electronic mode. In India there are two depositories i.e. National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL). To facilitate trading in DEMAT form, Company has established connectivity with both the depositories. Currently about 96.28% of the Issued Capital is held in electronic mode.

## Listing Fees

In compliance with Regulation 14 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Annual Listing Fees for the Financial Year 2018-19 has been paid to the Bombay Stock Exchange (BSE).

## Human Resources

As a part of company's drive to continue to nurture talent, your company has developed structured HR policies and programs in the area of resourcing, performance management system, competency based training and development and talent management to support the current and future need of the organization. Your Directors take this opportunity to record their appreciation for the contribution of all employees of your company during the year.

## Industrial Relations

Your company has always considered its workforce as its valuable assets and continues to invest in their excellence and development programs. Your company has taken several initiatives for enhancing employee engagement and satisfaction. Your company maintains healthy, cordial and harmonious industrial relation at all levels. The industrial relations in all respect to all other manufacturing facilities and divisions of your company are normal.

## Green Initiative

Ministry of Corporate Affairs ("MCA") has announced "Green Initiative in Corporate Governance" by allowing paperless compliances by companies vide circular dated April 21, 2011 stating that a Company is in compliance with Section 20 of the Companies Act, 2013, if the service of documents has been made through electronic mode.





Electronic Copies of the Annual Report 2017-18 and the Notice of 23<sup>rd</sup> Annual General Meeting are sent to the members whose e-mail addresses are registered with Company / Depository Participant(s). For members who have not registered their e-mail addresses, physical copy of the Annual Report 2017-18 and the Notice of 23<sup>rd</sup> Annual General Meeting are sent in the permitted mode. Members requiring physical copy can send a request to the Company.

## Acknowledgments

Your Directors wish to convey their gratitude at place on record their appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year.

Your Directors sincerely convey their appreciation to Customers, Shareholders, Vendors, Bankers, Business Associates, Regulatory and Government authorities for their continued support and cooperation.

For and on Behalf of the Board of Directors

Date: 4<sup>th</sup> August, 2018

Place: Bengaluru

Ram N Agarwal

Chairman and Managing Director

## Annexure - I

### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The Particulars of technology absorption and foreign exchange earnings and outgo, as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended 31<sup>st</sup> March, 2018 is given below and forms part of the Directors' Report.

#### A. Conservation of Energy:

The company's operations are energy intensive. However, significant measures are taken to reduce the energy consumption by using energy-efficient equipments. Conservation of energy is always on the "To Do" list at all levels of operations. Efforts are made in this direction on a continuous basis. The requirement of disclosure of particulars in this respect as prescribed to be furnished in **Form A (rule 2)** is not applicable and hence not provided.

However, the company has taken the following adequate measures to conserve the energy:

- Localized lighting in place of community lighting.
- Employees are habituated to switch off fans, lights during the lunch break and at close of office hours.
- Energy efficient and battery operated product releases.
- New design mandatory compliance for low power and energy star compliance.

#### B. Technology Absorption

Efforts made in Technology absorption is stated as per **Form B** is given below:

##### **FORM B (Rule 2)**

#### 1. Research and Development (R&D)

##### a. Specific Areas in which R&D activity is carried out by the Company:

- High Performance Computing for big data processing.
- Cloud design patterns for asynchronous messaging, availability, resiliency and data consistency.
- Design for dynamic scaling and highly available Infrastructure.
- Security Design for Application, Network, Storage, Compute and identity.
- Identity Management.
- Cloud Networking Topologies.
- Cloud Infrastructure Monitoring and Automation.
- Machine learning and Cognitive services API.
- Mobile Device Management.
- Retail Software design and development for Android Operating system.
- Mobile Application for Retail
- Design & Development of Printers and Retail Billing Solutions.
- Product Engineering Services for Application specific printers and electromechanical systems.
- Universal Magnetic path design for next generation print head design.
- Wi-Fi, Ethernet, GSM/GPRS for remote management of printers.
- Design & Development of ASIC/FPGA/SOC based systems.
- Design compliance for EMI-EMC, ROHS & Energy Star.

##### b. Benefits derived as a result of above R&D:

- API gateway platform release for enterprise application integration.
- Digital Platform release for Aadhaar, GST Tax Compliance, Ewaybill and Document Management Solutions.
- Asynchronous Messaging platform for big data processing.
- Infrastructure Monitoring and Automation integration for dynamic scaling and security.
- First in India to launch POS connected device for GST compliance.
- POS product release with Aadhaar enabled payment system, UPI, Wallets and Card payment modes.
- Retail Central Server and Client product solutions for multiple location chain shops.

- Retail and F&B software release for Android OS
- Retail product variants design and development based on thermal and impact platform.
- Retail Solutions for Application specific requirements like Dairy society, Pharmacy and F&B.
- Application specific printers design and manufacturing for voting machine and Petrol dispenser Retail automation.
- Self-reliance in print head design and development for Dot Matrix Printers. All in-house captive requirements are met with our own Print Heads.
- High Speed printer release with Ethernet, Parallel and USB interfaces.

**c. Future Plan of action:**

- Expansion of digital products portfolio for tax compliance, Aadhaar, Document Management and payment solutions.
- Mobile device management platform applications.
- Enterprise and mobile application for connected devices.
- Expansion of Retail Products range and solutions with augmentation of features.
- Expansion of GPRS, Ethernet connectivity application devices.
- Retail Solutions for Billing machine and Smart phone connectivity.
- Retail Smart solutions for service application model.
- POS System development for Micro ATM and UID applications

**2. Technology Absorption, Adaptation and Innovation**

**i. Efforts in brief made towards technology absorption, adaptation and innovation**

Technology demonstrations in the following areas were made towards absorption, adoption and innovation

- Cloud design patterns for big data processing, Asynchronous messaging and data management.
- API Gateway Platform.
- Payment Solutions integration.
- Applications for Connected device.
- Ethernet, GSM/GPRS Communication for remote management of printers.
- Thermal Printer technology absorption for retail applications.
- Retail Product Solutions for F&B, Wholesale, Pharmacy and Dairy Societies
- Embedded system optimization for easy configurability and usability of retail products.
- Adoption of variability and tolerance analysis for high precision parts design.

**ii. Benefit derived as a result of above efforts**

Inspired by trends and the consumers' latent desires, we are proactively re-fashioning our R&D outlook to deliver consumer sensitivity in our product design and development. We have a dedicated Research & development team focusing on Digital Platform for tax compliance, Document Management, Aadhaar and Payment solutions, Retail product solutions and Application Specific Printers. R&D team is equipped to meet the challenging demands, dynamic change requirements for developing customer centric technical solutions to deliver our customer promise of "TECH FANTASY".

**iii. In case of imported technology (imported during the last five years reckoned from the beginning of the financial year) following information be furnished: NA**

**3. Foreign Exchange Earnings and Outgo:**

The Foreign Exchange earned in terms actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflow:

(₹ in '000)

Particulars	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
Foreign Exchange Earnings	3,513.00	3,637.89
Foreign Exchange Outgo	1,59,323.61	1,78,616.34

## Annexure - II

### Form MGT – 9

Extract of Annual Return as on the Financial Year ended on 31<sup>st</sup> March, 2018  
 [Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
 (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

1	CIN	L72200KA1995PLC025617
2	Registration Date	1 <sup>st</sup> March, 1995
3	Name of the Company	WeP Solutions Limited
4	Category / Sub-Category of the Company	<b>Category:</b> Company Limited by Shares <b>Sub-Category:</b> Indian Non – Government Company.
5	Address of the Registered Office and Contact Details	<b>Address:</b> 40/1A, Basappa Complex, Lavelle Road, Bengaluru 560 001, Karnataka State <b>Contact Details:</b> a) Telephone : 080 - 66112000 b) Email : investor@wepsol.in
6	Whether Listed Company (Yes / No)	Yes, Listed on Bombay Stock Exchange (BSE)
7	Name, Address and Contact Details of Registrar and Transfer Agent, if any	<b>Name:</b> Cameo Corporate Services Limited <b>Address:</b> #1, Subramanian Building, Club House Road, Anna Salai, Chennai – 600 002. Tamil Nadu State <b>Contact Details:</b> a) Telephone : 044 - 28460390 b) Email : investor@cameoindia.com

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

(All the business activities contributing 10% or more of the turnover of the Company shall be stated)

Sl. No.	Name and Description of Main Product / Services	NIC Code of the Product / Services	% to total turnover of the Company
1	Manufacturing and Distribution of Computer Peripherals	3670	47.28
2	Managed Printing and Document Services	3670	52.49

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1	<b>Name:</b> M/s. WeP Digital Services Limited (Formerly known as eRM Solutions Private Limited) <b>Address:</b> 40/1 A, Basappa Complex, Lavelle Road, First Floor, Bengaluru 560 001	U74900KA2015PLC080570	Subsidiary	100	Section 2 (87) of the Companies Act, 2013

#### IV. SHAREHOLDING PATTERN:

(Equity Share Capital breakup as percentage of Total Equity)

##### i. Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2017)				No. of Shares held at the end of the year (31.03.2018)				% Change during the year	
	DEMAT	Physical	Total	% of Total Shares	DEMAT	Physical	Total	% of Total Shares		
<b>A</b>	<b>Promoters</b>									
<b>1</b>	<b>Indian</b>									
	a) Individual/HUF	3,467,149	0	3,467,149	13.83	3,467,149	0	3,467,149	13.80	(0.03)
	b) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
	c) State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
	d) Bodies Corporate	6,335,861	0	6,335,861	25.26	6,335,861	0	6,335,861	25.22	(0.04)
	e) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
	f) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-total (A) (1)</b>	<b>9,803,010</b>	<b>0</b>	<b>9,803,010</b>	<b>39.09</b>	<b>9,803,010</b>	<b>0</b>	<b>9,803,010</b>	<b>39.02</b>	<b>(0.07)</b>
<b>2</b>	<b>Foreign</b>									
	a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
	b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
	c) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00
	d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
	e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>9,803,010</b>	<b>0</b>	<b>9,803,010</b>	<b>39.09</b>	<b>9,803,010</b>	<b>0</b>	<b>9,803,010</b>	<b>39.02</b>	<b>(0.07)</b>
<b>B</b>	<b>Public Shareholding</b>									
<b>1</b>	<b>Institutions</b>									
	a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
	b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
	c) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
	d) State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
	e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
	f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
	g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
	h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
	i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-total (B) (1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2017)				No. of Shares held at the end of the year (31.03.2018)				% Change during the year	
	DEMAT	Physical	Total	% of Total Shares	DEMAT	Physical	Total	% of Total Shares		
2	Non - Institutions									
	a) Bodies Corporate									
	(i) Indian	2,714,776	40,000	2,754,776	10.98	2,560,327	40,000	2,600,327	10.35	(0.63)
	(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
	b) Individuals									
	(i) Individual Shareholders holding nominal share capital upto ₹ 1 Lakh	3,287,700	640,327	3,928,027	15.66	3,336,697	632,901	3,969,598	15.80	0.14
	(ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakh	7,221,676	142,292	7,363,968	29.36	7,534,917	142,292	7,677,209	30.56	1.20
	c) Others (specify)									
	(i) Clearing Members	32,920	0	32,920	0.13	4,521	0	4,521	0.02	(0.11)
	(ii) Hindu Undivided Families	194,418	100	194,518	0.78	263,386	100	263,486	1.05	0.27
	(iii) Non Resident Indians	882,270	120,082	1,002,352	4.00	684,238	1,20,082	804,320	3.20	(0.8)
	(iv) Trusts	0	101	101	0.00	0	101	101	0.00	0.00
	Sub-total (B)(2)	14,333,760	942,902	15,276,662	60.91	14,384,086	9,35,476	15,319,562	60.98	(0.07)
	Total Public Shareholding (B)= (B)(1)+(B)(2)	14,333,760	942,902	15,276,662	60.91	14,384,086	9,35,476	15,319,562	60.98	(0.07)
C	Shares held by Custodian for GDRs and ADRs	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A+B+C)	24,136,770	942,902	25,079,672	100.00	24,187,096	935,476	25,122,572	100.00	0.00

## ii. Promoters Shareholding:

Sl. No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2017)			Shareholding at the end of the year (31.03.2018)			% Change in Shareholding during the year
		Number of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	Number of Shares	% of Total Shares of the Company*	% of Shares Pledged/ Encumbered to Total Shares	
1	RNAWEP Investments Private Limited	3,260,403	13.00	0.00	3,260,403	12.98	0.00	(0.02)
2	WeP Peripherals Limited	20,24,994	8.07	0.00	20,24,994	8.06	0.00	(0.01)
3	wep solutions india limited	10,50,464	4.19	0.00	10,50,464	4.18	0.00	(0.01)
4	Ram N Agarwal	30,05,056	11.98	0.00	30,05,056	11.96	0.00	(0.02)
5	Sarita Agarwal	1,21,568	0.48	0.00	1,21,568	0.48	0.00	0.00
6	Suman Jain	3,40,525	1.36	0.00	3,40,525	1.36	0.00	0.00
<b>Total</b>		<b>98,03,010</b>	<b>39.09</b>	<b>0.00</b>	<b>9,803,010</b>	<b>39.02</b>	<b>0.00</b>	<b>(0.07)</b>

Note: \*% of total shares of the Company under Shareholding at the end of the year is based on the Paid Up Capital as on 31<sup>st</sup> March, 2018 i.e. 25,122,572

## iii. Change in Promoters' Shareholding:

Sl. No.	Particulars	Shareholding at the beginning of the year (01.04.2017)		Cumulative Shareholding during the year	
		Number of Shares	% of Total Shares of the Company	Number of Shares	% of Total Shares of the Company*
1	<b>RNAWEP Investments Private Limited</b>				
	At the beginning of the year	3,260,403	13.00	3,260,403	12.98
	At the end of the year			3,260,403	12.98
2	<b>WeP Peripherals Limited</b>				
	At the beginning of the year	2,024,994	8.07	2,024,994	8.06
	At the end of the year			2,024,994	8.06
3	<b>wep solutions india limited</b>				
	At the beginning of the year	10,50,464	4.19	10,50,464	4.18
	At the end of the year			10,50,464	4.18
4	<b>Ram N Agarwal</b>				
	At the beginning of the year	30,05,056	11.98	30,05,056	11.96
	At the end of the year			30,05,056	11.96
5	<b>Sarita Agarwal</b>				
	At the beginning of the year	1,21,568	0.48	121,568	0.48
	At the end of the year			121,568	0.48
6	<b>Suman Jain</b>				
	At the beginning of the year	3,40,525	1.36	340,525	1.36
	At the end of the year			340,525	1.36

Note: \*% of total shares of the Company under Cumulative Shareholding is based on the Paid Up Capital as on 31<sup>st</sup> March, 2018 i.e. 25,122,572

iv. Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year (01.04.2017)		Cumulative Shareholding during the year	
		Number of Shares	% of Total Shares of the Company	Number of Shares	% of Total Shares of the Company*
1	Wipro Limited				
	At the beginning of the year	18,36,000	7.32	18,36,000	7.30
	At the end of the year			18,36,000	7.30
2	Sharad Kanayalal Shah				
	At the beginning of the year	14,12,035	5.63	14,12,035	5.62
	At the end of the year			14,12,035	5.62
3	Dipak Kanayalal Shah				
	At the beginning of the year	12,60,553	5.03	12,60,553	5.02
	Purchased on 13 <sup>th</sup> October, 2017	4,733	0.02	12,65,286	5.04
	Sold on 22 <sup>nd</sup> December, 2017	2,60,000	1.03	10,05,286	4.00
	Purchased on 29 <sup>th</sup> December, 2017	214	0.00	10,05,500	4.00
	Purchased on 1 <sup>st</sup> March, 2018	7,086	0.03	10,12,586	4.03
	Purchased on 9 <sup>th</sup> March, 2018	5,000	0.02	10,17,586	4.05
	Purchased on 23 <sup>rd</sup> March, 2018	414	0.00	10,18,000	4.05
	Purchased on 28 <sup>th</sup> March, 2018	1,450	0.01	10,19,450	4.06
	At the end of the year			10,19,450	4.06
4	Rakesh M Bohra				
	At the beginning of the year	5,31,457	2.12	5,31,457	2.12
	Sold on 7 <sup>th</sup> April, 2017	1,24,295	0.49	4,07,162	1.63
	Sold on 14 <sup>th</sup> April, 2017	8,857	0.03	3,98,305	1.59
	Sold on 24 <sup>th</sup> November, 2017	20,000	0.08	3,78,305	1.51
	Sold on 8 <sup>th</sup> December, 2017	1,535	0.01	3,76,770	1.50
	Sold on 15 <sup>th</sup> December, 2017	7,040	0.03	3,69,730	1.47
	Sold on 22 <sup>nd</sup> December, 2017	4,646	0.02	3,65,084	1.45
	Sold on 29 <sup>th</sup> December, 2017	17,238	0.07	3,47,846	1.38
	Sold on 5 <sup>th</sup> January, 2018	3,279	0.01	3,44,567	1.37
	Sold on 12 <sup>th</sup> January, 2018	7,262	0.03	3,37,305	1.34
	At the end of the year			3,37,305	1.34
5	Deepak A Chari				
	At the beginning of the year	2,92,898	1.16	2,92,898	1.16
	At the end of the year			2,92,898	1.16

Note: \*% of total shares of the Company under Cumulative Shareholding is based on the Paid Up Capital as on 31<sup>st</sup> March, 2018 i.e. 25,122,572



Sl. No.	Name of Shareholders	Shareholding at the beginning of the year (01.04.2017)		Cumulative Shareholding during the year	
		Number of Shares	% of Total Shares of the Company	Number of Shares	% of Total Shares of the Company*
<b>6</b>	<b>Jigna Kanayalal Shah</b>				
	At the beginning of the year	1,15,305	0.46	1,15,305	0.46
	Purchased on 7 <sup>th</sup> April, 2017	50,000	0.20	1,65,305	0.66
	Purchased on 11 <sup>th</sup> August, 2017	3,000	0.01	1,68,305	0.67
	Purchased on 20 <sup>th</sup> October, 2017	1,484	0.01	1,69,789	0.68
	Purchased on 15 <sup>th</sup> December, 2017	5,000	0.02	1,74,789	0.70
	Purchased on 5 <sup>th</sup> January, 2018	16,200	0.06	1,90,989	0.76
	Purchased on 12 <sup>th</sup> January, 2018	33,100	0.13	2,24,089	0.89
	Purchased on 25 <sup>th</sup> January, 2018	1,500	0.01	2,25,589	0.90
	Purchased on 2 <sup>nd</sup> February, 2018	20,198	0.08	2,45,787	0.98
	Purchased on 6 <sup>th</sup> February, 2018	17,565	0.07	2,63,352	1.05
	Purchased on 23 <sup>rd</sup> February, 2018	8,709	0.03	2,72,061	1.08
	<b>At the end of the year</b>			<b>2,72,061</b>	<b>1.08</b>
<b>7</b>	<b>Sattva Developers Private Limited</b>				
	At the beginning of the year	2,71,774	1.08	2,71,774	1.08
	Sold on 9 <sup>th</sup> June, 2017	10,000	0.04	2,61,774	1.04
	Sold on 16 <sup>th</sup> June, 2017	5,000	0.02	2,56,774	1.02
	Sold on 27 <sup>th</sup> October, 2017	20,000	0.08	2,36,774	0.94
	Sold on 29 <sup>th</sup> December, 2017	10,000	0.04	2,26,774	0.90
	Sold on 5 <sup>th</sup> January, 2018	5,000	0.02	2,21,774	0.88
	<b>At the end of the year</b>			<b>2,21,774</b>	<b>0.88</b>
<b>8</b>	<b>P K Gopalkrishnan</b>				
	At the beginning of the year	1,89,260	0.75	1,89,260	0.75
	<b>At the end of the year</b>			<b>1,89,260</b>	<b>0.75</b>
<b>9</b>	<b>Sridhar Mitta</b>				
	At the beginning of the year	1,58,897	0.63	1,58,897	0.63
	<b>At the end of the year</b>			<b>1,58,897</b>	<b>0.63</b>
<b>10</b>	<b>Rahul Bhandare</b>				
	At the beginning of the year	1,56,668	0.62	1,56,668	0.62
	<b>At the end of the year</b>			<b>1,56,668</b>	<b>0.62</b>

Note: \*% of total shares of the Company under Cumulative Shareholding is based on the Paid Up Capital as on 31<sup>st</sup> March, 2018 i.e. 25,122,572

v. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Director / Key Managerial Personnel (KMP)	Shareholding at the beginning of the year (01.04.2017)		Cumulative Shareholding during the year	
		Number of Shares	% of Total Shares of the Company	Number of Shares	% of Total Shares of the Company
1	Ram N Agarwal - Chairman and Managing Director				
	At the beginning of the year	3,005,056	11.98	3,005,056	11.96
	At the end of the year			3,005,056	11.96
2	Shankar Jaganathan - Independent Director				
	At the beginning of the year	2,228	0.01	2,228	0.01
	At the end of the year			2,228	0.01
3	Mythily Ramesh - Independent Director				
	At the beginning of the year	14,040	0.06	14,040	0.06
	At the end of the year			14,040	0.06
4	B R Ganesh - Small Shareholder & Independent Director ^				
	At the beginning of the year	1,666	0.01	1,666	0.01
	At the end of the year			1,666	0.01
5	Dr. A L Rao - Non Executive Director				
	At the beginning of the year	385,542	1.54	385,542	1.53
	At the end of the year			385,542	1.53
6	Prashee Agarwal - Non-Executive Director				
	At the beginning of the year	5,181	0.02	5,181	0.02
	At the end of the year			5,181	0.02
7	Sandeep Goyal - Chief Financial Officer (KMP)				
	At the beginning of the year	33,828	0.13	33,828	0.13
	ESOP Allotment on 18 <sup>th</sup> November, 2017			10,800	0.04
	At the end of the year			44,628	0.17

Note:

- \*% of total shares of the Company under Shareholding at the end of the year is based on the Paid Up Capital as on 31<sup>st</sup> March, 2018 i.e 25,122,572
- ^ Cessation w.e.f. 22<sup>nd</sup> September, 2017.
- The following Directors/Key Managerial Personnel (KMP) did not hold any Share during the Financial Year 2017-18.  
*H V Gowthama - Independent Director*  
*G H Visweswara - Independent Director*  
*Sudhir Prakash - Independent Director*  
*Sujata Arvind Lele - Company Secretary (KMP)*

**V. INDEBTNESS**
*(in ₹)*

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial Year</b>				
i) Principal Amount	35,805,652	NIL	NIL	35,805,652
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>35,805,652</b>	<b>NIL</b>	<b>NIL</b>	<b>35,805,652</b>
<b>Change in indebtedness during the Financial Year</b>				
Addition	40,777,821	NIL	NIL	40,777,821
Reduction	NIL	NIL	NIL	NIL
<b>Net Change</b>	<b>40,777,821</b>	<b>NIL</b>	<b>NIL</b>	<b>40,777,821</b>
<b>Indebtedness at the end of the Financial Year</b>				
i) Principal Amount	76,583,473	NIL	NIL	76,583,473
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**
**A. Remuneration to Managing Director, Whole Time Director and/or Manager**

Name of Managing Director: RAM N AGARWAL

*(in ₹)*

Sl. No.	Particulars of Remuneration		Amount
1		Gross Salary	
	a	Salary as per provisions contained in section 17(1) of the Income - Tax Act, 1961	NIL
	b	Value of perquisites u/s 17(2) of the Income - Tax Act, 1961	NIL
	c	Profit in lieu of Salary u/s 17(3) of the Income - Tax Act, 1961	NIL
2		Stock Option	NIL
3		Sweat Equity	NIL
4		Commission	
	a	As a % of Profit	NIL
	b	Others, specify	NIL
5		Others, specify	NIL
		<b>Total (A)</b>	<b>NIL</b>

**B. Remuneration to Other Directors**
*(in ₹)*

Sl. No.	Particulars of Remuneration	H V Gowthama	Sudhir Prakash	Shankar Jaganathan	Mythily Ramesh	B R Ganesh*	G H Visweswara	Total
<b>1) Non Executive Director (Independent)</b>								
1	Fees for attending Board / Committee Meetings	200,000	30,000	170,000	100,000	60,000	130,000	690,000
2	Commission	0	0	0	0	0		0
3	Others (specify)	0	0	0	0	0		0
<b>Total (1)</b>		<b>200,000</b>	<b>30,000</b>	<b>170,000</b>	<b>100,000</b>	<b>60,000</b>	<b>130,000</b>	<b>690,000</b>

 Note: \*Cessation w.e.f. 22<sup>nd</sup> September, 2017.

(in ₹)

Sl. No.	Particulars of Remuneration	Dr. A L Rao	Prashee Agarwal	Total
<b>2) Other Non-Executive Director</b>				
1	Fees for attending Board / Committee Meetings	120,000	0	120,000
2	Commission	0	0	0
3	Others (specify)	0	0	0
<b>Total (2)</b>		<b>120,000</b>	<b>0</b>	<b>120,000</b>
<b>Total (B) = (1)+(2)</b>		<b>0</b>	<b>0</b>	<b>810,000</b>

C. Remuneration to Key Managerial Personnel other than Managing Director / Manager / Whole Time Director

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Sandeep Goyal	Sujata Arvind Lele
		Chief Financial Officer	Company Secretary
1	Gross Salary		
	a Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	50.20	5.29
	b Value of perquisites u/s 17(2) of the Income - Tax Act, 1961	3.79	0.00
	c Profit in lieu of Salary u/s 17(3) of the Income - Tax Act, 1961	-	-
2	Stock Option (Granted during the year)	25,000	4,000
3	Sweat Equity	-	-
4	Commission		
	a As a % of Profit	-	-
	b Others, specify	-	-
5	Others, specify	-	-

VII. Penalties / Punishment / Compounding of Offences:

Sl. No.	Type	Section of the Companies Act 2013	Brief Description	Details of Penalty / Punishment / Compounding Fees imposed	Authority (RD / NCLT / Court)	Appeal made, if any (give details)
<b>A</b>	<b>COMPANY</b>					
	Penalty	NIL	NIL	NIL	NIL	NIL
	Punishment	NIL	NIL	NIL	NIL	NIL
	Compounding	NIL	NIL	NIL	NIL	NIL
<b>B</b>	<b>DIRECTORS</b>					
	Penalty	NIL	NIL	NIL	NIL	NIL
	Punishment	NIL	NIL	NIL	NIL	NIL
	Compounding	NIL	NIL	NIL	NIL	NIL
<b>C</b>	<b>OTHER OFFICERS IN DEFAULT</b>					
	Penalty	NIL	NIL	NIL	NIL	NIL
	Punishment	NIL	NIL	NIL	NIL	NIL
	Compounding	NIL	NIL	NIL	NIL	NIL

## Annexure - III

### FORM AOC – 1

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the Financial Statement of Subsidiaries / Associate Companies / Joint Ventures

#### Part "A": Subsidiaries

1	Name of the Subsidiary	WeP Digital Services Limited (Formerly known as eRM Solutions Private Limited)
2	Reporting period for the Subsidiary concerned, if different from the Holding Company's reporting period	1 <sup>st</sup> April to 31 <sup>st</sup> March
3	Reporting Currency and Exchange rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries	INR
4	Share Capital	4,81,00,000
5	Reserves & Surplus	(3,67,67,783)
6	Total Assets	2,59,22,354
7	Total Liabilities	2,59,22,354
8	Investments	Nil
9	Turnover	1,04,61,000
10	Profit / Loss before Taxation	(3,79,67,460)
11	Provision for Taxation	(92,80,626)
12	Profit / Loss after Taxation	(2,86,86,834)
13	Proposed Dividend	Nil
14	% of Shareholding	100%

#### Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

1	Name of Associates / Joint Ventures	Not Applicable
2	Latest Audited Balance Sheet Date	Not Applicable
3	Shares of Associate / Joint Ventures held by the company on the year end	Not Applicable
	Number of Shares	Not Applicable
	Amount of Investment in Associates / Joint Venture	Not Applicable
	Extend of Holding %	Not Applicable
4	Description of how there is significant influence	Not Applicable
5	Reason why the associate / joint venture is not consolidated	Not Applicable
6	Networth Attributable to Shareholding as per latest Audited Balance Sheet	Not Applicable
7	Profit / Loss for the year	Not Applicable
	i. Considered in Consolidation	Not Applicable
	ii. Not Considered in Consolidation	Not Applicable

For and on behalf of the Board of Directors

Shankar Jaganathan  
Director

Ram N Agarwal  
Chairman and Managing Director

Place: Bengaluru  
Date: 4<sup>th</sup> August, 2018

Sandeep Goyal  
Chief Financial Officer

Sujata Lele  
Company Secretary

## Secretarial Audit Report

Form No. MR-3

For the Financial Year ended 31<sup>st</sup> March 2018

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

To,

The Members,  
WeP Solutions Limited  
40/1A, Basappa Complex, Lavelle Road, Bengaluru - 560 001

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by WeP Solutions Limited (herein after referred to as "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the company has, during the audit period covering the Financial Year ended on 31<sup>st</sup> March 2018 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31<sup>st</sup> March 2018 according to the provisions of:

1. The Companies Act, 2013, (the Act) and the Rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) as amended up to the date of audit;
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2009;
  - d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board Of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
6. The Company has identified the following laws as applicable to them:
  - a) Employees Provident Fund and Miscellaneous Provisions Act, 1952
  - b) Employees State Insurance Act, 1948
  - c) Environment Protection Act, 1986 and other applicable environmental laws
  - d) Indian Contract Act, 1872
  - e) Income Tax Act, 1961 and other related laws
  - f) Payment of Bonus Act, 1965
  - g) Payment of Gratuity Act, 1972 and such other applicable labour laws.
  - h) The Information Technology Act, 2000
  - i) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
  - j) The Central Goods and Service Tax Act, 2017 with effect from 1st July 2017

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws, Rules and Regulations to the Company. I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India to the extend applicable as on the date of my audit
- b) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The company has listed its securities with Bombay Stock Exchange (BSE) and the shares of the company are traded regularly. Company has paid the Listing fee applicable within the time limit allowed.

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

I further report that:

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- (ii) Adequate notice is given to all Directors to schedule the Board and other Committee meetings. Agenda and detailed notes on agenda were sent at least seven days in advance 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.
- (iii) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- (iv) There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- (v) During the audit period the company has no major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013, having major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.
- (vi) During the audit period, the Company has issued 10,00,000 Convertible Warrants to the Promoter / Promoter Group on Preferential Basis in terms of Chapter VII of SEBI (ICDR) Regulations, 2009. Members approval through a Postal Ballot is received for the same.
- (vi) During the period under review, there were no instances of:
  - a) Public/Rights/Debentures/Sweat Equity.
  - b) Redemption Buy Back of Securities
  - c) Merger/Amalgamation/Reconstruction etc.,
  - d) Foreign Technical Collaborations.

This report has to be read with our letter of even date which is annexed as **Annexure-A** and forms an integral part of this Report.

For S. Kannan And Associates

S Kannan  
Proprietor  
FCS No. 6261 / C P No.: 13016  
Firm No. S2017KR473100

Place: Bengaluru  
Date: 3<sup>rd</sup> August, 2018

## Annexure - A

To,  
The Members,  
WeP Solutions Limited  
40/1A, Basappa Complex, Lavelle Road, Bengaluru - 560 001.

Our report of even date is to be read along with this letter.

- a. Maintenance of Secretarial Record is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on our audit.
- b. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
- d. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- e. 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.
- f. We further report that, based on the information provided by the Company its officers, authorised representatives during the conduct of the audit, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like Labour laws & Environment laws and Data protection policy.
- g. We further report that the Compliance by the Company of applicable Financial Laws like Direct & Indirect tax laws, the correctness and appropriateness of financial records and Books of Accounts of the Company have not been reviewed in this audit since the same has been subject to review by the Statutory Auditor and other designated professionals.

For S. Kannan And Associates

S Kannan  
Proprietor  
FCS No. 6261 / C P No.: 13016  
Firm No. S2017KR473100

Place: Bengaluru  
Date: 3<sup>rd</sup> August, 2018

## Annexure - V

### FORM AOC – 2

(Pursuant to clause (h) of Section 134(3) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

This Form pertains to the disclosure of particulars of contract/arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

#### 1. Details of contracts and arrangements or transactions not at arm's length basis:

1	Name(s) of the related party	NIL
2	Nature of Relationship	NIL
3	Nature of contract / arrangements / transactions	NIL
4	Duration of the contracts / arrangements / transactions	NIL
5	Salient terms of the contracts / arrangement / transactions including the value, if any	NIL
6	Justification for entering into such contracts or arrangements or transactions	NIL
7	Date of approval by the Board, if any	NIL
8	Amount paid as advances, if any	NIL
9	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	NIL

#### 2. Details of material contracts or arrangement or transaction at arm's length basis:

1	Name(s) of the related party	WeP Peripherals Limited	WeP Digital Services Limited (Formerly known as eRM Solutions Private Limited)
2	Nature of Relationship	Promoter Company	Subsidiary Company
3	Nature of contract/arrangements / transactions	Purchase and Sale of Goods and Services	Purchase and Sale of Goods and Services and Interest received on Loan
4	Duration of the contracts / arrangements / transactions	1 <sup>st</sup> April 2017 to 31 <sup>st</sup> March 2018	1 <sup>st</sup> April 2017 to 31 <sup>st</sup> March 2018
5	Salient terms of the contracts / arrangement / transactions including the value, if any	Purchase of Goods and Services (excluding taxes) – ₹ 85,94,300/- Initial Consideration (25%) for allotment of warrants received – ₹ 1,50,00,000/-	Purchase of Goods and Services – ₹ 1,44,240/- Sale of Goods and Services – ₹ 37,80,273/- Interest received on Loan (Gross of TDS) – ₹ 2,28,596/-
6	Justification for entering into such contracts or arrangements or transactions	Sale and Purchases of Goods and Services	Purchase and Sale of Goods and Services and Interest received on loan
7	Date of approval by the Board, if any	27 <sup>th</sup> May, 2017	17 <sup>th</sup> May, 2017
8	Amount paid as advances, if any	NIL	NIL

Note: Appropriate approvals have been taken from Audit Committee for related party transactions.

For and on Behalf of the Board of Directors

Place: Bengaluru

Date: 4<sup>th</sup> August, 2018

Ram N Agarwal

Chairman and Managing Director



## Annexure - VI

### Details Pertaining to Remuneration as Required Under Section 197(12) of The Companies Act, 2013 read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The information required under Section 197 of the Companies Act, 2013 and the Rules made there-under, in respect of the employees of the company are as mentioned below:

- a) The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the Financial Year 2017-18:

Name of Director	Title	Ratio of Median Remuneration
Ram N Agarwal	Chairman and Managing Director	NIL
H V Gowthama*	Independent Director	0.48
Sudhir Prakash	Independent Director	0.07
Shankar Jaganathan	Independent Director	0.41
Mythily Ramesh	Independent Director	0.24
B R Ganesh**	Small Shareholders and Independent Director	0.14
G H Visweswara	Independent Director	0.31
Dr. A L Rao	Non – Executive Director	0.29
Prashee Agarwal***	Non – Executive Director	NIL

Note: \*Resigned w.e.f 26<sup>th</sup> June, 2018; \*\*Cessation w.e.f 22<sup>nd</sup> September, 2017; \*\*\*Resigned w.e.f 27<sup>th</sup> July, 2018

- b) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any in the Financial Year 2017-18:

Name of Director / Key Managerial Personnel	Title	Percentage Increase in Remuneration
Ram N Agarwal	Chairman and Managing Director	Not Applicable
H V Gowthama*	Independent Director	Not Applicable
Sudhir Prakash	Independent Director	Not Applicable
Shankar Jaganathan	Independent Director	Not Applicable
Mythily Ramesh	Independent Director	Not Applicable
B R Ganesh**	Small Shareholders and Independent Director	Not Applicable
G H Visweswara	Independent Director	Not Applicable
Dr. A L Rao	Non – Executive Director	Not Applicable
Prashee Agarwal***	Non – Executive Director	Not Applicable
Sandeep Goyal	Chief Financial Officer	14.50%
Sujata Arvind Lele	Company Secretary	12.00%

Note: \*Resigned w.e.f 26<sup>th</sup> June, 2018; \*\*Cessation w.e.f 22<sup>nd</sup> September, 2017; \*\*\*Resigned w.e.f 27<sup>th</sup> July, 2018

- c) The percentage increase in the median remuneration of employees in the Financial Year 2017-18: 7.30%  
d) The number of permanent employees on the rolls of company in the Financial Year 2017-18: 180  
e) The explanation on the relationship between average increase in remuneration and company performance:

On an average, employees received an increase of 11.90%. The increase in remuneration is in line with the market trends. In order to ensure that remuneration reflects Company performance, the performance pay is linked to organization performance.

f) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

(₹ in Lakhs)

Remuneration of Key Managerial Personnel (KMP) during the Financial Year 2017-18 (aggregated)	67.38
Revenue from Operations	8072.69
Remuneration (as % of Revenue)	0.83%
Profit Before Tax (PBT)	(177.73)
Remuneration (as % of PBT)	NA

g) Variation in the market capitalization of the Company, Price Earning Ratio as at the closing date of the current Financial Year and previous Financial Year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year:

Particulars	Unit	As on 31 <sup>st</sup> March 2018	As on 31 <sup>st</sup> March 2017	Variation
Closing rate of Shares at Bombay Stock Exchange (BSE)	₹	40.20	53.10	(24%)
EPS (Consolidated)	₹	(0.59)	0.12	(591%)
Market Capitalization	₹	10,099.27 Lakhs	13,317.31 Lakhs	24%
Price Earning Ratio	Ratio	NA	442.50	NA

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

The average increase in Salaries of employees other than Managerial Personnel in 2017-18 was 11.90%. There was no increase in the Managerial Remuneration during the year.

i) Comparison of each remuneration of Key Managerial Personnel against the performance of the Company:

(₹ in Lakhs)

Particulars	Managing Director	Chief Financial Officer	Company Secretary
Remuneration	Nil	53.99	5.29
Revenue	8072.69	8072.69	8072.69
Remuneration (as % of revenue)	NA	0.66%	0.06%
Profit Before Tax (PBT)	(177.73)	(177.73)	(177.73)
Remuneration (as % of PBT)	NA	NA	NA

j) The key parameters for any variable component of remuneration availed by the Director:

The remuneration payable to the Chairman and Managing Director is based on a percentage share of profit made by the Company.

k) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: NA

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

The Company affirms remuneration is as per the remuneration policy of the Company.

## Management Discussion and Analysis

*Investors are cautioned that this discussion contains statements that involve risks and uncertainties. Statements in this report on Management discussion and analysis relating to the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based upon certain assumptions and expectations of future events. Actual results could however differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand supply conditions, selling prices, raw material costs and availability, changes in government regulations and tax structure, general economic developments in India and abroad, factors such as litigation, industrial relations and other unforeseen events. The Company assumes no responsibility in respect of forward looking statements made herein which may undergo changes in future on the basis of subsequent developments, information or events.*

### 1. Overview

The year 2017-18 is a landmark year in the history of Indian taxation regime. With the introduction of Goods and Services tax (GST), India has seen a massive change in the way businesses had to be done. After demonetization in 2016-17, GST changed the complete landscape of Indian business environment. Every individual in the country and every enterprise, be it small, medium or large had to undergo transition. Digitization became the buzz word and with GST the need to digitize significantly increased.

### 2. Financial Performance

Your company's revenues come from two major lines of business; Managed Printing Solutions (MPS) Service business and the Manufacturing, Design and Distribution of Computer Peripherals business (Printers business). During the last year, the Digital Services business started its operations. The Printers business has the Retail Billing Printers and the traditional Dot Matrix printer business. As discussed in our previous annual reports, your company has been transforming by reducing the share of the traditional Dot matrix printer business. In 2017-18, only 29% of the total revenue came from this traditional line as against 50% plus three years back. The Retail Billing Printers business is growing significantly and is expected to do so in coming periods. The MPS business continued its positive-growth trend again in this year.

#### Revenue

In continuation to a good performance in the previous year, the MPS business logged a growth of 4% again in its services revenue. The revenues grew from ₹ 396 Mn in FY 2017 to ₹ 412 Mn in FY 2018. MPS business is swiftly upgrading into a Technical solution as against a standard Printing solution approach earlier. During the year, the company has collaborated with leading technical solution providers in this space and have developed customized solutions to meet the requirements of its customers. Revenues in the Printers business declined during this year due to drop in the Dot Matrix Printers revenue. The revenues dipped to ₹ 376 Mn in FY 2018 from ₹ 401 Mn in FY 2017. However, the Retail Billing Printers registered a growth of 15% over the previous year. The company started a new segment of Digital Services during the year. The business is focused on providing GST services, Document management solutions, Aadhar enabled authentication and payment solutions to both enterprise and retail customers. Digital business clocked a revenue of ₹ 11.6 Mn during the year. A major portion of the business is operated through the wholly owned subsidiary WeP Digital Services Limited (formerly known as eRM Solutions Private Limited).

#### Operating Profit

During the year the Consolidated Earnings before Interest, Depreciation and Tax (EBITDA) of the company reduced from ₹ 98 Mn in FY 2017 to ₹ 88 Mn in FY 2018. The EBIT declined from ₹ 18.5 Mn in FY 2017 to ₹ (8.3) Mn in FY 2018. The primary reason for the loss in the current year is the investments made in the Digital Services business. This business incurred a loss of ₹ 62 Mn in the FY 2018. The company is confident that the investments made will result in much improved performance in the coming years.

During the year, the company has invested ₹ 97 Mn in asset deployment for MPS business in addition to the ₹ 139 Mn invested in the previous year. This has resulted in an increase in Depreciation of ₹ 16 Mn alone. In addition to this, the MPS business invested in developing resources and technical capability for providing solution centric printing services. This resulted in a drop in EBIT of this business from ₹ 59 Mn in FY 2017 to ₹ 38 Mn in FY 2018.

The Printers business made a significant improvement in its profitability. The turn-around initiated last year, was made possible largely due to the steps taken to control costs and rationalise the product mix. This business came back strongly to generate an EBIT of ₹ 15 Mn in FY 2018 as against loss of ₹ 33 Mn in the FY 2017.

#### Net Working Capital

The MPS operations are working capital intensive as it has to maintain supplies of spare parts and consumables across India for meeting customer service commitments. Further, since the customers are usually large corporates, public sector banks etc, there are receivables for the products supplied and services rendered. The company has made conscious efforts to reduce the capital deployment in the printers' business. The overall working capital cycle slightly increased from 68 days in FY 2017 to 73 days in FY 2018. While there was an improvement in the Inventory holding period, the receivables outstanding period increased from 54 days to 60 days. The receivables were impacted due to the delays in processing of payment by customers owing to changes required to meet the GST compliance.

The Net Operating Cash flows were ₹ 67.3 Mn as against ₹ 144.21 Mn in FY 2017. The cash flows were impacted due to investment in the Digital business and the increase in receivables during the year ending March 31, 2018. The cash flows were used to invest in the capex required for MPS business and also for expanding its foray into Digital services initiative.

### 3. Internal Control Systems and their adequacy

The Company has in place adequate internal control systems commensurate with its size and nature of its operations. The Internal Financial Control (IFC) framework devised by the company have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, safeguarding Company's assets, promoting operational efficiencies and ensuring compliance with various statutory provisions.

The company has appointed M/s. Gnanoba & Bhat, Chartered Accountants to oversee and carry out the internal audit of its activities. The Audit Committee reviews the adequacy of internal control systems, audit findings and suggestions. The Company's Internal Auditors regularly interact with the Audit Committee to share their findings and the status of further improvement actions under implementation.

### 4. Human Resource Development / Industrial relations

WeP's people centric focus providing an open work environment and fostering continuous learning, improvement and development helped its employees to facilitate delivery of excellence for its customers. WeP believes that success of any company lies in making the customers happy and satisfied. The human resources strategy enabled the company to attract, integrate, develop and retain the best talent required for driving the business growth. The company has created a Performance driven environment with all employees having identified Key result areas directly aligned with the business results.

Talent Transformation and Leadership development have been the key focus areas over the last few years. Company believes in nurturing internal talent to leadership positions and provides an environment of adequate training, cross functional team assignments to aid them.

WeP continued its focus on fresh campus hires and has developed an exhaustive internal training module involving mentoring programmes, live case studies, on field training modules in addition to class room training. Quarterly Rewards & Recognitions for best performers and Annual Recognition awards are given in order to promote a culture of competition and performance driven by WeP Values.

#### SWOT Analysis

We appreciate the market realities, stiff competition faced by your company mostly from the unorganized and local service providers. And your Board acknowledges the following major SWOT analysis more specific to your company.

#### Strengths:

1. Comprehensive Digital Services Provider with variety of Digital Solutions like Aadhaar Authentication, GST Services, Document Management Solutions, E-Sign Service etc
2. Ability to develop customized printing and billing solutions for various applications both on device and non-device based platforms.
3. Scalable infrastructure with PAN India presence, wide geographical reach and strong operational expertise.
4. Long standing relationships with Customers and Technology partners.
5. Technical solution partnerships for the MPS business expansion.

#### Weaknesses:

1. Dependency on products manufactured by other OEM's for providing solutions in MPS business.
2. Inability to develop in-house technical expertise quickly to move up the value chain in MPS business.
3. Inability to retain key resources and attract talent due to lack of substantial revenue growth.

#### Opportunities:

1. Early move in GST services by way of a comprehensive GSP and ASP solution.
2. Uniquely positioned to provide one stop source of Digital Services.
3. Changes in regulatory and economic environment fuelling the need for printing and document management solutions.
4. Increasing number of customers looking for expert partners to manage their non-core needs vis a vis their core business.

#### Threats

1. Customer concentration in MPS business. Any impact due to these customers can adversely impact the company.
2. Constant regulatory changes in the GST landscape can impact the potential of the Digital business.
3. Assets under deployment in MPS business are reaching their cycle of replacement, thereby creating a pressure on the Investment plans of the company.
4. Significant revenues of the company are from the Banking, Financial Service and Insurance (BFSI) Segments. Any direct or indirect impact on the BFSI industry can impact the revenues of the company.

5. As the company is largely dependent on imports for its supply of printers, consumables and spares, rupee depreciation impacts the margin of the company significantly.

### **Risk Management Process**

The company has an established sound risk management process which is overseen by the Risk Management Committee of the Board through a structured framework. Strategic, Operational and Business risks are identified and appropriate mitigating action plans are put in place by the company. They are reviewed periodically.

The following risks are identified as key risks by the company. The mitigating steps taken to counter them are also outlined below.

### **Revenue Concentration**

The company has concentration of revenue coming in from industry segments like Banking, Financial services and Insurance. Further, a few customers also contribute to a fair share of the revenue for the company. Such concentration exposes the company to a risk inherent in that segment or for a particular customer.

### **Mitigants**

We have adopted prudent norms based on which we monitor and prevent undesirable concentration in geography, industry or customer. The quest for diversified activities within the existing realm of overall management after due consideration of the advantages and disadvantages of each activity is consistent with company policy of increasing business volumes with minimum exposure to undue risks. Concentration of revenue from any particular segment of the industry is sought to be minimized over the long term by careful extension into other activities, particularly in areas the company has some basic advantage such as availability of land, technical or manpower resources.

### **Inventory Obsolescence Risk**

The company needs to maintain printers for a period of more than 48 months. These models are constantly upgraded by the principal suppliers. However the company needs to maintain adequate stocks of spares and toners at all its customer locations in order to meet the customer requirements. These spares may or may not be used. This leads to a risk of us maintaining obsolete stocks. At times we are required to maintain inventory for demo equipments, replacement for repairs and normal distribution stocks. Your company faces the risk of obsolescence in the event of not being able to sell or deploy the above stocks.

### **Mitigants:**

Your company is conscious of these risks and tracks and monitors its inventory at regular intervals to minimize obsolescence. Your company continuously monitors the stock levels of such items and ensures they are within the reasonable limits.

### **Industry Risk**

Your company is facing stiff competition from other players who are both organized large brand owners and unorganized local players. This competition forces the company to cut down its margins and reduce price for its products and services for both the existing customers and new potential customers.

### **Mitigants:**

Your company has put in a focused approach towards monitoring all such competitive activities. Your company reviews its customer relationship strategy periodically and keeps providing innovative and new solutions. Your company is also focusing on moving up the value chain at the customer by providing Document Management solutions. Your company believes in providing value to the customers and has put in a dedicated team to manage the existing and new customers.

### **Foreign Exchange Risks:**

A good amount of import of stock is done in order to meet the consumables, spares and printer requirement. The time involved from the date of order, receipt of the stock from the vendor, supply to the customer has remained in the range of 30 to 45 days. Further, the credit period from the vendor is an average period of 45 to 60 days. This time lag is potential enough to affect the profitability of company due to fluctuation in the currency exchange rate.

### **Mitigants:**

Company has a defined policy for managing its foreign exchange exposure. The management reviews the hedging policy on a quarterly basis and takes appropriate decision from time to time in order to minimize the impact of such volatility.

### **System Risks**

These risks relate broadly to System capability, System reliability, Data integrity risks, coordinating and interfacing risks.

### **Mitigants:**

IT department maintains repairs and upgrades the systems on a continuous basis with personnel who are trained in software and hardware. Password protection is provided at different levels to ensure data integrity. Licensed software is being used in the systems. The Company ensures "Data Security", by having access control/restrictions.

# Report on Corporate Governance

*(Pursuant to Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

## Company's Philosophy on Corporate Governance

Corporate Governance refers to a combination of laws, regulations, procedures, implicit rules and good corporate practices which ensure that a company meets obligations to optimize shareholders value and fulfill its responsibilities to the community, customers, employees, Government and other segments of society. Emphasizing on transparency, empowerment, accountability and integrity are essential ethics for a good corporate citizen.

The Company has established systems and procedures to ensure that its Board of Directors are well informed and well equipped to discharge its overall responsibilities and to provide the management with the strategic direction catering to exigency of long term shareholders value.

Your company is fully aware of its responsibilities towards its stakeholders and the benefits of being a good corporate citizen. Our business modules are revolving around the core values of excellence, integrity, responsibility, accountability, innovative, law abiding and empowerment.

A report on Compliance with the principles of Corporate Governance as prescribed by SEBI in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as mentioned below:

## Board of Directors

Over a period of time, the Board has fostered a culture of leadership to sustain your Company's growth with a long term vision and ingenious policy to improve the degree of Corporate Governance. A strong Corporate Governance is the key to business sustainability. The Board, inter alia, focuses on strategic planning, risk management, compliance, corporate governance to maintain high standards of ethical conduct and integrity and succession planning for the Directors.

## Composition of the Board

As on 31<sup>st</sup> March, 2018 the Board consists of Eight Directors. Besides the Chairman and Managing Director, the Board comprises of five Independent Directors, two Non-Executive Directors. At present the Board consists of six Directors. Besides the Chairman and Managing Director, the Board comprises of four Independent Directors, one Non-Executive Director. The composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as the Companies Act, 2013 read with the Rules issued thereunder. This appropriate composition of the Board of Directors enables in maintaining the Independence of the Board and separates its functions of governance and management. Detailed profile of each Director is available on the website of the Company at [www.wepsolutions.co.in](http://www.wepsolutions.co.in) in the 'Investor Corner' section.

## Composition of the Committees as on 31<sup>st</sup> March, 2018

The Board has constituted various committees with an optimum representation of its members and has assigned them specific terms of reference in accordance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These committees hold meetings at such frequency as is deemed necessary by them to effectively undertake and deliver upon the responsibilities and tasks assigned to them.

As on 31<sup>st</sup> March, 2018, the Company has four Board Level Committees viz., Audit Committee, Nomination and Compensation Committee, Risk Management Committee, and Shareholders/Investors' Grievance cum Share Transfer Committee.

The Board along with its Committees provides leadership and guidance to the Company's Management and directs, supervises and controls the performance of the Company.

## Number of Meetings

- **Board Meeting:**

During the Financial Year 2017-18, Seven Meetings of the Board of Directors were held on 27<sup>th</sup> May, 2017, 30<sup>th</sup> June 2017, 19<sup>th</sup> August, 2017, 18<sup>th</sup> November, 2017, 28<sup>th</sup> December, 2017, 10<sup>th</sup> February, 2018 and 15<sup>th</sup> February, 2018 and the maximum gap between two meetings did not exceed four months as stipulated in Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board meets at least once in a quarter to review the quarterly financial results and other items on the Agenda. Additional meetings are held to address specific needs of the Company. In case of any exigency/ emergency, resolutions are passed by circulation.

- Annual General Meeting:**

The last Annual General Meeting (AGM) of the Company was held on Thursday, 3<sup>rd</sup> August, 2017, Eight Directors including the Chairman of the Audit Committee and Statutory Auditor - Vinay D Balse attended the 22<sup>nd</sup> Annual General Meeting held on Thursday, 3<sup>rd</sup> August, 2017.

### Directors' Attendance Record and their Other Directorships / Committee Memberships

As mandated by Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the Director is a member of more than ten Board level committees or Chairman of more than five committees across all companies in which he is a Director. Composition of the Board of Directors of the Company and other Directorship(s) / Committee Membership(s) / Chairmanship(s) as on 31<sup>st</sup> March, 2018 and number of meetings held during their tenure and attended by them is as mentioned below:

The details of Composition, Directors' Attendance and other particulars are as under:

Name of the Director	Category	No of Board Meetings during the year 2017-18		Whether attend the last AGM	Number of other Directorship and Committee Membership / Chairmanship		
		Held	Attended		Committee Membership	Committee Chairmanship	Other Directorships
Ram N Agarwal	Chairman and Managing Director	7	7	Yes	2	-	4
H V Gowthama*	Independent Director	7	7	Yes	3	3	-
Sudhir Prakash	Independent Director	7	2	No	1	-	8
Shankar Jaganathan	Independent Director	7	6	Yes	2	1	2
Mythily Ramesh	Independent Director	7	4	Yes	2	-	1
B R Ganesh**	Small Shareholder and Independent Director	3	2	Yes	-	-	2
Dr. A L Rao	Non-executive Director	7	6	Yes	-	-	5
G H Visweswara	Independent Director	7	6	Yes	2	-	1
Prashee Agarwal***	Non-Executive Director	7	3	Yes	-	-	1

Note:

1. Video / Tele-conferencing facilities are used for the Board Meetings.

2. \* Resigned w.e.f 26<sup>th</sup> June, 2018; \*\* Cessation w.e.f 22<sup>nd</sup> September, 2017; \*\*\* Resigned w.e.f 27<sup>th</sup> July, 2018

### Board Procedures

The dates for meetings of the Board of Directors and its Committees are scheduled in advance. Board Members are given agenda papers along with necessary documents and information in advance of each meeting of the Board and Committee(s). However in exigencies or urgencies, few resolutions are passed by way of circulation. The Board periodically reviews the compliance report with respect to laws and regulations applicable to the Company. The recommendations of the Committees are placed before the Board for necessary approvals. The information as enumerated in Regulation 17 and Part A of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is made available to the Board of Directors for discussion and consideration.

### Evaluation of the Board Effectiveness

In terms of applicable provisions of the Companies Act, 2013 read with rules framed thereunder and Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on the recommendations of the Nomination and Compensation Committee, the Board of Directors have put in place a process to formally evaluate the effectiveness of the Board, its Committees along with the performance evaluation of each Director to be carried out on an annual basis. Accordingly, the Annual Performance Evaluation of the Board, its Committee and each Director was carried out for the Financial Year 2017-18.

### Selection / Appointment of Directors

The Board is responsible for selection of new directors. The Board delegates the screening and selection process involved in selecting new directors to the Nomination and Compensation Committee. The Nomination and Compensation Committee in turn makes recommendations to the Board on the inclusion of any new director.

The Committee inter-alia, considers qualification, positive attributes, area of expertise and number of directorships and memberships held in various committees of other companies by such person. The Board considers the Committee's recommendation, and takes appropriate decision.

### **Independent Directors**

The Company has on its Board, Independent Directors who have brought in independent judgment to Board's deliberations including issues of strategy, risk management and overall governance. They have played a pivotal role in safeguarding the interests of all stakeholders. Every Independent Director, at the first meeting of the Board in which he/she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he/she meets the criteria of independence as provided in Companies Act, 2013, Schedule V and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **Tenure of Independent Director**

The tenure of the Independent Directors is fixed in accordance with the requirements laid down in the Companies Act, 2013 and clarifications / circulars issued by the Ministry of Corporate Affairs, in this regard, from time to time.

### **Formal Letter of appointment to Independent Directors**

In line with requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has issued formal letters of appointment to all the Independent Directors. A sample letter of appointment is available on the website [www.wepsolutions.co.in](http://www.wepsolutions.co.in).

### **Performance Evaluation of Independent Directors**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, performance evaluation has been done of the Board, its Committees and individual Board members, including Independent Directors excluding the Director being evaluated. On the basis of the performance evaluation done by the Board, it shall be determined whether to extend or continue their term of appointment, whenever their respective term expires.

### **Separate Meeting of the Independent Directors**

The Independent Directors of the Company met separately without the presence of Non-Independent Directors and the members of Management. The meeting was conducted to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company.

In accordance with Regulation 25(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, following matters were, inter-alia, discussed in the meeting:

- Performance Evaluation of Non-Independent Directors and Board as a whole against a set of pre-defined norms.
- Performance Evaluation of the Chairperson of the Company against the objectives set at the beginning of the year.
- Assessment of the quality, quantity and timeliness of flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### **Familiarization Programme for the Independent Directors**

Pursuant to Regulation 25(7) and Regulation 46(2)(i) of Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company conducts the 'Familiarization Program' when a new Independent Director joins the Board of the Company.

The Company conducts 'Familiarization Programme' for the Independent Directors to provide them an opportunity to familiarize with the Company, its management and its operations so as to gain a clear understanding of their roles and responsibilities and contribute significantly towards the growth of the Company. They have full opportunity to interact with Senior Management Personnel and are provided all the documents required and sought by them for enabling them to have a good understanding of the Company, its various operations and the industry of which it is a part. The details of the 'Familiarization Program' have also been uploaded on the website of the Company at [www.wepsolutions.co.in](http://www.wepsolutions.co.in).

### **Code of Conduct**

The Company has adopted a Code of Business Conduct and Ethics for Board of Directors viz., all members of management one level below Directors, including all functional heads. The Code has been communicated to all the Directors and Members of Senior



Management. The code has been circulated to the Directors and Management Personnel, and its compliance is affirmed by them annually. The Annual Report contains a declaration to this effect signed by the Managing Director.

The Company's Code of Business Conduct and Ethics has been suitably modified to include requirements laid down in Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Code is also available on the Company's website [www.wepsolutions.co.in](http://www.wepsolutions.co.in).

### Materially Significant Related Party Transaction

During the year, there are no materially significant related party transactions with the company's promoters, directors, the management and their relatives that may have potential conflict with the interest of the company at large.

There were no instances of non-compliance by the company nor have any penalties, strictures been imposed on them by Stock Exchange or SEBI or any other Statutory Authority during the last year on any matter related to capital market.

All the mandatory requirements specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied with.

### Committees of the Board

As on 31<sup>st</sup> March, 2018, the Company has four Board Level Committees:

- A. Audit Committee
- B. Nomination and Compensation Committee
- C. Risk Management Committee
- D. Shareholders/ Investors' Grievance cum Share Transfer Committee

The Board is responsible for constituting, assigning, co-opting and fixing the terms of reference for members of various committees. To align with the requirements prescribed for such Board Committees under the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors amended the terms of references; wherever required of the Audit Committee, Nomination and Compensation Committee, Risk Management Committee and Shareholders / Investors' Grievance cum Share Transfer Committee.

Details on the roles and composition of these committees, including the number of meetings held during the financial year and the related attendance are mentioned below:

#### Audit Committee

The role of the Audit Committee is governed by its Charter and its composition is in Compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### Composition of the Committee

As on 31<sup>st</sup> March, 2018, the Audit Committee comprises of Four Directors. Chairman of the Audit Committee is an Independent Director. During the Financial Year 2017-18, the Audit Committee meetings were held on 27<sup>th</sup> May, 2017, 19<sup>th</sup> August, 2017, 18<sup>th</sup> November, 2017 and 10<sup>th</sup> February, 2018. The gap between any two meetings did not exceed four months. The Composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2017-18 is as mentioned below:

Name of the Member	Category	Status	No. of Meeting	
			Held	Attended
H V Gowthama*	Independent Director	Chairperson	4	4
B R Ganesh**	Small Shareholders and Independent Director	Member	2	2
Sudhir Prakash	Independent Director	Member	4	1
Shankar Jaganathan ^	Independent Director	Member / Chairperson ^	4	4
G H Visweswara ^ ^	Independent Director	Member ^ ^	-	-

Note: \* Resigned w.e.f 26<sup>th</sup> June, 2018; \*\* Cessation w.e.f 22<sup>nd</sup> September, 2017; ^ Chairperson w.e.f 29<sup>th</sup> June, 2018; ^ ^ Member w.e.f 10<sup>th</sup> February, 2018;

Members of Audit Committee possess financial, accounting expertise and exposure. The Committee invites the CFO, Company Secretary, Statutory Auditor and the Internal Auditor to attend the meetings of the Committee. The Chairman of the Audit Committee was present at the 22<sup>nd</sup> Annual General Meeting (AGM) held on Thursday, 3<sup>rd</sup> August, 2017 to answer shareholders queries.

### **Powers of Audit Committee**

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice;
4. To secure attendance of outsiders with relevant expertise, if it considers necessary;
5. The Audit Committee is empowered, pursuant to its terms of reference and its role, inter-alia includes the following:
  - i) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
  - ii) Recommending to the Board, the appointment, re-appointment and if required the replacement or removal of the Statutory Auditor and the fixation of Audit Fees.
  - iii) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
  - iv) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
    - b. Changes, if any, in accounting policies and practices and reasons for the same.
    - c. Major accounting entries involving estimates based on the exercise of judgment by management.
    - d. Significant adjustments made in the financial statements arising out of audit findings.
    - e. Compliance with listing and other legal requirements relating to financial statements.
    - f. Disclosure of any related party transactions.
    - g. Qualifications in the draft audit report.
6. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
7. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
8. Review and monitor the auditor's independence, performance and effectiveness of audit process;
9. Approval or any subsequent modification of transactions of the company with related parties;
10. Scrutiny of inter-corporate loans and investments, if any;
11. Valuation of undertakings or assets of the company, wherever it is necessary;
12. Evaluation of internal financial controls and risk management systems;
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussion with internal auditors of any significant findings and follow up there on;
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

19. To review the functioning of the Whistle Blower mechanism;
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
22. Mandatory review the following information:
  1. Management Discussion and Analysis of financial condition and results of operations;
  2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  3. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
  4. Internal audit reports relating to internal control weaknesses; and
  5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

### Nomination and Compensation Committee

The role of the Nomination and Compensation Committee is governed by its Charter and its composition is in Compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Composition of the Committee

During the Financial Year 2017-18, the Nomination and Compensation Committee meetings were held on 18<sup>th</sup> November, 2017 and 10<sup>th</sup> February, 2018. The Composition of the Nomination and Compensation Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2017-18 is as mentioned below:

Name of the Member	Category	Status	No. of Meetings	
			Held	Attended
H V Gowthama*	Chairperson*	Independent Director	2	2
Ram N Agarwal	Member	Chairman and Managing Director	2	2
G H Visweswara	Member	Independent Director	2	1
Mythily Ramesh @	Member / Chairperson @	Independent Director	2	1

Note: \* Resigned w.e.f 26<sup>th</sup> June, 2018; @ Chairperson w.e.f 29<sup>th</sup> June, 2018

The Nomination and Compensation Committee of the Company, inter – alia, evaluates, recommends to the Board and approves the Executive Directors compensation plans, policies and programmes of the Company. Nomination and Compensation Committee also has the responsibility for administering Employees Stock Option Plan 2011 (ESOP-2011) and WeP Solutions Limited - Employees Stock Option Plan 2016 (ESOP-2016) of the Company.

The Nomination and Compensation Committee is empowered with the following terms of reference and responsibilities in accordance with the provisions of law and the Nomination and Compensation Policy:

1. To formulate the criteria for determining qualifications, positive attributes and Independence of a Director, and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
2. Deciding the terms and conditions of Employees Stock Option Plan (ESOP) which inter – alia, include the following:
  - Quantum of options to be granted under the Scheme per employee and in aggregate;
  - Vesting Period;
  - Conditions under which options vested in employees may lapse in case of termination of employment for misconduct;
  - Exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
  - Specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
  - The right of an employee to exercise all options vested in him at one time or various points within the exercise period;

- Forfeiture/ Cancellation of options granted;
- All other issues incidental to the implementation of Employees Stock Option Plan.
- To issue grant letters
- To allot shares upon exercise of vested options.

## Compensation Policy

The compensation paid to Executive Director of the Company is approved by the Board of Directors on the recommendations of the Nomination and Compensation Committee.

- **Non Executive Directors (including Independent Directors)**

Non Executive Directors (including Independent Directors) receives compensation by way of sitting fees for attending meeting of Board or Committee thereof. Independent Directors are not entitled to stock option of the Company.

- **Executive Director**

Remuneration to Executive Director consists of Profit Linked Commission in accordance with the provisions of Section 197 of the Companies Act, 2013, as approved by the Board and within the overall limits prescribed by the Companies Act, 2013.

## Compensation paid to Directors

During the Financial Year 2017-18 your Company has paid ₹ 8,10,000 as Sitting Fees for attending the Board and Committee Meetings to the Non-Executive and Independent Directors of your Company.

Details of Compensation paid to Directors for the Financial Year 2017-18 are as under:

(in ₹)

Name of the Director	Sitting Fees	Salary and Perquisites	Commission	Total	No of Equity Shares held as on 31.3.2018
<b>Chairman and Managing Director</b>					
Ram N Agarwal*	0	0	0	0	3,005,056
<b>Independent Directors</b>					
H V Gowthama**	200,000	0	0	200,000	-
Sudhir Prakash	30,000	0	0	30,000	-
Shankar Jaganathan	170,000	0	0	170,000	2,228
Mythily Ramesh	100,000	0	0	100,000	14,040
G H Visweswara	130,000	0	0	130,000	-
<b>Non – Executive Directors</b>					
Dr. A L Rao	120,000	0	0	120,000	385,542
Prashee Agarwal***	-	0	0	-	5,181
<b>Small Shareholders Director</b>					
B R Ganesh****	60,000	0	0	60,000	1,666

Notes: 1. None of the above directors is eligible for any severance pay, and none of them hold any stock option as on 31<sup>st</sup> March, 2018. 2. The notice period for Directors is such period as is mutually agreed between Director and the Board. 3. During the Financial Year 2017-18, the Company did not advance any loan to any of its Directors. 4. \* Ram N Agarwal re-appointed as Chairman and Managing Director w.e.f 16<sup>th</sup> February, 2018; 5. \*\* Resigned w.e.f 26<sup>th</sup> June, 2018; 6. \*\*\* Resigned w.e.f 27<sup>th</sup> July, 2018; 7. \*\*\*\* Cessation w.e.f 22<sup>nd</sup> September, 2017;

## Risk Management Committee

The Board of Directors have constituted a Risk Management Committee and defined its roles and responsibilities in accordance with the provisions of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Composition of the Committee

As on 31<sup>st</sup> March, 2018, Risk Management Committee comprises of three Directors. The composition of the Risk Management Committee of the Board of Directors of your Company is as mentioned below:

Name of the Member	Category	Status	No. of Meetings	
			Held	Attended
Shankar Jaganathan	Chairperson	Independent Director	1	1
Mythily Ramesh	Member	Independent Director	1	1
Ram N Agarwal*	Member	Chairman and Managing Director	-	-
B R Ganesh**	Member	Small Shareholders and Independent Director	-	-

\* Member w.e.f 10<sup>th</sup> February, 2018; \*\* Cessation w.e.f 22<sup>nd</sup> September, 2017

The Committee's terms of reference, includes identifying Company's risk appetite set for various elements of risk, review the risk management practices and structures and recommend changes to ensure their adequacy of risk management practices in the Company. The risk management policy approved by the Board states the Company's approach to address uncertainties in its endeavors to achieve its stated and implicit objectives. Risk Management Policy and the Internal Financial Controls comprehensively address the key strategic / business risk and operational risks respectively. Risk Management Policy is uploaded on the website of the Company at [www.wepsolutions.co.in](http://www.wepsolutions.co.in).

## Shareholders / Investors' Grievance cum Share Transfer Committee

The composition of the Shareholders / Investors' Grievance cum Share Transfer Committee is in Compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Composition of the Committee

As on 31<sup>st</sup> March, 2018, the Shareholders / Investors' Grievance cum Share Transfer Committee comprises of Two Directors. The composition of the Shareholders / Investors' Grievance cum Share Transfer Committee of the Board of Directors of your Company is as mentioned below:

Name of the Member	Category	Status
H V Gowthama*	Chairperson	Independent Director
G H Visweswara	Chairperson	Independent Director
B R Ganesh**	Member	Small Shareholders and Independent Director
Ram N Agarwal***	Member	Chairman and Managing Director
Dr A L Rao****	Member	Non-Executive Director

\* Resigned w.e.f 26<sup>th</sup> June, 2018; \*\* Cessation w.e.f 22<sup>nd</sup> September, 2017; \*\*\* Member w.e.f 29<sup>th</sup> June, 2018; \*\*\*\* Member w.e.f 29<sup>th</sup> June, 2018.

The Committee has the mandate to review and redress Shareholder Grievances. The Committee ensures cordial investor relations with proper mechanism for redressal of investors' grievances. The committee specifically looks into redressing shareholders' / investors' complaints / grievances pertaining to share transfer, non- receipt of annual reports, non receipt of dividend and other allied complaints.

- a. Details pertaining to the number of Complaints received and responded and the status thereof during the Financial Year 2017-18 are given below:

Number of Investors Complaints pending at the beginning of the Financial Year i.e. 1 <sup>st</sup> April, 2017	Number of Investors Complaint received during the year	Number of Complaints disposed off during the year	Number of Investors Complaints remaining unresolved at the end of the Financial Year i.e. 31 <sup>st</sup> March, 2018
NIL	NIL	NIL	NIL

- b. Details of the queries received and resolved to the satisfaction of investors during the year under review and their break up are as under:

Nature of Query	Received during the Financial Year 2017-18	Disposed off during the Financial Year 2017-18	Pending as on 31 <sup>st</sup> March 2018
Non-Receipt of Annual Reports	11	11	0
Non-Receipt of Dividend Warrant	8	8	0
Dematerialization/ Rematerialization of Shares	0	0	0
Others (Change in correspondence address, mailing id, contact details etc)	3	3	0

The Committee meets as and when required. The Company obtains Certificate from Share Transfer Agent on quarterly basis about the pending complaints against the company. As on 31<sup>st</sup> March, 2018 there were no complaints pending against the company.

### Subsidiary Company – Monitoring Framework

As per Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 'Material Subsidiary' shall mean a subsidiary, whose income or net worth exceeds 20% of the Consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

As on 31<sup>st</sup> March, 2018 there is no material unlisted subsidiary of the Company. M/s. WeP Digital Services Limited (*Formerly known as eRM Solutions Private Limited*) – 100% Subsidiary is managed by its separate Board of Directors, who are empowered to exercise all the duties and rights for efficient monitoring and management of the Company. The Company monitors performance of its subsidiary companies, inter-alia, by the following means:

- The Audit Committee reviews financial statements of the subsidiary companies, along with investments made by them, on a quarterly basis.
- The Board of Directors reviews the Board Meeting minutes and statements of all significant transactions and arrangements, if any, of subsidiary companies.

The Company has formulated a policy for determining its 'Material' Subsidiaries and the same is available on the website of the Company [www.wepsolutions.co.in](http://www.wepsolutions.co.in).

### Related Party Transactions

All transaction entered into by your Company with related parties during the Financial Year 2017-18, were in ordinary course of business and on arm's length basis. The details of the related party transactions are set out in the Notes to Financial Statements forming part of this Annual Report. The Related Party Transactions undertaken by your Company were in compliance with the provisions set out in the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All Related Party Transactions are approved by the Audit Committee prior to the transaction. The Board of Directors of the Company has on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its related parties in compliance with applicable provisions of the Companies Act, 2013, rules thereunder and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy on Related Party Transactions has been placed on the website of the Company at [www.wepsolutions.co.in](http://www.wepsolutions.co.in).

### CFO Certification

In compliance with the Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the CFO Certification for the Financial Year 2017-18 was placed before the Board of Directors at their meeting held on 19<sup>th</sup> May, 2018. The CFO Certification on the financial statements and the cash flow statement for the year is placed at the end of Corporate Governance Report.

### General Body Meeting

The location, date and time of the Annual General Meeting held during the last three years and special resolutions passed therein are as mentioned below:

Financial Year	Category	Location of the meeting	Date	Time	Special Resolution
2016-17	Annual General Meeting	Rotary Club, Lavelle Road, Bengaluru 560 001	3 <sup>rd</sup> August, 2017	3.00 PM	To Approve ESOP-2016 for Subsidiary Company
2015-16	Annual General Meeting	Rotary Club, Lavelle Road, Bengaluru 560 001	22 <sup>nd</sup> September, 2016	3.00 PM	To Approve ESOP-2016
2014-15	Annual General Meeting	Rotary Club, Lavelle Road, Bengaluru 560 001	27 <sup>th</sup> August, 2015	4.00 PM	Appointment of Ram N Agarwal as Managing Director for a period of three years w.e.f 16 <sup>th</sup> February, 2015.

All the Special Resolution set out in the notice of the Annual General Meeting were passed by the Shareholders at the respective meetings with requisite majority.

### Extra Ordinary General Meeting

No Extraordinary General Meeting of Members was held during the year.

### Postal Ballot

During the year under review, in pursuance of Section 110 of the Companies Act, 2013 read with Rule 22 of Companies (Management and Administration) Rules, 2014, Postal Ballot was conducted (including e-voting) seeking approval of shareholders by the way of Special Resolution for the Issue of 10,00,000 Warrants convertible into Equity shares of ₹ 10/- each at a price of ₹ 60/- (including a premium of ₹ 50/-) per warrant to Promoter on Preferential Basis.

Vinay B L, Practicing Company Secretary, Bengaluru was appointed as the Scrutinizer for conducting the Postal Ballot process. The result of the Postal Ballot was announced on 20<sup>th</sup> December, 2017. The result of Postal Ballot was published in Business Standard and Hosa Diganta on 21<sup>st</sup> December, 2017. The result of Postal Ballot was submitted to Bombay Stock Exchange (BSE) as per the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Particulars	No. of Postal / e-voting Ballots	No. of Votes Polled
A. Postal Ballot Forms received from the Shareholders of the Company in Physical Mode	29	31,32,745
B. Postal Ballot Forms received from the Shareholders of the Company in Electronic Mode	47	1,12,18,175
C. Total Postal Ballot Forms received (A+B)	76	1,43,50,920
D. Total Postal Ballot Forms found invalid / abstained	3	1,464
E. Net Valid Postal Ballot Forms (C-D)	73	1,43,49,456

Subject Matter	For			Against			Invalid		
	No. of Members	No. of Votes	%	No. of Members	No. of Votes	%	No. of Members	No. of Votes	%
Issue of Convertible Warrants on Preferential Basis	73	1,43,49,456	99.99	2	14	0	1	1450	0

The Chairman, after receiving the Scrutinizer's Report announced that the special resolution as proposed in the Postal Ballot notice was duly passed with requisite majority.

### Disclosures:

#### Ind AS Applicability

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 w.e.f 1<sup>st</sup> April, 2017.

The transition from previous GAAP to Ind AS has been accounted for in accordance with Ind AS 101 – First Time Adoption of Indian Accounting Standards with April 2016 being the transition date.

In accordance with Ind AS 101-First Time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the presentation of financial statements under accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ('previous GAAP') to Ind AS of total equity as at 1<sup>st</sup> April, 2017 and Total Comprehensive Income for the year ended 31<sup>st</sup> March, 2017.

## Whistle Blower Policy

The Company has established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of our Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism, and allows direct access to the Chairperson of the audit committee in exceptional cases. We further affirm that no employee has been denied access to the audit committee during Financial Year 2017-18. The policy has been disclosed on the website of the Company at [www.wepsolutions.co.in](http://www.wepsolutions.co.in).

## Prevention of Sexual Harassment Policy

The Company is committed to provide a protective environment at workplace for all its women employees. We recognize the rights of our employees and provide forums, support group and policies to hear and address their concerns, and resolve issues and conflicts in a fair and transparent manner. To ensure that every woman employee is treated with dignity and respect and as mandated under 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013' the Company has in place a formal policy for prevention of sexual harassment of its women employees. Our Prevention of Sexual Harassment Policy allows employees to report sexual harassment cases at the workplace. These cases are heard and resolved by an unbiased group. An Internal Committee looks into all the complaints of sexual harassment. The policy has also been uploaded on the website of the Company at [www.wepsolutions.co.in](http://www.wepsolutions.co.in).

## Code of Prevention of Insider Trading Practices

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 and Companies Act, 2013, the Company has in place a comprehensive 'Internal Code for Prevention of Insider Trading' for the Company's Directors and specified executives. The Code lays down guidelines advising them on procedures to be followed and disclosures to be made while dealing/ transacting in the securities of the Company.

## Means of Communication with Shareholders

### Financial Results

The company's quarterly and annual financial results in the proforma prescribed by the stock exchanges are approved and taken on record by the Board within the prescribed time frame and sent forthwith to Bombay Stock Exchange on which the company's shares are listed. The quarterly results of the Company are published in the newspaper immediately on the approval by the Board and also uploaded on the Company's website [www.wepsolutions.co.in](http://www.wepsolutions.co.in). The financial results are published in "Business Standard" and "Hosa Digantha" in vernacular (Kannada) newspaper. The results are not sent to the shareholders individually.

Information about the company in general, its financial results and other information including official press releases can be accessed at the company's website [www.wepsolutions.co.in](http://www.wepsolutions.co.in).

## Annual Report

The Annual Report containing inter alia, Audited Annual Accounts, Directors' Report, Auditor's Report and other important information is circulated to members and others entitled thereto.

In terms of provisions of the Companies Act 2013, service of documents on members by a company is allowed through electronic mode. Further SEBI, vide its Circular Ref. No. CIR/CFD/2011 dated 5<sup>th</sup> October, 2011, has also directed listed companies to supply soft copies of full Annual Reports to all those shareholders who have registered their e-mail addresses for the purpose. Accordingly, the Company proposes to send documents like Shareholders meeting notice / other notices, Audited Financial Statements, Directors' Report, Auditor's Report or any other document, to its member in electronic form at the email address as registered with the Share Transfer Agent. This will definitely help in prompt receipt of communication, reduce paper consumption and save trees as well as avoid loss of documents in transit.

Members who have not yet registered their e-mail (including those who wish to change their already registered e-mail id) may get the same registered / updated with the Share Transfer Agent of the Company. 23<sup>rd</sup> Annual Report for the Financial Year 2017-18 has also been uploaded on the website of the Company at [www.wepsolutions.co.in](http://www.wepsolutions.co.in).

## Website

In compliance with the Regulation 46 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 a functional website of the Company is maintained. The Company's website [www.wepsolutions.co.in](http://www.wepsolutions.co.in) contains a separate section 'Investor Corner' for use of investors. The quarterly, half yearly and annual financial results, official news releases are promptly and prominently displayed on the website. Annual Reports, Quarterly Corporate Governance Report, Shareholding Pattern and other Corporate Communications made to the Stock Exchanges are also available on the website.



## BSE Corporate Compliance and Listing Centre (the 'Listing Centre')

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Media releases among others are also filed electronically on the Listing Centre.

## SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status. During the year under review, no complaints were registered through SCORES.

## Compliance with Regulations

The Company has complied with the requirements of the regulatory authorities on Capital Markets, neither has there been any instances of non-compliance by the Company on any matters related to the Capital Markets, nor has any penalty or strictures been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter related to capital markets during last three years.

The Management Discussion and Analysis forms part of this Annual Report.

Auditor's Certificate on compliance of provisions of Corporate Governance forms part of this Annual Report.

## Dividend Payment

In order to conserve the available resources for future, the Board of Directors of the Company have not recommended any Dividend for the Financial Year 2017-18.

## Dates of Transfer of Unclaimed Dividend

By virtue of the provision laid down under the Companies Act, 2013, the amount of Dividend remaining unpaid/unclaimed for the period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company shall be required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. Given below is the date of declaration of Dividend and corresponding date when unpaid / unclaimed dividend are due for transfer to the IEPF.

The details of the Dividend declared and paid by the Company in past are as mentioned below:

Financial Year	Type of Dividend	Dividend Rate	Date of Declaration	Due Date for transfer to IEPF
2014-15	Final Dividend	5%	27 <sup>th</sup> August, 2015	26 <sup>th</sup> August, 2022
2013-14	Final Dividend	5%	23 <sup>rd</sup> September, 2014	22 <sup>nd</sup> September, 2021

Members who have not encashed their Dividend Warrants are requested to have them revalidated and encashed to avoid transfer to IEPF.

## Employees Stock Option Plan

The Company has Employee Stock Option Plan 2011 and Employees Stock Option Plan 2016 which is administered by the Nomination and Compensation Committee for the benefit of employees. During the Financial Year 2017-18, there has been no change in the Employee Stock Option Plan 2011 and Employees Stock Option Plan 2016 of the Company.

During the Financial Year 2017-18; 42,900 Options were exercised by the employees after vesting. Accordingly the Company has made the allotment 11,700 Equity Shares on 27<sup>th</sup> May, 2017 and 31,200 Equity Shares on 18<sup>th</sup> November, 2017.

Pursuant to Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and as required under the Securities and Exchange Board of India Guidelines, the applicable disclosures as on 31<sup>st</sup> March, 2018 is as tabulated below:

	ESOP Plan 2011	ESOP Plan 2016
Date of Shareholders' Approval	27 <sup>th</sup> September, 2011	22 <sup>nd</sup> September, 2016
Total number of Options approved under the scheme	600,000	600,000
Vesting Schedule		
On Completion of 12 months from the date of Grant of Options	30% vesting	30% vesting
On Completion of 24 months from the date of Grant of Options	30% vesting	30% vesting
On Completion of 36 months from the date of Grant of Options	40% vesting	40% vesting
Exercise Price	₹ 10 per share	₹ 10 per share
Exercise Period	5 Years from the date of vesting	5 Years from the date of vesting
Option movements during the year		
Options outstanding at the beginning of the year	392,300	Nil
Options granted during the year	93,000	132,000
Options Lapsed during the year	17,000	Nil
Options vested and available for exercise	286,300	Nil
Options exercised during the year	42,900	Nil
Variations of terms of Options	None	None
Money realised by exercise of Options (₹)	429,000	Nil
Total number of Options in force as at the end of the year	425,400	132,000
Vested and available for exercise	167,200	Nil
Unvested	258,200	132,000

## Listing

At present, the equity shares of the Company are listed at Bombay Stock Exchange Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. In Compliance with Regulation 14 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Annual Listing fees for the Financial Year 2017-18 has been paid to Bombay Stock Exchange Limited (BSE).

## General Shareholder Information:

Annual General Meeting	Thursday, 20 <sup>th</sup> September, 2018
Time	3:00 PM
Venue	Rotary Club, Lavelle Road, Bengaluru - 560 001.
Book Closure Dates	Friday, 14 <sup>th</sup> September, 2018 to Thursday, 20 <sup>th</sup> September, 2018 (both dates inclusive)
Listing Details	Company's shares are listed at Bombay Stock Exchange (BSE). Scrip Code : 532373 Scrip Name: WEPSOLN ISIN Code : INE434B01029
Corporate Identity Number (CIN) of the Company	L72200KA1995PLC025617

## Market Price Data

(Source: [www.bseindia.com](http://www.bseindia.com))

Month	Open	High	Low	Close	No. of Shares
April, 2017	53.90	61.20	51.55	52.65	6,67,872
May, 2017	52.05	52.95	41.00	45.55	2,90,704
June, 2017	47.45	55.90	45.20	50.30	3,59,560
July, 2017	51.05	52.00	45.00	45.55	1,88,827
August, 2017	44.80	49.45	40.00	42.75	1,47,479
September, 2017	43.10	48.20	40.25	45.00	2,45,999
October, 2017	43.00	57.80	42.10	48.00	3,14,408
November, 2017	48.00	55.75	45.00	49.90	3,67,146
December, 2017	50.00	62.50	48.00	59.70	3,54,970
January, 2018	59.70	64.00	47.50	49.80	4,22,407
February, 2018	50.80	51.50	38.05	43.10	3,98,992
March, 2018	41.50	48.45	38.80	40.20	3,63,484

## Distribution of Shareholding according to number of shares held as on 31<sup>st</sup> March, 2018.

Values of Shares held (₹)	No. of Shareholders	% of Shareholders	Values of Shares held	% to the total paid up capital
0 - 5,000	2,402	55.97	33,02,850	1.31
5,001 - 10,000	396	9.23	32,40,260	1.29
10,001 - 20,000	614	14.31	82,36,240	3.27
20,001 - 30,000	305	7.11	69,31,760	2.76
30,001 - 40,000	95	2.21	32,86,670	1.31
40,001 - 50,000	96	2.24	43,57,750	1.73
50,001 - 100,000	205	4.78	144,48,500	5.74
100,001 - And Above	179	4.17	20,74,21,690	82.45
<b>TOTAL</b>	<b>4,292*</b>	<b>100.00</b>	<b>25,12,25,720</b>	<b>99.86</b>

Note: \* Total Shareholders as on 31<sup>st</sup> March, 2018 are 4,196 after merging of First holder PAN

## Shareholding Pattern as on March 31, 2018

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total Shareholding as a percentage of total number of shares
<b>A. Shareholding of Promoter and Promoter Group</b>			
Individuals*	3	34,67,149	13.80
Bodies Corporate	3	63,35,861	25.22
<b>Total Promoters' Holding</b>	<b>6</b>	<b>98,03,010</b>	<b>39.02</b>
<b>B. Public Shareholding</b>			
Bodies Corporate	79	2600327	10.35
Individuals			
I. Individuals Shareholders Holding Nominal Share Capital upto ₹ 2 lakh	3864	49,23,293	19.60
II. Individual Shareholders Holding Nominal Share Capital in excess of ₹ 2 lakh	72	67,23,514	26.76
Clearing Members	5	4,521	0.02
Hindu Undivided Families	109	2,63,486	1.05
Non Residents Indians - Non Repat	32	251819	1.00
Non Residents Indians - Repat	27	552501	2.20
Trusts	2	101	0.00
<b>Total Public Shareholding</b>	<b>4,190</b>	<b>1,53,19,562</b>	<b>60.98</b>
<b>Total (A)+(B)</b>	<b>4,196</b>	<b>2,51,22,572</b>	<b>100.00</b>

Note: \* With reference to the SEBI Circular dated 30<sup>th</sup> November, 2015 (CIR/CFD/CMD/13/2015) the Shareholding of the Promoter and Promoter Group is to be consolidated on the basis of the PAN and Folio Number to avoid multiple disclosure of Shareholding of the same person.

The Company has not issued any ADRs and GDRs. The foreign shareholding consists of holding by NRIs and other foreign national only. Total number of shares and percentage shareholding by Non-Resident Shareholders is 8,04,320 and 3.20% respectively.

### Registrar and Transfer Agents

Securities and Exchange Board of India (SEBI), through its Circular No. D&CC/FITTC/CIR-15/2002 dated December 27, 2002, has made it mandatory for all work related to share registry, both in physical and electronic form, to be handled either wholly 'in-house' by companies or wholly by a SEBI registered external registrar and transfer agent. The Company has appointed Cameo Corporate Services Limited as its Registrar and Transfer Agent. Details of the Registrar and Share Transfer Agent are given below:

#### Cameo Corporate Services Limited,

"Subramanian Building" V Floor, No.1, Club House Road, Chennai - 600 002

Tel: +(91) (044) 28460390 Fax: +(91) (044) 28460129 E-mail: [investor@cameoindia.com](mailto:investor@cameoindia.com)

### Share Transfer System

All share transfer and other communication regarding share certificates, change of address, dividend etc., should be sent to our Registrar and Transfer Agents. All shares transfer is completed within statutory time limit from the date of receipt provided the documents meet the stipulated requirements of statutory provisions in all respects. The Company obtains from a Practicing Company Secretary half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, and files a copy of the same with Bombay Stock Exchange (BSE).

### Reconciliation of Share Capital Audit

S Kannan and Associates, Practicing Company Secretary (Reg. No. S2017KR473100) carries out the Reconciliation of Share Capital Audit as mandated by SEBI, and reports on reconciliation of total issued and listed capital with that of total share capital admitted / held in dematerialized form with NSDL and CDSL and those held in physical form. The Audit is carried on quarterly basis and the report thereof is submitted to the Bombay Stock Exchange (BSE), where the Company's shares are listed and is also placed before the Board.

## Dematerialization of Shares and Liquidity

The Company's shares are tradable compulsorily in electronic mode. In India there are two depositories i.e. National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL). To facilitate trading in DEMAT form, Company have established connectivity with both the depositories. Shareholders can open their accounts with any of the Depository Participant registered with these depositories. The International Securities Identification Number (ISIN) allotted to our shares under the Depository System is INE434B01029.

### Break up of Shares in Physical and DEMAT form as on 31<sup>st</sup> March, 2018

Category	Number of Shareholders	No. of Shares	% to total equity
<b>DEMAT Segment</b>			
a. NSDL	2,393	2,23,72,681	89.06
b. CDSL	1,150	18,14,415	7.22
<b>DEMAT Segment Total (A)</b>	<b>3,543</b>	<b>2,41,87,096</b>	<b>96.28</b>
<b>Physical Segment (B)</b>	<b>749</b>	<b>9,35,476</b>	<b>3.72</b>
<b>Grand Total (A+B)</b>	<b>4,292*</b>	<b>2,51,22,572</b>	<b>100.00</b>

Note: \*Total Shareholders as on 31<sup>st</sup> March, 2018 are 4,196 after merging of First holder PAN

### Consolidation of Folios and avoidance of multiple mailing

In order to enable the company to reduce cost and duplicity of efforts for providing services to the investors, members who have more than one folio in the same order of names are requested to consolidate their holdings under one folio. Members may write to the Registrar and Share Transfer Agent indicating the folio numbers along with the original share certificates to be consolidated. To enable us to serve our investors better, we request shareholders whose shares are in physical mode to dematerialize their shares and update their bank account details with the respective depository participants.

### Outstanding GDRs / ADRs / Warrants / Options

During the year under review, approval of shareholders by the way of Special Resolution was accorded for the Issue of 10,00,000 Warrants convertible into Equity shares of ₹ 10/- each at a price of ₹ 60/- (including a premium of ₹ 50/-) per warrant to Promoter on Preferential Basis.

### Plant Locations:

- Himachal Pradesh: Plot 87, EPIP, Phase I, Jharmarjri, Dist:Solan, Himachal Pradesh - 174 103.

### Address for Investor's Correspondence

For any queries relating to the Shares of your Company correspondence may be done in the below manner:

#### A. For change of address and bank mandate:

- In case of Shares held in dematerialised form – Shareholder should contact their respective Depository Participant.
- In case of Shares held in physical form – Shareholders should contact the Company's Share Transfer Agent - Cameo Corporate Services Limited, "Subramanian Building" V Floor, No.1, Club House Road, Chennai - 600 002. Tel: +(91) (044) 28460390; Fax: +(91) (044) 28460129; E-mail: [investor@cameoindia.com](mailto:investor@cameoindia.com).

#### B. For all matters relating to investor relations:

The Company Secretary

WeP Solutions Limited, 40/1 A, Basappa Complex, Lavelle Road, Bengaluru - 560 001, Karnataka State.

Shareholders are requested to quote their folio number / DP ID and Client ID, e-mail address, telephone number and full address while corresponding with the Company and its Share Transfer Agent.

Annexure to Report on Corporate Governance for the Financial Year ended 31<sup>st</sup> March, 2018

**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

Corporate Identity No: L72200KA1995PLC025617

Nominal Capital: ₹ 30,00,00,000.00

**A. Compliance Certificate on Corporate Governance**

To,

The Members of WeP Solutions Limited,  
40/1A, Basappa Complex,  
Lavelle Road, Bengaluru - 560 001.

I, S Kannan, Company Secretary, have examined all the relevant records of WeP Solutions Limited ('The Company') for the purpose of certifying compliance of the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the period from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018.

Further, I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification. The compliance of conditions of corporate governance is the responsibility of the Management. My examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance.

This certificate 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. In my opinion and to the best of my information and according to the explanations and information furnished to me, I certify that the Company has complied with all the mandatory conditions of Corporate Governance as applicable under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For S. Kannan And Associates

S Kannan  
Proprietor  
FCS No. 6261 / C P No.: 13016  
Firm No. S2017KR473100

Place: Bengaluru  
Date: 3<sup>rd</sup> August, 2018

**B. Declaration regarding Compliance by the Board Members and Senior Management Personnel with the Company's Code of Conduct pursuant to Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirement), Regulations, 2015.**

This is to certify that pursuant to Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31<sup>st</sup> March, 2018.

For and on behalf of the Board of Directors

Place: Bengaluru  
Date: 4<sup>th</sup> August, 2018

Ram N Agarwal  
Chairman and Managing Director

**C. Chief Financial Officer Compliance Certificate**

*[As per Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Schedule II - Part B]*

I, Sandeep Goyal, Chief Financial Officer, WeP Solutions Limited to the best of my knowledge and belief certify that:

- a. I have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

- b. There are, to the best of my knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and I have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d. I have indicated to the Auditors and the Audit Committee:
- i) Significant changes in internal control over financial reporting during the year;
  - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Place: Bengaluru  
Date: 19<sup>th</sup> May, 2018

Sandeep Goyal  
Chief Financial Officer

# Independent Auditor's Report

To the members of WeP Solutions Limited

## Report on the consolidated Ind AS financial statements

1. We have audited the accompanying consolidated Ind AS financial statements of **WEP SOLUTIONS LIMITED** ("hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

## Management's responsibility for the consolidated Ind AS financial statements

2. The Holding Company's Board of Directors is responsible for preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income) and consolidated cash flows and consolidated statement of changes in the equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
3. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

## Auditor's Responsibility

4. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.
5. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
6. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.
7. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.
8. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

## Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on separate financial statements of the subsidiary referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2018, and its consolidated financial performance including other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year ended on that date.



## Other Matters

10. We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets (net) of Rs. 259.22 lakhs as at March 31, 2018, total revenues of Rs. 110.14 lakhs and net cash outflow amounting to Rs. 13.16 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated Ind AS financial statements; in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on the report of the other auditor.
11. Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statements/financial information certified by the management.

## Report on Other Legal and Regulatory Requirements

12. As required by Section 143(3) of the Act, based on our audit, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
  - (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
  - (e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group company incorporated in India is disqualified as on March 31, 2018 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 group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company and its subsidiary company incorporated in India.
  - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 28 to consolidated financial statements;
    - 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.

For N.M.Raiji & Co.  
Chartered Accountants  
Firm's Registration Number: 108296W

Vinay D. Balse  
Partner  
Membership Number: 39434

Place: Camp Bengaluru  
Date: May 19, 2018

## ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

### REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of WeP Solutions Limited ("the Company") and its subsidiary, as of March 31, 2018.

#### Management's responsibility for internal financial controls

The Board of Directors of the Company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary company, which are companies incorporated in India.

#### Meaning of internal financial controls over financial reporting

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

#### Inherent limitations of internal financial controls over financial reporting

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

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company and its subsidiary company, which are companies incorporated in India, have, 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, 2018, based on the internal control over financial reporting criteria established by the respective companies 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.

For N.M.Raiji & Co.  
Chartered Accountants  
Firm's Registration Number: 108296W

Place: Camp Bengaluru  
Date: May 19, 2018

Vinay D. Balse  
Partner  
Membership Number: 39434

**WeP Solutions Limited**  
Consolidated Balance Sheet as at March 31, 2018

(in ₹)

PART I – BALANCE SHEET					
Particulars		Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>ASSETS</b>					
<b>1</b>	<b>Non-current assets</b>				
a)	Property, Plant and Equipment	2	32,34,00,153	30,61,44,730	24,15,41,083
b)	Capital Work-in-Progress	2&3	2,96,220	19,38,000	15,26,471
c)	Other Intangible Assets	3	94,24,848	66,49,673	68,14,855
d)	Financial Assets				
i)	Other Financial Assets	4(c)	1,20,63,085	1,16,76,290	1,46,03,887
e)	Deferred Tax Assets (net)	5	2,94,56,908	1,91,78,924	2,19,34,412
f)	Other Non-Current Assets	6	4,66,41,458	4,40,92,303	3,86,60,474
			<b>42,12,82,672</b>	<b>38,96,79,920</b>	<b>32,50,81,182</b>
<b>2</b>	<b>Current assets</b>				
a)	Inventories	7	11,76,67,571	13,39,22,839	19,65,99,067
b)	Financial Assets				
i)	Trade Receivables	4(a)	13,24,97,933	11,83,92,408	15,17,57,579
ii)	Cash and Cash Equivalents	4(b)	4,16,472	18,06,605	14,50,983
iii)	Bank Balances other than (ii) above	4(d)	15,17,540	15,72,700	16,09,436
iv)	Other Financial Assets	4(c)	13,69,660	14,03,032	22,78,927
c)	Other Current Assets	8	1,90,12,026	1,04,79,542	74,81,589
			<b>27,24,81,202</b>	<b>26,75,77,126</b>	<b>36,11,77,581</b>
	<b>Total Assets</b>		<b>69,37,63,874</b>	<b>65,72,57,046</b>	<b>68,62,58,763</b>
<b>EQUITY AND LIABILITIES</b>					
<b>3</b>	<b>Equity</b>				
a)	Equity Share capital	9(a)	25,12,31,545	25,08,02,545	23,00,40,545
b)	Other Equity				
i)	Reserves & Surplus	9(b)	15,47,61,962	16,24,55,789	7,73,68,084
ii)	Others	9(c)	1,50,00,000	-	-
			<b>42,09,93,507</b>	<b>41,32,58,334</b>	<b>30,74,08,629</b>
<b>4</b>	<b>LIABILITIES</b>				
	<b>Non-current liabilities</b>				
a)	Provisions	11	1,26,84,566	1,41,22,344	2,14,80,248
			<b>1,26,84,566</b>	<b>1,41,22,344</b>	<b>2,14,80,248</b>
<b>5</b>	<b>Current liabilities</b>				
a)	Financial Liabilities				
i)	Borrowings	10(a)	7,65,83,473	3,58,05,652	12,23,34,009
ii)	Trade Payables	10(b)	10,37,08,061	11,77,85,447	14,03,00,481
iii)	Other Financial Liabilities	10(c)	5,54,40,730	5,57,96,961	7,85,47,580
b)	Other Current Liabilities	12	2,24,33,591	1,59,35,568	92,32,468
c)	Provisions	11	19,19,946	45,52,740	69,55,348
			<b>26,00,85,801</b>	<b>22,98,76,368</b>	<b>35,73,69,886</b>
	<b>Total Equity and Liabilities</b>		<b>69,37,63,874</b>	<b>65,72,57,046</b>	<b>68,62,58,763</b>

(See accompanying notes to the financial statements)

As per our report attached  
For N M Raiji & Co  
Chartered Accountants  
Firm Reg. No.: 108296W  
**Vinay D Balse**  
Partner  
Membership No. : 39434  
Place: Bengaluru  
Date: May 19, 2018

For and on behalf of the Board of Directors

**H V Gowthama**  
Director

**Ram N Agarwal**  
Chairman & Managing Director

**Sandeep Goyal**  
Chief Financial Officer

**Sujata Lele**  
Company Secretary

Place: Bengaluru  
Date: May 19, 2018



## WeP Solutions Limited

### Consolidated Statement of Profit and Loss for the year ended March 31, 2018

(in ₹)

PART II – STATEMENT OF PROFIT AND LOSS				
Particulars		Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I	Revenue From Operations	13	80,72,69,352	80,59,17,226
II	Other Income	14	68,19,854	86,78,565
III	<b>Total Income (I+II)</b>		<b>81,40,89,206</b>	<b>81,45,95,791</b>
<b>EXPENSES</b>				
a)	Cost of Materials Consumed	15	24,86,23,214	28,41,87,528
b)	Purchases of Stock-in-Trade	16	9,47,12,434	7,95,86,943
c)	Changes in Inventories of Work-in-Progress, Stock-in-Trade and Finished Goods	17	3,16,68,729	4,48,89,750
d)	Employee Benefits Expense	18	13,55,26,826	10,23,65,340
e)	Other Expenses	19	21,59,22,595	20,51,83,956
f)	Depreciation and Amortization Expense	21	9,62,67,927	7,98,34,405
g)	Finished goods Capitalised		(3,20,087)	-
IV	<b>Total Expenses</b>		<b>82,24,01,638</b>	<b>79,60,47,922</b>
<b>Profit / (loss) Before Interest, Exceptional Items and Tax (III-IV)</b>			<b>(83,12,432)</b>	<b>1,85,47,869</b>
h)	Finance costs	20	94,61,112	1,19,63,019
V	<b>Profit / (loss) Before Exceptional Items and Tax</b>		<b>(1,77,73,544)</b>	<b>65,84,850</b>
VI	Exceptional Items		-	-
VII	<b>Profit / (loss) Before Tax (V-VI)</b>		<b>(1,77,73,544)</b>	<b>65,84,850</b>
VIII	<b>Tax expense:</b>			
	1) Current Tax		72,18,862	39,06,770
	2) MAT Credit entitlement		-	(39,06,770)
	3) Deferred Tax		(1,02,66,903)	26,87,362
IX	<b>Profit (Loss) for the period from Continuing Operations (VII-VIII)</b>		<b>(1,47,25,503)</b>	<b>38,97,488</b>
X	<b>Other Comprehensive Income</b>			
A	i) Items that will not be reclassified to profit or loss		89,848	2,06,045
	ii) Income tax relating to items that will not be reclassified to profit or loss		(32,853)	(68,125)
B	i) Items that will be reclassified to profit or loss		-	-
	ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XI	<b>Total Comprehensive Income for the period (IX+X)</b> (Comprising Profit / (Loss) and Other Comprehensive Income for the period)		<b>(1,46,68,508)</b>	<b>40,35,408</b>
XII	<b>Earnings Per Equity Share:</b>			
	1) Basic		(0.59)	0.17
	2) Diluted		(0.57)	0.17
	No of Shares for EPS Calculation			
	1) Basic		2,51,00,743	2,33,31,499
	2) Diluted		2,57,68,691	2,35,01,678

See Accompanying Notes to the Financial Statements

For and on behalf of the Board of Directors

As per our report attached  
For N M Raiji & Co  
Chartered Accountants  
Firm Reg. No.: 108296W

H V Gowthama  
Director

Ram N Agarwal  
Chairman & Managing Director

Vinay D Balse  
Partner  
Membership No. : 39434  
Place: Bengaluru  
Date: May 19, 2018

Sandeep Goyal  
Chief Financial Officer  
Place: Bengaluru  
Date: May 19, 2018

Sujata Lele  
Company Secretary

# WeP Solutions Limited

## Consolidated Statement of Cash Flows for the year ended March 31, 2018

(in ₹)

Particulars		March 31, 2018	March 31, 2017
<b>A</b>	<b>Cash Flow From Operating Activities</b>		
	Profit before Income tax from Continuing Operations	(1,77,73,544)	65,84,850
	<b>Profit before Income tax</b>	<b>(1,77,73,544)</b>	<b>65,84,850</b>
	<b>Adjustment for:</b>		
	Depreciation & Amortisation	9,62,67,927	7,98,34,405
	Provision for doubtful debts	35,52,615	13,65,114
	Employee share based payment expense	73,54,681	10,52,297
	Actuarial Gains / Losses recognised in Other Comprehensive Income	89,848	2,06,045
	Loss / (Profit) on Sale of Fixed Assets	16,54,250	21,43,410
	Net Exchange differences	(10,87,928)	1,91,013
	Interest / Income from Investments	(12,04,759)	(6,93,962)
	Interest Expense	94,36,282	1,19,50,612
	<b>Changes in Operating assets and liabilities</b>		
	(Increase) / Decrease in Inventories	1,62,55,268	6,26,76,228
	(Increase) / Decrease in Trade Receivables	(1,85,43,466)	3,20,00,057
	(Increase) / Decrease in Other Current Assets	(85,32,482)	(26,64,444)
	(Increase) / Decrease in Other Bank Balances	55,160	36,736
	(Increase) / Decrease in Other Financial Assets	(1,48,865)	34,02,060
	(Increase) / Decrease in Other Non Current Assets	(4,19,926)	39,29,229
	Increase / (Decrease) in Provisions	(40,70,572)	(97,60,512)
	Increase / (Decrease) in Trade Payables	(1,29,55,272)	(2,27,06,043)
	Increase / (Decrease) in Other Current Liabilities	64,98,022	(1,47,98,904)
	Increase / (Decrease) in Other Financial Liabilities	5,71,632	(12,48,614)
	<b>Cash Generated from Operations</b>	<b>7,69,98,871</b>	<b>15,34,99,577</b>
	Income taxes paid	96,73,310	92,93,138
	<b>Net Cash From Operating Activities</b>	<b>6,73,25,561</b>	<b>14,42,06,439</b>
<b>B</b>	<b>Cash Flow From Investing Activities</b>		
	Purchase of Property, Plant & Equipment	(10,95,47,068)	(14,52,40,848)
	Purchase of Intangible Assets	(68,51,884)	(25,09,847)
	Proceeds from Sale of Fixed Assets	87,958	9,22,885
	Interest / Income from Investments	12,04,759	6,93,961
	<b>Net Cash Used In Investing Activities</b>	<b>(11,51,06,235)</b>	<b>(14,61,33,849)</b>
<b>C</b>	<b>Cash Flow From Financing Activities</b>		
	Proceeds from Issue of Shares	4,29,000	10,07,62,000
	Share issue expenses	(3,80,000)	-
	Proceeds from Issue of Warrants	1,50,00,000	-
	Interest paid	(94,36,280)	(1,19,50,612)
	Proceeds / (Repayment) of Borrowings	4,07,77,821	(8,65,28,356)
	<b>Net Cash From / (Used for) Financing Activities</b>	<b>4,63,90,541</b>	<b>22,83,032</b>
	<b>Net Increase / (Decrease) In Cash And Cash Equivalents - (A+B+C)</b>	<b>(13,90,133)</b>	<b>3,55,622</b>
	Cash and Cash Equivalents at the beginning of the year / period	18,06,605	14,50,983
	<b>Cash and Cash Equivalents at the end of the year / period</b>	<b>4,16,472</b>	<b>18,06,605</b>

For and on behalf of the Board of Directors

As per our report attached  
For N M Raiji & Co  
Chartered Accountants  
Firm Reg. No.: 108296W

H V Gowthama  
Director

Ram N Agarwal  
Chairman & Managing Director

Vinay D Balse  
Partner  
Membership No. : 39434

Sandeep Goyal  
Chief Financial Officer

Sujata Lele  
Company Secretary

Place: Bengaluru  
Date: May 19, 2018

Place: Bengaluru  
Date: May 19, 2018

## Corporate Information

The consolidated financial statements comprise financial statements of WeP Solutions Limited (the company) and its 100% subsidiary, WeP Digital Services Limited (*formerly known as eRM solutions private limited*) (collectively, the Group) for the year ended March 31, 2018. The company is a public company domiciled in India and is incorporated under the provisions of the Companies Act. Its shares are listed on Bombay Stock Exchange and the registered office of the company is located at 40/1A, Basappa Complex, Lavelle Road, Bengaluru - 560001.

The Group is principally engaged in the business of providing Managed Printing Solutions and Services, Manufacturing and distribution of Retail billing products and providing digital services like GST, Aadhar authentication, Document Management solutions etc to both enterprise and retail customers pan India.

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on 19<sup>th</sup> May, 2018.

### 1. Significant Accounting Policies and Other explanatory information to the Financial Statements for the year ended March 31, 2018

#### A. Significant accounting policies

The significant accounting policies applied by the Group in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements and in preparing the opening Ind AS Balance Sheet as at April 1, 2016 for the purpose of transition to Ind AS, unless otherwise indicated.

##### A.1. Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has adopted Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017.

The transition from Previous GAAP to Ind AS has been accounted for in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards", with April 1, 2016 being the transition date.

In accordance with Ind As 101 "First time adoption of Indian Accounting Standard", the Group has presented a reconciliation from the presentation of financial statements under accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of total equity as at April 1, 2016 and March 31, 2017, total comprehensive income and cash flow for the year ended March 31, 2017.

##### A.2. Basis of Consolidation

###### a) **Basis of preparation of Financial statements**

The Group has, for the first time, prepared its financial statements in accordance with the Indian Accounting Standards (referred to as "Ind AS"). The transition from previous GAAP (i.e. IGAAP) to Ind AS has been accounted in accordance with Ind AS 101 "First time Adoption of Indian Accounting Standards", with April 1, 2016 as the transition date. The financial statements have been prepared under the historical cost convention, with the exception of certain assets and liabilities that are required to be carried at fair values as per Ind AS.

###### b) **Principles of Consolidation**

i) The Financial statements of the Company and its subsidiary have been consolidated on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating the intra-group balances and transactions resulting in unrealised profits and losses.

ii) The CFS have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to in the same manner as the Company's separate financial statements.

c) The Consolidated Financial Statements include the financial statements of WeP Solutions Limited and its wholly-owned subsidiary, WeP Digital Services Limited (*formerly known as eRM Solutions Private Limited*).

##### A.3. Use of Estimates

In preparation of the financial statements, the Group makes judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Changes in estimates are reflected in the financial statements in the period in which the changes are made.

Significant judgements and estimates relating to the carrying amounts of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets, provision for employee benefits and other provisions and recoverability of deferred tax assets.

#### **A.4. Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taken into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from the sale of goods is recognised when significant risks and rewards of ownership have been transferred to the customer, which is mainly upon delivery, the amount of revenue can be measured reliably and recovery of the consideration is probable. The Group accrues the estimated cost of standard warranties at the time when the revenue is recognized. The accruals are based on the Group's historical experience of material usage and service delivery costs. The revenue from extended warranties i.e. for period in excess of standard warranty, is recognised over a straight-line basis over the period of the extended warranty.

Revenue from services is recognised in the periods in which the services are rendered. Where services involve performance of an indeterminate number of acts of without substantial variation in significance over a specified period of time, revenue is recognised on straight-line basis over the specified period. Where a specific act is much more significant than any other act, the revenue is recognised on completion of such significant act.

Revenue from providing solutions and services is recognized in accordance with the customer contract and when there are no unfulfilled Group obligations or any obligations that are inconsequential and will not affect the customer's final acceptance of the arrangement. Income from maintenance contracts is recognised proportionately over the period of the contract.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established. Interest income is recognised on a time proportion basis.

#### **A.5. Inventories**

Inventories are stated at lower of cost and net realizable value. Cost is determined using the weighted average method. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution.

#### **A.6. Property, plant and equipment**

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. Borrowing Cost directly attributable to the construction on production of qualifying assets are capitalised as a part of cost. All other repair and maintenance costs, including regular servicing, are recognised in the Statement of Profit and Loss, as and when incurred.

All property, plant and equipment are stated at cost of acquisition or construction, less accumulated depreciation and impairment loss, if any. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Capital Work-in-Progress is stated at cost, comprising of direct cost and related incidental expenditure.

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset, and is recognised in the Statement of Profit and Loss.

#### **A.7. Intangible assets**

Software costs, both acquired and internally generated, are recognised as intangible assets only where they are clearly linked to long term economic benefits for the Group. They are amortized on a straight-line basis over their estimated useful lives. All other costs on software are expensed in the Statement of Profit and Loss as and when incurred.

Expenditure during development phase of internally generated software is recognized as intangible assets if all of the following conditions are met:

- i) completion of the development is technically feasible;
- ii) it is the intention to complete the intangible asset and use or sell it;



- iii) it is clear that the intangible asset will generate probable future economic benefits;
- iv) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- v) it is possible to reliably measure the expenditure attributable to the intangible asset during its development.

Recognition of costs as an asset is ceased when the project is complete and available for its intended use, or if these criteria no longer apply.

Where development activities do not meet the conditions for recognition as an asset, any associated expenditure is treated as an expense in the period in which it is incurred

#### A.8. Depreciation and amortization of property, plant and equipment and intangible assets

Depreciation or amortization is provided on the straight-line method over the useful lives of assets estimated by the management. The estimated useful lives of assets are as follows:

Assets	Useful Life applied (In Years)
Computers	3.00
Furniture and Fixtures - Owned Premises	10.00
Furniture and Fixtures - Leased Premises	5.00
Office Equipment	5.00
Plant and Equipments including Electrical installations	4.00
Computer Peripherals - on Use and Pay	4.00
Vehicles	8.00
Air Conditioners	4.00
Moulds, Dies & Patterns	5.00
Building	30.00

Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis as follows:

Asset	Amortization (In Years)
Computer Software – ERP Systems	4.00
Computer Software	2.00
Technical Know-how	5.00

#### A.9. Impairment of Assets

At each balance sheet date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying amount of those assets may not be recoverable through continuing use.

If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of the fair value, less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset, for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the Statement of Profit and Loss as and when the carrying amount of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

#### A.10. Foreign Currency Transactions

The financial statements of the Group are presented in INR, which is the functional currency of the Group and the presentation currency for the financial statements. Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction.

At the end of each reporting period, all monetary items denominated in foreign currencies are translated at the rates prevailing as at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

The exchange difference arising on account of the difference between the rates prevailing on the date of transaction and on the date of settlement, as also on translation of monetary items at the end of the year is recognized as income or expense, as the case may be, in the Statement of Profit and Loss for the year.

#### **A.11. Financial Instruments**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss, are immediately recognised in the Statement of Profit and Loss.

##### **Effective interest method**

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

##### **a) Financial assets**

###### **Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost, if these financial assets are held within a business model whose objective is to hold these assets, in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### **Financial assets measured at fair value**

Financial assets are measured at fair value through other comprehensive income, if these financial assets are held within a business model, whose objective is to hold these assets in order to collect contractual cash flows, or to sell these financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets not measured at amortised cost, or at fair value through other comprehensive income, are carried at fair value through profit or loss.

###### **Impairment of financial assets**

The Group assesses, on a forward looking basis, the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

###### **Derecognition of financial assets**

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

##### **b) Financial liabilities and equity instruments**

###### **Classification as debt or equity**

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

###### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity is recorded at the proceeds received, net of direct issue costs.

###### **Financial Liabilities**

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

Interest-bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently

measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

#### **Derecognition of financial liabilities**

The Group derecognises financial liabilities when the Group's obligations are discharged, cancelled or they expire.

### **A.12. Employee Benefits**

#### **i. Short Term Employee Benefits**

Short Term Employees Benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related services is rendered.

#### **ii. Other long-term employee benefit obligations**

**Leave Encashment:** Liability in respect of leave encashment as at the balance sheet date is determined based on actuarial valuation, by using the Projected Unit Credit Method and gains/losses for the year are recognized immediately in the Statement of Profit and Loss.

#### **iii. Post Employment Benefits**

**Provident Fund:** The Group contributes monthly at a determined rate. These contributions are remitted to the Employee Provident Fund Commissioner office and are charged to the Statement of Profit and Loss on accrual basis.

**Gratuity:** The Group provides for gratuity (a defined benefit retirement plan) to all the eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, on death while in employment, or termination of employment for an amount equivalent to 15 days' salary, payable for each completed year of service. Vesting occurs on completion of five years of service. Liability in respect of gratuity as at the balance sheet date is determined on the basis of actuarial valuation, using the Projected Unit Credit Method. Re-measurement gains and losses of the net defined benefit liability / (asset) are recognised immediately in other comprehensive income. The service cost, net interest on the net defined benefit liability / (asset) is treated as a net expense within employment costs and are recognized immediately in the Statement of Profit and Loss.

#### **iv. Employee Stock Options**

All employee services received in exchange for the grant of any share based remuneration are measured at their fair values. These are indirectly determined by reference to the fair value of the share options awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

All share-based remuneration is ultimately recognised as an expense in the Statement of Profit and Loss, with a corresponding credit to Employee Stock Compensation Reserve. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates. Once vested, no adjustment is made to expense recognised in prior periods if, ultimately, fewer share options are exercised than originally estimated. Upon exercise of share options, the proceeds received (net of any directly attributable transaction costs) up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as Securities Premium.

### **A.13. Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of those assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

### **A.14. Earning Per Share**

In accordance with the Ind AS 33 "Earnings Per Share", basic / diluted earnings per share is computed by taking the weighted average number of shares outstanding during the period.

### **A.15. Taxation**

Tax expense for the year comprises of current tax and deferred tax.

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from net profit, as reported in the Statement of Profit and Loss, because it excludes items of income or expense that are taxable or deductible in other years

and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets for all deductible temporary differences and unused tax losses are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets are reviewed at each balance sheet date for the appropriateness of their respective carrying values.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax are recognised as an expense or income in the Statement of Profit and Loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax during the specified period. Accordingly, MAT entitlement is recognised as an asset in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with it will fructify. Such asset is reviewed at each balance sheet date and the carrying amount of MAT credit asset is written down to the extent there is no longer a convincing evidence for the effect that the Group will pay normal income tax during the specified period.

#### **A.16. Warranty Cost**

The Group accrues the estimated cost of warranties at the time when the revenue is recognised. The accruals are based on the Group's historical experience of material usage and service delivery cost.

#### **A.17. Provisions**

Provisions are recognized in the balance sheet when the Group has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date. When appropriate, provisions are measured on a discounted basis.

Constructive obligation is an obligation that derives from a Group's actions where:

- (a) by an established pattern of past practice, published policies or a sufficiently specific current statement, the Group has indicated to other parties that it will accept certain responsibilities; and
- (b) as a result, the Group has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

#### **A.18. Leases**

The Group determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Group, in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease.

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the Statement of Profit and Loss on a straight line basis, over the term of the relevant lease, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### **A.19. Cash and Cash Equivalents**

Cash and cash equivalents include cash in hand, demand deposits with bank, and other short term highly liquid investments, with original maturities of 3 months or less.

## B. Explanation of Transition to Ind AS

### B.1. Exemptions availed by the Group

Ind AS 101 "First time adoption of Indian accounting standards" permits companies adopting Ind AS for the first time to avail of certain exemptions from the full retrospective application of Ind AS in the transition period. The Group, on transition to Ind AS, has availed the following key exemptions:

a) **Property, plant and equipment**

The Group has elected to adopt previous GAAP carrying value of its Property, Plant and Equipment as deemed cost on date of transition

b) **Intangible assets**

The Group has elected to treat the carrying value as deemed cost for all items of intangible assets.

c) **Investment in subsidiary**

The Group has elected to take the carrying amount of all its investments in its subsidiaries as at April 1, 2016, as its deemed cost under Ind AS.

d) **Share based payments**

The Group has elected to apply the requirements of Ind AS 102, retrospectively, for all the options granted by the Group

### B.2. Exceptions applicable to Group

Ind AS 101 "First time adoption of Indian accounting standards" contains certain exceptions that prohibit full retrospective application of Ind AS in the transition period. From amongst these exceptions, the one applicable to the Group are as follows:

a) **De-recognition of financial assets and liabilities**

The Group has elected to apply the de-recognition provisions of Ind AS 109 (Financial Instruments) prospectively from the date of transition to Ind AS.

b) **Classification and measurement of financial assets**

The Group has classified the financial assets in accordance with Ind AS 109 (Financial Instruments) on the basis of facts and circumstances that existed as at the date of transition to Ind AS.

### B.3. Reconciliation between previous GAAP and Ind AS

i) **Equity Reconciliation**

(₹ in Mn)

Particulars	Note	As at March 31, 2017	As at April 1, 2016
Equity as per previous IGAAP		410.90	307.03
<b>Add / (Less) : Adjustments on transition to Ind AS</b>			
Warranty provision restatement	e	1.74	-
Depreciation on PPE and Intangible assets		0.02	-
Deferred tax impact	f	4.46	0.38
Revenue Deferment for extended warranty obligations	a	(3.83)	-
Fair Valuation of Deposits impact	d	(0.03)	-
<b>Adjustments (Total)</b>		<b>2.36</b>	<b>0.38</b>
<b>Equity as per Ind AS</b>		<b>413.26</b>	<b>307.41</b>

ii) Total Comprehensive Income Reconciliation

(₹ in Mn)

Particulars	Note	For the year ended March 31, 2017
Net Profit as per previous IGAAP		2.79
<b>Add / (Less) : Adjustments on transition to Ind AS</b>		
Revenue Deferment for extended warranty obligations	a	(3.83)
Stock option expense impact due to fair valuation	b	(0.73)
Actuarial Gain recognised in Other comprehensive income	c	(0.21)
Depreciation on PPE and Intangible assets		0.02
Advance Rent expensed off due to fair valuation of deposits	d	(0.65)
Interest income on Rent deposits due to fair valuation	d	0.62
Warranty provision restatement	e	1.74
Deferred tax Impact	f	4.14
<b>Adjustments (Total)</b>		<b>1.10</b>
<b>Net Profit as per Ind AS</b>		<b>3.89</b>
Other Comprehensive Income as per Ind AS		0.14
<b>Total Comprehensive Income as per Ind AS</b>		<b>4.03</b>

Notes:

- The Group provides extended warranty for its products. Consequent to adoption of Ind AS, the Group has derecognised the revenue pertaining to the extended warranty and spread on a straight line basis over the period extended warranty.
- The amount of stock options expense impact represents the impact of change in valuation of stock options from the erstwhile intrinsic value method under IGAAP to the fair value method under Ind AS.
- The Group has recognised all actuarial gains and losses on post retirement defined benefit schemes in other comprehensive income. Deferred taxes pertaining to these losses have also been recognised in other comprehensive income.
- Advance rent expense and Interest income on rent deposits is due to adoption of fair valuation for the Rent Deposits paid by the Group.
- Warranty provision restatement is due to deferment of revenue for the extended warranty on products sold by the Group. Since the provision was made factoring the extended warranty and with the revenue being deferred and recognised over the period of extended warranty, the provision pertaining to the extended warranty period has been reversed.
- The Group has recognised deferred tax asset on carried forward tax losses. The subsidiary company has incurred losses in the last two financial years in initial phase of the its business of document management solutions and GST services The Group has concluded that the deferred tax asset will be recoverable using the estimated future taxable income based on the business plans for future years as the taxable losses can be carried forward for a period of 8 years as per the applicable Income Tax Law.

## WeP Solutions Limited

### Consolidated Statement of Changes in Equity for the year ended March 31, 2018

#### STATEMENT OF CHANGES IN EQUITY

##### A. Equity Share Capital

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the reporting period	25,08,02,545	23,00,40,545
Changes in equity share capital during the year	4,29,000	2,07,62,000
<b>Balance at the end of the reporting period</b>	<b>25,12,31,545</b>	<b>25,08,02,545</b>

##### B. Other Equity

Particulars	Reserves and Surplus					Total
	Capital Reserve	General Reserve Reserve	Securities Premium	Stock Options Outstanding	Retained Earnings	
<b>Opening Balance at April 1, 2016</b>	<b>3,13,27,459</b>	<b>83,202</b>	<b>66,75,000</b>	<b>21,88,176</b>	<b>3,70,94,247</b>	<b>7,73,68,084</b>
Profit for the year					38,97,488	38,97,488
Premium on Issue of shares under preferential allotment			8,00,00,000			8,00,00,000
Transfer to General Reserve		9,08,669		(9,08,669)		-
Transfer from Stock Options Outstanding a/c			5,78,612	(5,78,612)		-
Other Comprehensive Income for the year net of taxes					1,37,920	1,37,920
Employee stock options expense				10,52,297		10,52,297
<b>Closing Balance as at March 31, 2017</b>	<b>3,13,27,459</b>	<b>9,91,871</b>	<b>8,72,53,612</b>	<b>17,53,192</b>	<b>4,11,29,655</b>	<b>16,24,55,789</b>
<b>Opening Balance at April 1, 2017</b>	<b>3,13,27,459</b>	<b>9,91,871</b>	<b>8,72,53,612</b>	<b>17,53,192</b>	<b>4,11,29,655</b>	<b>16,24,55,789</b>
Share Issue Expenses					(3,80,000)	(3,80,000)
Profit for the year					(1,47,25,503)	(1,47,25,503)
Other Comprehensive Income for the year net of taxes					56,995	56,995
Transfer to General Reserve		25,234		(25,234)		-
Transfer from Stock Options Outstanding a/c			3,50,456	(3,50,456)		-
Employee stock options expense				73,54,681		73,54,681
<b>Closing Balance as at March 31, 2018</b>	<b>3,13,27,459</b>	<b>10,17,105</b>	<b>8,76,04,068</b>	<b>87,32,183</b>	<b>2,60,81,147</b>	<b>15,47,61,962</b>

- a) **Capital Reserve** – This represents the value of bargain purchase gain upon acquisition and is not freely available for distribution
- b) **Retained earnings / General reserve** – These are free reserves that are available for distribution of dividends. Retained earnings comprises of the Company's undistributed earnings after taxes.
- c) **Securities premium reserve**: Securities premium reserve is used to record the premium on issue of shares. The reserve is utilized in accordance with the provision of section 52 of the Companies Act, 2013.
- d) **Share option outstanding account** - The share option outstanding account is used to recognize the value of equity-settled sharebased payments provided to employees, including key management personnel.
- e) **Other Comprehensive Income**: Changes in the fair value of financial instruments measured at fair value through other comprehensive income and actuarial gains and losses on defined benefit plans are recognized in other comprehensive income (net of taxes), and presented within equity as other comprehensive income.

Note 2: Property, Plant and Equipment

Particulars	Leasehold - Land	Building - Factory	Plant & Equipment	Moulds, Dies & Patterns	Computers	Computer Peripherals - On Use & Pay	Furniture & Fixture	Vehicles	Total	Capital work in progress
<b>Year ended March 31, 2017</b>										
<b>Gross carrying amount</b>										
Deemed cost as at April 1, 2016	6,68,56,988	3,80,22,641	27,61,466	3,76,911	35,19,263	12,61,48,656	27,85,073	10,70,085	24,15,41,083	
Additions	-	-	22,63,505	41,11,075	17,66,546	13,64,00,633	2,87,558	-	14,48,29,317	
Disposals	-	-	-	-	-	36,11,691	-	4,83,827	40,95,518	
<b>Closing gross carrying amount</b>	<b>6,68,56,988</b>	<b>3,80,22,641</b>	<b>50,24,971</b>	<b>44,87,986</b>	<b>52,85,809</b>	<b>25,89,37,598</b>	<b>30,72,631</b>	<b>5,86,258</b>	<b>38,22,74,882</b>	<b>19,38,000</b>
<b>Accumulated Depreciation</b>										
Depreciation charge during the year	8,05,506	13,62,005	17,52,223	3,24,846	20,92,839	6,99,39,081	7,16,863	1,66,013	7,71,59,376	
Disposals	-	-	-	-	-	9,72,789	-	56,435	10,29,224	
<b>Closing accumulated depreciation</b>	<b>8,05,506</b>	<b>13,62,005</b>	<b>17,52,223</b>	<b>3,24,846</b>	<b>20,92,839</b>	<b>6,89,66,292</b>	<b>7,16,863</b>	<b>1,09,578</b>	<b>7,61,30,152</b>	
<b>Net carrying amount</b>	<b>6,60,51,482</b>	<b>3,66,60,636</b>	<b>32,72,748</b>	<b>41,63,140</b>	<b>31,92,970</b>	<b>18,99,71,306</b>	<b>23,55,768</b>	<b>4,76,680</b>	<b>30,61,44,730</b>	<b>19,38,000</b>
<b>Year ended March 31, 2018</b>										
<b>Gross carrying amount</b>										
Opening gross carrying amount	6,68,56,988	3,80,22,641	50,24,971	44,87,986	52,85,809	25,89,37,598	30,72,631	5,86,258	38,22,74,882	19,38,000
Additions	-	2,60,000	4,86,716	52,08,442	63,58,437	9,75,05,979	14,03,339	-	11,12,22,913	
Disposals	-	-	-	-	-	68,93,291	62,505	-	69,55,796	
Adjustments	-	-	-	-	13,101	20,963	-	-	34,064	
<b>Closing gross carrying amount</b>	<b>6,68,56,988</b>	<b>3,82,82,641</b>	<b>55,11,687</b>	<b>96,96,428</b>	<b>1,16,31,145</b>	<b>34,95,29,323</b>	<b>44,13,465</b>	<b>5,86,258</b>	<b>48,65,07,935</b>	<b>2,96,220</b>
<b>Accumulated Depreciation</b>										
Opening accumulated depreciation	8,05,506	13,62,005	17,52,223	3,24,846	20,92,839	6,89,66,292	7,16,863	1,09,578	7,61,30,152	
Additions	8,05,506	13,96,672	16,97,988	11,76,390	31,63,893	8,32,07,395	6,33,798	1,09,576	9,21,91,218	
Disposals	-	-	-	-	-	52,03,092	10,496	-	52,13,588	
Adjustments	-	-	-	-	-	-	-	-	-	
<b>Closing accumulated depreciation</b>	<b>16,11,012</b>	<b>27,58,677</b>	<b>34,50,211</b>	<b>15,01,236</b>	<b>52,56,732</b>	<b>14,69,70,595</b>	<b>13,40,165</b>	<b>2,19,154</b>	<b>16,31,07,782</b>	
<b>Net carrying amount</b>	<b>6,52,45,976</b>	<b>3,55,23,964</b>	<b>20,61,476</b>	<b>81,95,192</b>	<b>63,74,413</b>	<b>20,25,58,728</b>	<b>30,73,300</b>	<b>3,67,104</b>	<b>32,34,00,153</b>	<b>2,96,220</b>

Note: a) Leasehold Land is the land situated at Baddi, Himachal Pradesh, which has been obtained under a 85 years lease from the Department of Industries, Himachal Pradesh.



### Note 3: Intangible Assets

Particulars	Computer Software	Computer Software - ERP System	Total	Capital work in progress
<b><u>Year ended March 31, 2017</u></b>				
<b>Gross carrying amount</b>				
Deemed cost as at April 1, 2016	66,53,622	1,61,233	68,14,855	-
Additions	25,09,847	-	25,09,847	
Disposals	-	-	-	
<b>Closing gross carrying amount</b>	<b>91,63,469</b>	<b>1,61,233</b>	<b>93,24,702</b>	<b>-</b>
<b>Accumulated Depreciation</b>				
Depreciation charge during the year	25,33,138	1,41,891	26,75,029	
Disposals	-	-	-	
<b>Closing accumulated depreciation</b>	<b>25,33,138</b>	<b>1,41,891</b>	<b>26,75,029</b>	
<b>Net carrying amount</b>	<b>66,30,331</b>	<b>19,342</b>	<b>66,49,673</b>	<b>-</b>
<b><u>Year ended March 31, 2018</u></b>				
<b>Gross carrying amount</b>				
Opening gross carrying amount	91,63,469	1,61,233	93,24,702	-
Additions	26,19,895	42,31,989	68,51,884	
Disposals	-	-	-	
Adjustments	-	-	-	
<b>Closing gross carrying amount</b>	<b>1,17,83,364</b>	<b>43,93,222</b>	<b>1,61,76,586</b>	<b>-</b>
<b>Accumulated Depreciation</b>				
Opening accumulated depreciation	25,33,138	1,41,891	26,75,029	
Additions	37,04,702	3,72,007	40,76,709	
Disposals	-	-	-	
Adjustments	-	-	-	
<b>Closing accumulated depreciation</b>	<b>62,37,840</b>	<b>5,13,898</b>	<b>67,51,738</b>	
<b>Net carrying amount</b>	<b>55,45,524</b>	<b>38,79,324</b>	<b>94,24,848</b>	<b>-</b>

Note: a) Computer Software includes Capital Development Costs being an internally generated intangible asset

## Note 4: Financial Assets

### 4 (a) Trade Receivables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade Receivables	20,36,43,544	18,60,62,129	21,80,62,186
Allowance for Doubtful Debts	(7,11,45,611)	(6,76,69,721)	(6,63,04,607)
<b>Total Receivables</b>	<b>13,24,97,933</b>	<b>11,83,92,408</b>	<b>15,17,57,579</b>
Current Portion	13,24,97,933	11,83,92,408	15,17,57,579
Non-Current Portion	-	-	-

### Break-up of Security Details

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Outstanding for More than Six Months from the due date</b>			
Secured, considered good	-	-	-
Unsecured, considered good	67,69,953	34,76,919	77,86,010
Doubtful	7,01,42,736	6,76,69,721	6,63,04,607
	7,69,12,689	7,11,46,640	7,40,90,617
Allowance for doubtful debts	(7,01,42,736)	(6,76,69,721)	(6,63,04,607)
<b>Sub total</b>	<b>67,69,953</b>	<b>34,76,919</b>	<b>77,86,010</b>
<b>Other Receivables</b>			
Secured, considered good	-	-	-
Unsecured, considered good	12,67,30,855	11,49,15,489	14,39,71,569
Doubtful	-	-	-
	12,67,30,855	11,49,15,489	14,39,71,569
Allowance for doubtful debts	(10,02,875)	-	-
<b>Sub total</b>	<b>12,57,27,980</b>	<b>11,49,15,489</b>	<b>14,39,71,569</b>
<b>Total Trade Receivables</b>	<b>13,24,97,933</b>	<b>11,83,92,408</b>	<b>15,17,57,579</b>

### 4 (b) Cash and Cash Equivalents

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balances with Banks			
- in current accounts	4,16,472	18,06,605	14,11,810
Cash on hand	-	-	39,173
<b>Total Cash and Cash Equivalents</b>	<b>4,16,472</b>	<b>18,06,605</b>	<b>14,50,983</b>

#### 4 (c) Other Financial Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Non Current</b>			
Security Deposits	1,20,63,085	1,16,76,290	1,46,03,887
<b>Total Other Financial Assets - Non Current</b>	<b>1,20,63,085</b>	<b>1,16,76,290</b>	<b>1,46,03,887</b>
<b>Current</b>			
Deposits	13,69,660	14,03,032	22,78,927
<b>Total Other Financial Assets - Current</b>	<b>13,69,660</b>	<b>14,03,032</b>	<b>22,78,927</b>

#### 4 (d) Other Bank Balances

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance in Unclaimed Dividend Accounts with Banks	15,17,540	15,72,700	16,09,436
<b>Total Other Bank Balances</b>	<b>15,17,540</b>	<b>15,72,700</b>	<b>16,09,436</b>

#### Note 5: Deferred Tax Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Tax losses	1,24,38,335	92,34,998	21,34,431
Defined Benefit obligations & allowance on payment basis	47,56,278	42,09,205	45,06,688
Allowance for doubtful debts - trade receivables	2,35,40,540	2,23,73,640	2,19,16,574
Others	16,27,912	14,30,089	2,67,757
<b>Total Deferred Tax Assets</b>	<b>4,23,63,065</b>	<b>3,72,47,932</b>	<b>2,88,25,450</b>
Depreciation on Property, plant and equipment	1,29,06,157	1,80,69,008	68,91,038
	<b>1,29,06,157</b>	<b>1,80,69,008</b>	<b>68,91,038</b>
<b>Net Deferred Tax Assets</b>	<b>2,94,56,908</b>	<b>1,91,78,924</b>	<b>2,19,34,412</b>

#### Note 6: Other Non Current Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Margin money deposits with bank	8,18,049	6,65,695	6,16,574
Interest accrued on margin money deposits with bank	80,060	63,881	51,974
Taxes / Refunds recoverable	4,57,43,349	4,33,62,727	3,79,91,926
<b>Total Other Non-Current Assets</b>	<b>4,66,41,458</b>	<b>4,40,92,303</b>	<b>3,86,60,474</b>

Note 7: Inventories

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw Materials			
- In Stock	3,22,02,624	2,56,35,695	2,48,35,221
- In Transit	-	-	-
Work-in-progress	-	1,25,91,178	1,04,69,792
Finished goods			
- In Stock	23,82,105	64,01,076	1,96,35,055
- In Transit	-	16,868	62,069
Traded goods			
- In Stock	2,21,43,621	3,71,85,333	6,92,76,779
- In Transit	-	-	16,40,510
Spares and Consumables			
- In Stock	6,09,37,004	5,20,92,689	7,06,79,641
- In Transit	2,217	-	-
<b>Total Inventories</b>	<b>11,76,67,571</b>	<b>13,39,22,839</b>	<b>19,65,99,067</b>

Note 8: Other Current Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Prepayments	91,45,614	78,55,167	48,46,192
Balance with Excise / Customs / GST input credit	98,33,560	25,47,650	26,34,897
Others	32,852	76,725	500
<b>Total Other Current Assets</b>	<b>1,90,12,026</b>	<b>1,04,79,542</b>	<b>74,81,589</b>

Note 9(a): Equity Share Capital

Authorised Equity Share capital

Particulars	Number of shares	Amount
As at April 1, 2016	3,00,00,000	30,00,00,000
Increase during the year	-	-
As at March 31, 2017	3,00,00,000	30,00,00,000
Increase during the year	-	-
As at March 31, 2018	3,00,00,000	30,00,00,000

i) Movements in Equity Share Capital

Particulars	Number of shares	Amount
As at April 1, 2016	2,30,04,055	23,00,40,545
Exercise of options - proceeds received	76,200	7,62,000
Preferential Issue	20,00,000	2,00,00,000
<b>As at March 31, 2017</b>	<b>2,50,80,255</b>	<b>25,08,02,545</b>
Exercise of options - proceeds received	42,900	4,29,000
<b>As at March 31, 2018</b>	<b>2,51,23,155</b>	<b>25,12,31,545</b>

**Terms and rights attached to equity shares:**

Equity shares have a par value of INR 10. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

**Shares reserved for issue under options:**

Information relating to ESOP plans of the company, including details of the options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in Note 24.

Preferential Issue: On February 6, 2017, the company allotted 20,00,000 equity shares at a price of INR 50 per share, on a preferential basis after the same was duly approved by the members

ii) Shares in the Company held by each shareholder holding more than 5 percent of the Shares:

Name of shareholder	As at March 31, 2018	As at March 31, 2017
<b>RNAWEP Investments Private Limited</b>		
No of Shares	32,60,403	32,60,403
% Holding	12.98%	13.00%
<b>Ram N Agarwal</b>		
No of Shares	30,05,056	30,05,056
% Holding	11.96%	11.98%
<b>WeP Peripherals Limited</b>		
No of Shares	20,24,994	20,24,994
% Holding	8.06%	8.07%
<b>Wipro Limited</b>		
No of Shares	18,36,000	18,36,000
% Holding	7.31%	7.32%
<b>Sharad Kanayalal Shah</b>		
No of Shares	14,12,035	14,12,035
% Holding	5.62%	5.63%
<b>Dipak Kanayalal Shah</b>		
No of Shares	10,19,450	12,60,553
% Holding	4.06%	5.03%

iii) Aggregate number of Shares issued for consideration other than cash

Particulars	As at March 31, 2018	As at March 31, 2017
Shares issued as consideration for acquisition of business	2,22,13,645	2,22,13,645

Note 9(b): Reserves and Surplus

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Other Comprehensive Income	-	-	(1,76,974)
Securities Premium Reserve	8,76,04,068	8,72,53,612	66,75,000
Share options outstanding account	87,32,183	17,53,192	21,88,176
Capital Reserve	3,13,27,459	3,13,27,459	3,13,27,459
General Reserve	10,17,105	9,91,871	83,202
Retained earnings	2,60,81,147	4,11,29,655	3,72,71,221
<b>Total Reserves and Surplus</b>	<b>15,47,61,962</b>	<b>16,24,55,789</b>	<b>7,73,68,084</b>

i) Securities Premium Reserve

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance	8,72,53,612	66,75,000
Preferential Issue	-	8,00,00,000
Exercise of Options	3,50,456	5,78,612
<b>Closing Balance</b>	<b>8,76,04,068</b>	<b>8,72,53,612</b>

ii) Share Options Outstanding Account

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance	17,53,192	21,88,176
Employee stock options expense	73,54,681	10,52,297
Transfer to Securities Premium on exercise of options	(3,50,456)	(5,78,612)
Transfer to General Reserve	(25,234)	(9,08,669)
<b>Closing Balance</b>	<b>87,32,183</b>	<b>17,53,192</b>

iii) Capital Reserve

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance	3,13,27,459	3,13,27,459
<b>Closing Balance</b>	<b>3,13,27,459</b>	<b>3,13,27,459</b>

iv) General Reserve

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance	9,91,871	83,202
Transfer from Stock options outstanding	25,234	9,08,669
<b>Closing Balance</b>	<b>10,17,105</b>	<b>9,91,871</b>

v) Retained Earnings

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance	4,11,29,655	3,70,94,247
Net profit for the period	(1,47,25,503)	38,97,488
Share Issue expenses	(3,80,000)	
<b>Items of Other Comprehensive Income</b>		
Actuarial Gains / (Losses) net of taxes	56,995	1,37,920
<b>Closing Balance</b>	<b>2,60,81,147</b>	<b>4,11,29,655</b>

Note 9(c): Others

Particulars	As at March 31, 2018	As at March 31, 2017
Consideration received on Issue of Warrants pending conversion	1,50,00,000	-
<b>Closing Balance</b>	<b>1,50,00,000</b>	<b>-</b>

Note:

On December 28, 2017, the company granted 10,00,000 warrants at a price of INR 60 per warrant, on a preferential basis after the same was duly approved by the members. The company received the initial consideration of 25% i.e. Rs, 1,50,00,000/- and the same has been classified as other Equity. The allottee has a period of 18 months from the date of allotment to convert the warrants into Equity shares, failing which the initial amount paid shall be forfeited as per the terms of the allotment and regulations as applicable.

Note 10: Financial Liabilities

Note 10(a): Current Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Loans Repayable on Demand Secured <i>From Banks</i>			
Cash Credit Account	7,65,83,473	3,58,05,652	12,23,34,009
<b>Total Current Borrowings</b>	<b>7,65,83,473</b>	<b>3,58,05,652</b>	<b>12,23,34,009</b>

i) Cash credit facility is secured by hypothecation of current assets of the company

Note 10(b): Trade Payables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Current</b>			
Trade payables	10,37,08,061	11,77,85,447	14,03,00,481
<b>Total Trade Payables</b>	<b>10,37,08,061</b>	<b>11,77,85,447</b>	<b>14,03,00,481</b>

Note 10(c): Other Financial Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Current</b>			
Customer and Dealer Deposits	1,99,08,055	1,71,23,708	1,84,88,298
Expenses payable	3,55,32,675	3,86,73,253	6,00,59,282
<b>Total Other Current Financial Liabilities</b>	<b>5,54,40,730</b>	<b>5,57,96,961</b>	<b>7,85,47,580</b>

Note 11: Provisions

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Non Current</b>			
Employee Benefits (Refer Note 23)	1,11,84,124	64,75,126	75,99,784
Warranty expenses (Refer Note 27)	15,00,442	76,47,218	1,38,80,464
<b>Total Non Current Provisions</b>	<b>1,26,84,566</b>	<b>1,41,22,344</b>	<b>2,14,80,248</b>
<b>Current</b>			
Employee Benefits (Refer Note 23)	7,20,944	9,95,112	18,63,337
Warranty expenses (Refer Note 27)	11,99,002	35,57,628	50,92,011
<b>Total Current Provisions</b>	<b>19,19,946</b>	<b>45,52,740</b>	<b>69,55,348</b>

Note 12: Other Current Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Income received in advance	1,03,23,013	43,85,809	23,91,032
Unclaimed Dividend	15,17,540	15,72,700	16,09,436
Advance from customers	2,98,481	19,10,721	1,85,368
Statutory payables	41,22,357	35,21,136	38,01,707
Other payables	61,72,200	45,45,202	12,44,925
<b>Total Other Current Liabilities</b>	<b>2,24,33,591</b>	<b>1,59,35,568</b>	<b>92,32,468</b>

Note 13: Revenue from Operations

Particulars	For the year ended April 1, 2017 to March 31, 2018	For the year ended April 1, 2016 to March 31, 2017
Sale of Products	38,28,28,133	39,38,33,139
Sale of Services	42,40,72,956	41,16,22,706
Other Operating Revenue	3,68,263	4,61,381
<b>Total Revenue from Operations</b>	<b>80,72,69,352</b>	<b>80,59,17,226</b>

Note 14: Other Income

Particulars	For the year ended April 1, 2017 to March 31, 2018	For the year ended April 1, 2016 to March 31, 2017
Interest on Deposits with banks	4,46,181	63,784
Other Interest	5,68,369	6,30,178
Exchange Gain	10,87,928	-
Profit on sale of Investments (Net)	1,90,209	-
Miscellaneous Income	24,16,750	18,44,602
Credit balances / Provision no longer required written back	21,10,417	61,40,001
<b>Total Other Income</b>	<b>68,19,854</b>	<b>86,78,565</b>



**Note 15: Cost of Materials Consumed**

Particulars	For the year ended April 1, 2017 to March 31, 2018	For the year ended April 1, 2016 to March 31, 2017
Raw materials / Spares and consumables at the beginning of the year	7,77,28,385	9,55,14,862
Add: Purchases during the year	25,79,39,162	24,22,92,282
Less: Closing stocks	9,31,41,845	7,77,28,385
<b>Cost of Material Consumed</b>	<b>24,25,25,702</b>	<b>26,00,78,759</b>
Excise Duty paid	60,97,512	2,41,08,769
<b>Total Cost of Material Consumed</b>	<b>24,86,23,214</b>	<b>28,41,87,528</b>

**Note 16: Purchase of Stock-in-Trade**

Particulars	For the year ended April 1, 2017 to March 31, 2018	For the year ended April 1, 2016 to March 31, 2017
Purchases of stock-in-trade	19,23,11,187	21,45,96,886
Less :- Capitalised during the year	9,75,98,753	13,50,09,943
<b>Total Purchase of Stock-in-Trade</b>	<b>9,47,12,434</b>	<b>7,95,86,943</b>

**Note 17: Changes in Inventories of Work-in-Progress, Stock-in-Trade and Finished Goods**

Particulars	For the year ended April 1, 2017 to March 31, 2018	For the year ended April 1, 2016 to March 31, 2017
<b>Opening Stock</b>		
Work-in-progress	1,25,91,178	1,04,69,792
Finished goods	64,17,944	1,96,97,124
Traded goods	3,71,85,333	7,09,17,289
<b>Total Opening Stock</b>	<b>5,61,94,455</b>	<b>10,10,84,205</b>
<b>Closing Stock</b>		
Work-in-progress	-	1,25,91,178
Finished goods	23,82,105	64,17,944
Traded goods	2,21,43,621	3,71,85,333
<b>Total Closing Stock</b>	<b>2,45,25,726</b>	<b>5,61,94,455</b>
<b>Total changes in Inventories of Work-in-Progress, Stock-in-Trade and Finished Goods</b>	<b>3,16,68,729</b>	<b>4,48,89,750</b>

**Note 18: Employee Benefit Expenses**

Particulars	For the year ended April 1, 2017 to March 31, 2018	For the year ended April 1, 2016 to March 31, 2017
Salaries, wages and bonus	11,07,10,860	8,66,89,884
Gratuity and Leave encashment expense	53,01,765	18,05,043
Employee share-based payment expense	73,54,681	10,52,297
Contribution to provident and other fund	51,69,769	41,43,624
Staff welfare expenses	69,89,751	86,74,492
<b>Total Employee Benefit Expense</b>	<b>13,55,26,826</b>	<b>10,23,65,340</b>

Note 19: Other Expenses

Particulars	For the year ended April 1, 2017 to March 31, 2018	For the year ended April 1, 2016 to March 31, 2017
Power and fuel	62,98,482	59,61,823
Insurance	8,91,121	8,44,421
Repairs & Maintenance	69,03,878	57,43,116
Rent	2,43,50,003	2,45,39,816
Rates and taxes	42,82,220	62,27,468
Warranty Expenses	18,05,687	11,22,380
Carriage and Freight outwards	2,10,65,759	2,59,85,128
Commission on sales	34,75,007	76,66,365
Support Charges	1,61,33,334	2,11,03,252
<b>Auditors' Remuneration</b>		
for Audit fees	6,25,000	7,01,250
for Taxation matters	1,00,000	57,500
for Reimbursement of expenses	1,66,507	1,07,920
Advertisement and sales promotion	1,65,02,387	59,45,849
Directors' Commission and Sitting fees	13,50,000	7,10,000
Loss on disposal of assets	16,54,250	21,43,410
Travelling and Conveyance	1,62,06,083	1,67,55,795
Communication Expenses	90,50,273	89,10,734
Legal and Professional charges	1,00,37,081	76,68,413
Manpower support service charges	5,72,63,612	5,39,40,081
Office Maintenance	58,91,672	43,33,404
Cloud Expenses	37,83,551	-
Provision for doubtful debts / advances	35,52,615	13,65,114
Bad Debts Write off	3,07,405	65,354
Exchange Differences (Net)	-	2,31,885
Recruitment Expenses	23,96,560	11,67,461
Miscellaneous expenses	18,30,108	18,86,017
<b>Total Other Expenses</b>	<b>21,59,22,595</b>	<b>20,51,83,956</b>

Note 20: Finance Costs

Particulars	For the year ended April 1, 2017 to March 31, 2018	For the year ended April 1, 2016 to March 31, 2017
Interest Expenses	75,37,795	1,04,24,456
Other Borrowing costs	19,23,317	15,38,563
<b>Total Finance Costs</b>	<b>94,61,112</b>	<b>1,19,63,019</b>

Note 21: Depreciation and Amortisation Expense

Particulars	For the year ended April 1, 2017 to March 31, 2018	For the year ended April 1, 2016 to March 31, 2017
Depreciation of property, plant and equipment	9,21,91,218	7,71,59,376
Amortisation of intangible assets	40,76,709	26,75,029
<b>Total Depreciation and Amortisation Expense</b>	<b>9,62,67,927</b>	<b>7,98,34,405</b>

## Note 22: Related Party Transactions

### A) List of related parties

Name of Related Party	Relationship
Mr. Ram Narayan Agarwal	Chairman & Managing Director
Mr. Suresh C Senapaty	Subsidiary Company - Director
Mr. B R Ganesh*	Small Shareholders & Independent Director
Mr. G H Visweswara	Independent Director
Mr. Sudhir Prakash	Independent Director
Dr. A L Rao	Non-executive Director
Mr. H V Gowthama	Independent Director
Ms. Mythily Ramesh	Independent Director
Ms. Prashee Agarwal	Non - executive Director
Mr Shankar Jaganathan	Independent Director
Cimplifyfive Corporate Secretarial Services Private Limited	Company in which Director is Interested
WeP Digital Services Limited (formerly eRM Solutions Private Limited)	Subsidiary Company (100% owned)
WeP Solutions India Limited	Promoter Group
WeP Peripherals Limited	Promoter

\* Director till September 22, 2017

### B) Transactions with Key Management Personnel

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Remuneration to Mr. Ram N Agarwal	-	5,06,497

### C) Transactions with other related parties

Transactions	WeP Peripherals Limited	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Purchase of Goods and Services (excluding taxes)	85,94,300	-
Transactions	Cimplifyfive Corporate Secretarial Services Private Limited	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of Services	47,915	-

## Note 23: Employee Benefit Plans

The Company provides to its employees following retirement benefits:

- i) Gratuity
- ii) Leave Accrual

**Leave Accrual:** The Company allows accumulation / encashment of leave. Such accumulation can be utilized by obtaining leave in the subsequent period employment or encashment at the time of separation. The obligation as on the balance sheet date is provided on the basis of actuarial valuation.

**Gratuity:** The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days

salary for each completed year of service. The company accounts for gratuity benefits payable in the future based on the actuarial valuation. The company is exposed to actuarial risk with respect to this plan

The following table sets out the amounts recognised in the financial statements for Gratuity

#### Principal Actuarial Assumptions

Particulars	As at March 31, 2018	As at March 31, 2017
Salary Escalation	7.00%	7.00%
Discount Rate (per annum)	7.80%	7.00%
Mortality	India Assured Lives Mortality (2006-2008)	India Assured Lives Mortality (2006-2008)

#### Amount recognized in the Balance Sheet are as follows

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of Funded defined benefit obligation	65,19,416	49,19,857
Fair value of plan assets	(23,52,711)	(24,55,406)
Present value of unfunded obligations	-	-
<b>Net Liability</b>	<b>41,66,705</b>	<b>24,64,451</b>
Current	-	-
Non - current	41,66,705	24,64,451

#### Amount reflected in the P&L account is as follows

Particulars	As at March 31, 2018	As at March 31, 2017
Current Service Cost	14,35,583	6,78,095
Interest on Defined Benefit Obligation	1,80,353	3,29,780
Past Service cost	3,09,495	-
<b>Total</b>	<b>19,25,431</b>	<b>10,07,875</b>

#### Amount recorded in Other Comprehensive Income

Particulars	As at March 31, 2018	As at March 31, 2017
Opening amount recognised in OCI outside profit and loss account	(29,071)	1,76,974
Remeasurements during the period due to		
Changes in financial assumptions	(3,08,543)	3,11,108
Experience adjustments	1,82,315	(4,85,089)
Actual return on plan assets less interest on plan assets	36,380	(32,064)
<b>Closing amount recognised in OCI outside profit and loss account</b>	<b>(1,18,919)</b>	<b>(29,071)</b>

## Reconciliation statement

Particulars	As at March 31, 2018	As at March 31, 2017
<b>a) <u>Change in Defined Benefit Obligation</u></b>		
Opening Defined Benefit Obligation	49,19,857	50,89,352
Current Service Cost	14,35,583	6,78,095
Past service cost	3,09,495	-
Interest on Defined Benefit Obligation	3,52,109	3,58,168
Actuarial Losses / (Gain)		
Remeasurements due to:		
- Actuarial loss / (gain) arising from change in financial assumptions	(3,08,543)	3,11,108
- Actuarial loss / (gain) arising on account of experience changes	1,82,315	(4,85,089)
Benefits Paid	(3,71,400)	(10,31,777)
Acquisition / Transfer adjustment for Inter group transfer	-	-
<b>Closing Defined Benefit Obligation</b>	<b>65,19,416</b>	<b>49,19,857</b>
<b>b) <u>Change in Fair Value of Assets</u></b>		
Opening Fair Value of Plan Assets	24,55,406	4,67,093
Interest on plan assets	1,71,756	28,388
Remeasurements due to:		
Actual return on plan assets less interest on plan assets		32,064
Contribution by Employer	96,949	29,59,638
Benefit Paid	(3,71,400)	(10,31,777)
<b>Closing Fair Value of Plan Assets</b>	<b>23,52,711</b>	<b>24,55,406</b>
<b>c) <u>Change in Net Liability / (asset)</u></b>		
Opening net defined benefit liability / (asset)	24,64,451	46,22,259
Expense charged to profit & loss account	19,25,431	10,07,875
Amount recognised outside profit & loss account	(89,848)	(2,06,045)
Contribution by Employer	(96,949)	(29,59,638)
Impact of liability assumed or (settled) on account of inter group transfer	-	-
<b>Closing net defined benefit liability / (asset)</b>	<b>42,03,085</b>	<b>24,64,451</b>

### Note 24: Employees Stock Option Plan

The Company, from time to time, provides share based payments to its employees. These payments are provided in the form of stock options that can be exercised once the employee has completed specified service term with the Company. All share based employee remuneration would be settled in equity. The details of Stock options are provided below.

Particulars	ESOP 2011	ESOP 2016
Date of Shareholders' approval	27 <sup>th</sup> Sep 2011	22 <sup>nd</sup> Sep 2016
Total number of options approved under the scheme	6,00,000	6,00,000
Vesting Schedule		
On completion of 12 months from the date of grant of Options	30% vesting	30% vesting
On completion of 24 months from the date of grant of Options	30% vesting	30% vesting
On completion of 36 months from the date of grant of Options	40% vesting	40% vesting
Exercise Price	₹ 10 per share	₹ 10 per share
Exercise Period	5 years from the date of vesting	5 years from the date of vesting
Option movements during the year		
Options outstanding at the beginning of the year	3,92,300	NIL
Options granted during the year	93,000	1,32,000
Options Lapsed during the year	17,000	NIL

Particulars	ESOP 2011	ESOP 2016
Options vested and available for exercise	2,86,300	NIL
Options exercised during the year	42,900	NIL
Variations of terms of options	None	None
Money realised by exercise of options(Rs.)	4,29,000	NIL
<b>Total number of options in force as at the end of the year</b>	<b>4,25,400</b>	<b>1,32,000</b>
Vested and available for exercise	1,67,200	NIL
Unvested	2,58,200	1,32,000

#### Summary of the status of Options

Particulars	As at March 31, 2018	As at March 31, 2017
Options outstanding at the beginning of the year	3,92,300	5,04,000
Options granted during the year	2,25,000	2,48,000
Options Lapsed during the year	17,000	2,83,500
Options vested and available for exercise	2,86,300	80,700
Options exercised during the year	42,900	76,200
<b>Total number of options in force as at the end of the year</b>	<b>5,57,400</b>	<b>3,92,300</b>

#### Fair Valuation of Options

The fair value of each option is estimated using the Black-Scholes Option Pricing model. The following key assumptions are used for valuation:

Particulars	November 20, 2017
Current Market Price	50.05
Exercise Price	10.00
Weighted average volatility rate	154.1%
Dividend Payouts	5.00%
Risk free rate	7.05%
Expected life of the option	6 to 8 years

Note 25: Disclosures of dues / payments to Micro, Small and Medium enterprises to the extent such enterprises are identified by the company:

Particulars	As at March 31, 2018	As at March 31, 2017
a. Amount due on account of suppliers as at the end of the accounting year	7,10,223	NIL
b. Interest paid during the year;	NIL	NIL
c. Interest payable at the end of the year;	NIL	NIL
d. Interest accrued and unpaid at the end of the accounting year; has not been provided.	NIL	NIL

The information has been given in respect of such vendors to the extent they could be identified as "Micro, Small and Medium" enterprises on the basis of information available with the Company

Note 26: Earning Per Share(EPS) computed in accordance with Ind AS 33

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Basic</b>		
Profit / (Loss) after tax as per accounts	(1,47,25,503)	38,97,488
Number of Shares issued (Weighted average no.)	2,51,00,743	2,33,31,499
<b>Earning Per Share</b> (of nominal value of equity share of Rs.10/- each)	<b>(0.59)</b>	<b>0.17</b>
<b>Diluted</b>		
Profit / (Loss) after tax as per accounts	(1,47,25,503)	38,97,488
Number of Shares issued (Weighted average no.)	2,57,68,691	2,35,01,678
<b>Earning Per Share</b> (of nominal value of equity share of Rs.10/- each)	<b>(0.57)</b>	<b>0.17</b>

Calculation of Weighted average number of shares used as the denominator

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Weighted average number of equity shares used as the denominator in calculating basic earning per share	2,51,00,743	2,33,31,499
Adjustments for calculation of diluted earnings per share		
Stock options	4,13,153	1,70,179
Convertible Warrants	2,54,795	-
Weighted average number of equity shares used as the denominator in calculating diluted earning per share	<b>2,57,68,691</b>	<b>2,35,01,678</b>

Note 27: Warranty

The Company generally offers 6 to 12 months warranties for its products. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims. Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period.

Movement in provision during the financial year	Warranty Provision	
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening Provision	1,12,04,846	1,89,72,475
Additions during the year	26,99,444	1,29,46,461
Reversal due to revenue deferment on extended warranty impact	-	17,41,615
Reversal during the year	1,12,04,846	1,89,72,475
Closing Provision	<b>26,99,444</b>	<b>1,12,04,846</b>

Note 28: Contingent Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Disputed Tax demands and other matters	6,11,61,777	5,92,52,472
<b>Total</b>	<b>6,11,61,777</b>	<b>5,92,52,472</b>

**Note 29: Segment Reporting**

For management purposes, the company is organised into business units based on its products and services and has three reportable segments, as follows:

- The Printers business which is into design, manufacturing and distribution of Retail Billing Printers and other impact printers
- The Managed Printing Solutions (MPS) business which is into providing office printing solutions and services to corporate customers
- The Digital Services business which is into providing Digital services like GST, Aadhaar authentication, document management etc. This business has been seeded during the current financial year.

**Segment Information**

Particulars	Printer Business		MPS Business		Digital Services		Total	
	2017 - 18	2016 - 17	2017 - 18	2016 - 17	2017 - 18	2016 - 17	2017 - 18	2016 - 17
<b>Revenue</b>								
Net Sales / Income from Operations	37,65,28,330	40,08,37,663	41,90,66,284	39,96,24,278	1,16,74,738	54,55,285	80,72,69,352	80,59,17,226
<b>Segment Revenue</b>	<b>37,65,28,330</b>	<b>40,08,37,663</b>	<b>41,90,66,284</b>	<b>39,96,24,278</b>	<b>1,16,74,738</b>	<b>54,55,285</b>	<b>80,72,69,352</b>	<b>80,59,17,226</b>
<b>Segment Result</b>	1,54,30,134	(3,34,34,245)	3,82,74,421	5,92,33,581	(6,20,16,987)	(72,51,467)	(83,12,432)	1,85,47,869
Less:- Finance Cost							94,61,112	1,19,63,019
<b>Profit Before tax</b>							<b>(1,77,73,544)</b>	<b>65,84,850</b>
Tax Expenses							(30,48,041)	26,87,362
<b>Profit After Tax</b>							<b>(1,47,25,503)</b>	<b>38,97,488</b>
<b>Other Information</b>								
Segment Assets	19,64,60,500	23,14,81,987	46,82,06,672	41,46,52,619	2,90,96,702	1,11,22,440	69,37,63,874	65,72,57,046
Segment Liabilities	9,08,53,943	12,69,36,327	8,86,03,501	7,94,12,947	1,67,29,450	18,43,787	19,61,86,894	20,81,93,060
<b>Capital Employed</b>	<b>10,56,06,557</b>	<b>10,45,45,660</b>	<b>37,96,03,171</b>	<b>33,52,39,672</b>	<b>1,23,67,252</b>	<b>92,78,654</b>	<b>49,75,76,980</b>	<b>44,90,63,986</b>



## Note 30: Financial Instruments

This section gives an overview of the significance of financial instruments for the Company and provided additional information on balance sheet terms that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expense are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

### i) Classification of Financial Assets and Liabilities

All financial assets and financial liabilities are valued at amortised cost.

### ii) Fair Value Hierarchy

There are no financial asset or liabilities of the Company, which, after their initial recognition, have been fair valued either during the year or in the previous year.

### iii) Financial Risk Management Policies and Objectives

The Company, in the course of its business, is exposed to a variety of financial risks, viz., market risk, credit risk and liquidity risk which can adversely impact the financial performance. The Company's endeavour is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The Company has a risk management policy that which not only covers the foreign exchange risk but also other risks such as interest rate risk and credit risk which are associated with financial assets and liabilities.

#### A. Market Risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

#### B. Foreign currency exchange rate risk

The fluctuations in foreign currency exchange rate may have a potential impact on the statement of profit and loss and equity. This arises from transactions entered into foreign currency and assets/liabilities which are denominated in a currency other than the functional currency of the Company.

The Company imports raw materials, traded goods, consumables etc and such transactions are denominated in US Dollars. The Company does not take major exposure in any other foreign currency. The group also exports services which are billed in US dollars. The Company has a hedging policy approved and reviewed by the Board of Directors to mitigate its risks. Details of foreign currency exposure in USD are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Trade Receivables (Amount in INR)	2,32,287	3,22,506
Trade Receivables (Amount in USD)	3,571	4,973
Trade Payables (Amount in INR)	1,67,48,919	3,26,50,757
Trade Payables (Amount in USD)	2,57,501	5,03,432

#### B. Credit risk

Credit risk is the risk of financial loss arising from counter party failure to repay or service debt according to the contractual terms or obligations. Credit risk covers both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

Trade receivables constitute the financial instruments that are exposed to credit risk. The Company's policy is to deal only with creditworthy counterparts. The Company management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due. None of the Company financial assets are secured by collateral or other credit enhancements.

The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date.

Note 31: Additional Information Pursuant to the Provisions of Part II of Schedule III to the Companies Act 2013.

A) Value of Imports on CIF basis

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw material, Stock in trade, spares and consumables	15,91,85,451	17,81,99,749

B) Expenditure in Foreign Currency

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Travelling	1,38,159	50,951
Repair Charges	-	3,65,640

C) Material consumption details

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Indigenous-</b> Consumption during the year % of total consumption	17,65,11,704 73%	14,25,29,913 55%
<b>Imported-</b> Consumption during the year % of total consumption	6,60,13,998 27%	11,77,18,057 45%
<b>Total</b>	<b>24,25,25,702</b>	<b>26,00,78,759</b>

D) Earning in Foreign Currency

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Export of Goods	35,13,498	36,37,892

For and on behalf of the Board of Directors

As per our report attached  
For N M Raiji & Co  
Chartered Accountants  
Firm Reg. No.: 108296W

H V Gowthama  
Director

Ram N Agarwal  
Chairman & Managing Director

Vinay D Balse  
Partner  
Membership No. : 39434

Sandeep Goyal  
Chief Financial Officer

Sujata Lele  
Company Secretary

Place: Bengaluru  
Date: May 19, 2018

Place: Bengaluru  
Date: May 19, 2018

# Independent Auditor's Report

To the Members of WeP Solutions Limited

## Report on the Standalone Ind AS Financial Statements

1. We have audited the accompanying standalone Ind AS financial statements of **WeP Solutions Limited** ('the Company'), which comprise the Balance sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

## Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.
3. 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

4. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.
5. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
6. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.
7. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.
8. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

## Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at March 31, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure "A", a statement on the matters specified in the paragraph 3 and 4 of the order.

11. As required by Section 143(3) of the Act, we report that:

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) the Balance sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of changes in equity dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
- (e) on the basis of the written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure "B"; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For N.M.Raiji & Co.  
Chartered Accountants  
Firm's Registration Number: 108296W

Place: Camp Bengaluru  
Date: May 19, 2018

Vinay D. Balse  
Partner  
Membership Number: 39434

**ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE  
ON THE STANDALONE FINANCIAL STATEMENTS OF WeP SOLUTIONS LIMITED**  
*(Referred to in Paragraph 2 under the heading  
of "Report on Other Legal and Regulatory Requirements" of our report of even date)*

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- (b) In accordance with the phased programme for verification of fixed assets, certain items of fixed assets were physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) Title deeds of immovable properties are held in the name of the Company.
- ii. Stocks of inventories have been physically verified during the year by the management. The Company has a perpetual inventory system. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stock and the book stock were not material in relation to the operations of the Company and have been properly dealt with in the books of account.
- iii. In respect of a loan given by the Company during the year, to its 100% subsidiary:
  - (a) the terms and conditions of the loan are not prejudicial to the Company's interest;
  - (b) the schedule of repayment has presently not been stipulated;
  - (c) In the absence of repayment schedule there are presently no overdue amounts.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, in respect of loans, investments, guarantees and security.
- (v) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not accepted any deposits from the public during the year. Accordingly, the requirements of clause (v) of para 3 of the Order are not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company, pursuant to the rules made by the central government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and of the opinion that prima facie, the prescribed accounts have been made and maintained.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, value added tax, cess and any other dues, during the year, with the appropriate authorities.
- (b) According to the information and explanations given to us, following are the dues of Income-tax, Sales-tax, Excise Duty and Service Tax which have not been deposited on account of disputes with the related authorities:

Sl. No	Nature of the statue	Forum where dispute is Pending	Financial year to which the matter pertains	Amount (₹)
1	Service Tax	CESTAT, Bengaluru	2010-11 to 2013-14	58,129,154
2	VAT	Commissioner of Sales Tax	2012-13	370,798
3	VAT	Commissioner of Sales Tax	2013-14	752,522
<b>Grand Total</b>				<b>5,92,52,474</b>

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks. The Company does not have any outstanding debentures.
- ix. The Company did not raise moneys by way of initial public offer or further public offer during the year. The Company has not availed of any term loans.

- x. To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company was noticed or reported during the year.
- xi. Managerial remuneration paid for the year 2017-18 is in accordance with the requisite approvals mandated by the provisions of section 197, read with Schedule V of the Companies Act, 2013.
- xii. To the best of our knowledge and belief, the Company is not a Nidhi Company. Consequently, clause (xii) of para 3 of the Order is not applicable to the Company.
- xiii. To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and 188 of Companies Act, 2013, and corresponding details have been disclosed in the Financial Statements, as required by the accounting standards.
- xiv. During the year the Company has made a preferential allotment of 10,00,000 convertible warrants at Rs.60 each. The Company has realized upfront consideration of 25% on allotment of warrants. The Company has not issued fully or partly convertible debentures during the year
- xv. To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Consequently, the requirement under clause (xv) of para 3 of the Order is not applicable to the Company.
- xvi. To the best of our knowledge and belief, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For N.M.Raiji & Co.  
Chartered Accountants  
Firm's Registration Number: 108296W

Place: Camp Bengaluru  
Date: May 19, 2018

Vinay D. Balse  
Partner  
Membership Number: 39434

## Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of WeP Solutions Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone 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 ('ICAI').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

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

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

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

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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.

For N.M.Raiji & Co.  
Chartered Accountants  
Firm's Registration Number: 108296W

Place: Camp Bengaluru  
Date: May 19, 2018

Vinay D. Balse  
Partner  
Membership Number: 39434





**WeP Solutions Limited**  
Balance Sheet as at March 31, 2018

(in ₹)

PART I – BALANCE SHEET					
Particulars		Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>ASSETS</b>					
1	<b>Non-current assets</b>				
a)	Property, Plant and Equipment	2	32,06,84,138	30,56,04,219	24,05,13,712
b)	Capital Work-in-Progress	2 & 3	2,85,440	19,38,000	15,26,471
c)	Other Intangible Assets	3	72,29,922	26,87,575	11,09,110
d)	Financial Assets				
i)	Investments	4(a)	4,92,52,345	81,00,000	88,17,791
ii)	Loans	4(c)	-	1,00,00,000	42,92,670
iii)	Other Financial Assets	4(e)	1,16,04,448	1,15,26,567	1,44,53,887
e)	Deferred Tax Assets (net)	5	1,65,20,227	1,55,33,950	2,05,18,738
f)	Other Non-Current Assets	6	4,60,27,921	4,38,06,476	3,83,26,971
			<b>45,16,04,441</b>	<b>39,91,96,787</b>	<b>32,95,59,350</b>
2	<b>Current assets</b>				
a)	Inventories	7	11,76,46,010	13,39,22,839	19,65,99,067
b)	Financial Assets				
i)	Trade Receivables	4(b)	12,94,99,526	11,78,35,327	15,09,54,240
ii)	Cash and Cash Equivalents	4(d)	40,556	1,14,245	4,25,736
iii)	Bank Balances other than (ii) above	4(f)	15,17,540	15,72,700	16,09,436
iv)	Other financial assets	4(e)	13,69,660	14,03,032	22,78,927
c)	Other Current Assets	8	1,76,20,952	1,01,89,672	74,81,089
			<b>26,76,94,244</b>	<b>26,50,37,815</b>	<b>35,93,48,495</b>
	<b>Total Assets</b>		<b>71,92,98,685</b>	<b>66,42,34,602</b>	<b>68,89,07,845</b>
<b>EQUITY AND LIABILITIES</b>					
3	<b>Equity</b>				
a)	Equity Share capital	9(a)	25,12,31,545	25,08,02,545	23,00,40,545
b)	Other Equity				
i)	Reserves & Surplus	9(b)	19,27,13,595	17,12,77,131	8,12,51,670
ii)	Others	9(c)	1,50,00,000	-	-
			<b>45,89,45,140</b>	<b>42,20,79,676</b>	<b>31,12,92,215</b>
4	<b>LIABILITIES</b>				
	<b>Non-current liabilities</b>				
a)	Provisions	11	1,02,59,780	1,39,72,973	2,14,14,527
			<b>1,02,59,780</b>	<b>1,39,72,973</b>	<b>2,14,14,527</b>
5	<b>Current liabilities</b>				
a)	Financial Liabilities				
i)	Borrowings	10(a)	7,65,83,473	3,58,05,652	12,23,34,009
ii)	Trade Payables	10(b)	10,54,17,446	11,77,85,447	14,03,00,481
iii)	Other Financial Liabilities	10(c)	5,18,37,211	5,49,76,545	7,78,43,140
b)	Other Current Liabilities	12	1,44,46,299	1,50,72,663	87,72,281
c)	Provisions	11	18,09,336	45,41,646	69,51,192
			<b>25,00,93,765</b>	<b>22,81,81,953</b>	<b>35,62,01,103</b>
	<b>Total Equity and Liabilities</b>		<b>71,92,98,685</b>	<b>66,42,34,602</b>	<b>68,89,07,845</b>

See Accompanying Notes to the Financial Statements

As per our report attached  
For **N M Raiji & Co**  
Chartered Accountants  
Firm Reg. No.: 108296W

**Vinay D Balse**  
Partner  
Membership No. : 39434

Place: Bengaluru  
Date: May 19, 2018

For and on behalf of the Board of Directors

**H V Gowthama**  
Director

**Ram N Agarwal**  
Chairman & Managing Director

**Sandeep Goyal**  
Chief Financial Officer

**Sujata Lele**  
Company Secretary

Place: Bengaluru  
Date: May 19, 2018

**WeP Solutions Limited**  
Statement of Profit and Loss for the year ended March 31, 2018

(in ₹)

PART II – STATEMENT OF PROFIT AND LOSS				
Particulars		Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I	Revenue From Operations	13	79,83,73,763	80,04,61,940
II	Other Income	14	88,88,993	94,43,372
<b>III</b>	<b>Total Income (I+II)</b>		<b>80,72,62,756</b>	<b>80,99,05,312</b>
	<b>EXPENSES</b>			
a)	Cost of Materials Consumed	15	24,87,67,453	28,43,56,739
b)	Purchases of Stock-in-Trade	16	9,47,12,434	7,95,86,943
c)	Changes in Inventories of Work-in-Progress, Stock-in-Trade and Finished Goods	17	3,16,90,290	4,48,89,750
d)	Employee Benefits Expenses	18	11,20,75,455	9,74,25,373
e)	Other Expenses	19	19,66,79,206	19,96,54,196
<b>IV</b>	<b>Total Expenses</b>		<b>68,39,24,838</b>	<b>70,59,13,001</b>
	<b>Profit / (loss) Before Depreciation, Interest, Exceptional Items and Tax (III-IV)</b>		<b>12,33,37,918</b>	<b>10,39,92,311</b>
f)	Finance Costs	20	94,36,281	1,19,50,612
g)	Depreciation and Amortization Expense	21	9,36,76,214	7,74,03,834
<b>V</b>	<b>Profit / (loss) Before Exceptional Items and Tax</b>		<b>2,02,25,423</b>	<b>1,46,37,865</b>
VI	Exceptional Items		-	-
<b>VII</b>	<b>Profit / (loss) Before Tax (V-VI)</b>		<b>2,02,25,423</b>	<b>1,46,37,865</b>
<b>VIII</b>	<b>Tax Expense:</b>			
	1) Current tax		72,18,862	39,06,770
	2) MAT Credit entitlement		-	(39,06,770)
	3) Deferred tax		(9,86,277)	49,16,662
<b>IX</b>	<b>Profit (Loss) for the period from Continuing Operations (VII-VIII)</b>		<b>1,39,92,838</b>	<b>97,21,203</b>
<b>X</b>	<b>Other Comprehensive Income</b>			
A	i) Items that will not be reclassified to profit or loss		1,32,881	2,06,045
	ii) Income tax relating to items that will not be reclassified to profit or loss		(43,934)	(68,125)
B	i) Items that will be reclassified to profit or loss		-	-
	ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>XI</b>	<b>Total Comprehensive Income for the period (IX+X)</b> (Comprising Profit / (Loss) & Other Comprehensive Income for the period)		<b>1,40,81,785</b>	<b>98,59,123</b>
<b>XII</b>	<b>Earnings Per Equity Share:</b>			
	1) Basic		0.56	0.42
	2) Diluted		0.54	0.41
	No of Shares for EPS Calculation			
	1) Basic		2,51,00,743	2,33,31,499
	2) Diluted		2,57,68,691	2,35,01,678

See Accompanying Notes to the Financial Statements

As per our report attached  
For N M Rajji & Co  
Chartered Accountants  
Firm Reg. No.: 108296W

Vinay D Balse  
Partner  
Membership No. : 39434  
Place: Bengaluru  
Date: May 19, 2018

For and on behalf of the Board of Directors

H V Gowthama  
Director

Ram N Agarwal  
Chairman & Managing Director

Sandeep Goyal  
Chief Financial Officer

Sujata Lele  
Company Secretary

Place: Bengaluru  
Date: May 19, 2018



**WeP Solutions Limited**  
Statement of Cash Flows for the year ended March 31, 2018

(in ₹)

Particulars		March 31, 2018	March 31, 2017
A	<b>Cash Flow From Operating Activities</b>		
	Profit before Income tax from continuing Operations	2,02,25,423	1,46,37,865
	<b>Profit before Income tax</b>	<b>2,02,25,423</b>	<b>1,46,37,865</b>
	<b>Adjustment for:</b>		
	Depreciation & Amortisation	9,36,76,214	7,74,03,834
	Provision for doubtful debts	34,47,317	16,29,487
	Employee share based payment expense	62,02,334	8,84,129
	Actuarial Gains / Losses recognised in Other Comprehensive Income	1,32,881	2,06,045
	Loss / (Profit) on Sale of Fixed Assets	16,54,250	21,43,410
	Net Exchange differences	(11,22,114)	1,91,013
	Interest Income	(8,84,555)	(14,75,207)
	Interest Expense	94,36,281	1,19,50,612
	<b>Changes in Operating assets and liabilities</b>		
	(Increase) / Decrease in Inventories	1,62,76,829	6,26,76,228
	(Increase) / Decrease in Trade Receivables	(1,51,11,517)	3,14,89,425
	(Increase) / Decrease in Other Current Assets	(74,31,281)	(27,08,576)
	(Increase) / Decrease in Other Bank Balances	55,160	36,736
	(Increase) / Decrease in Loans	1,00,00,000	(57,07,330)
	(Increase) / Decrease in Other Financial Assets	(44,510)	34,01,783
	(Increase) / Decrease in Other Non Current Assets	(34,286)	39,29,229
	Increase / (Decrease) in Provisions	(64,45,502)	(98,51,100)
	Increase / (Decrease) in Trade Payables	(1,12,45,887)	(2,27,06,043)
	Increase / (Decrease) in Other Current Liabilities	(6,26,364)	(1,52,01,621)
	Increase / (Decrease) in Other Financial Liabilities	(31,39,334)	(13,64,591)
	<b>Cash Generated from Operations</b>	<b>11,50,21,339</b>	<b>15,15,65,328</b>
	Income taxes paid	94,49,954	90,07,312
	<b>Net Cash From Operating Activities</b>	<b>10,55,71,385</b>	<b>14,25,58,016</b>
B	<b>Cash Flow From Investing Activities</b>		
	Purchase of Property, Plant & Equipment	(10,65,36,244)	(14,50,70,484)
	Purchase of Investments	(4,00,00,000)	-
	Purchase of Intangible Assets	(68,51,884)	(24,80,147)
	Proceeds from Sale of Fixed Assets	87,958	9,22,885
	Interest Income	8,84,555	14,75,207
	<b>Net Cash Used In Investing Activities</b>	<b>(15,24,15,615)</b>	<b>(14,51,52,539)</b>
C	<b>Cash Flow From Financing Activities</b>		
	Proceeds from Issue of Shares	4,29,000	10,07,62,000
	Proceeds from Issue of Warrants	1,50,00,000	-
	Interest paid	(94,36,280)	(1,19,50,612)
	Proceeds / (Repayment) of Borrowings	4,07,77,821	(8,65,28,356)
	<b>Net Cash From / (Used for) Financing Activities</b>	<b>4,67,70,541</b>	<b>22,83,032</b>
	<b>Net Increase / (Decrease) In Cash and Cash Equivalents - (A+B+C)</b>	<b>(73,689)</b>	<b>(3,11,491)</b>
	Cash and Cash Equivalents at The Beginning of the year / period	1,14,245	4,25,736
	<b>Cash and Cash Equivalents at The End of the year / period</b>	<b>40,556</b>	<b>1,14,245</b>

As per our report attached  
For N M Raiji & Co  
Chartered Accountants  
Firm Reg. No.: 108296W

**Vinay D Balse**  
Partner  
Membership No. : 39434

Place: Bengaluru  
Date: May 19, 2018

For and on behalf of the Board of Directors

**H V Gowthama**  
Director

**Ram N Agarwal**  
Chairman & Managing Director

**Sandeep Goyal**  
Chief Financial Officer

**Sujata Lele**  
Company Secretary

Place: Bengaluru  
Date: May 19, 2018

## Corporate Information

The Company is principally engaged in the business of providing Managed Printing Solutions and Services, Manufacturing and Distribution of Retail Billing Products and providing Digital Services like GST, Aadhar Authentication, Document Management Solutions, etc. to both enterprise and retail customers, pan India. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act 1956. Its shares are listed on the Bombay Stock Exchange and the registered office of the Company is located at 40/1A, Basappa Complex, Lavelle Road, Bengaluru - 560001.

### 1. Significant Accounting Policies and Other Explanatory Information to the Financial Statements for the year ended March 31, 2018

#### A. Significant accounting policies

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements and in preparing the opening Ind AS Balance Sheet as at April 1, 2016 for the purpose of transition to Ind AS, unless otherwise indicated.

##### A.1. Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017.

The transition from Previous GAAP to Ind AS has been accounted for in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards", with April 1, 2016 being the transition date.

In accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards", the Company has presented a reconciliation from the presentation of financial statements under accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of total equity as at April 1, 2016 and March 31, 2017 and Total Comprehensive Income for the year ended March 31, 2017.

##### A.2. Basis of Preparation

The financial statements have been prepared under the historical cost convention, with the exception of certain assets and liabilities that are required to be carried at fair values as per Ind AS.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

##### A.3. Use of Estimates

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Changes in estimates are reflected in the financial statements in the period in which the changes are made.

Significant judgements and estimates relating to the carrying amounts of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets, provision for employee benefits and other provisions and recoverability of deferred tax assets.

##### A.4. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from the sale of goods is recognised when significant risks and rewards of ownership have been transferred to the customer, which is mainly upon delivery, the amount of revenue can be measured reliably and recovery of the consideration is probable. The Company accrues the estimated cost of standard warranties at the time when the revenue is recognised. The accruals are based on the Company's historical experience of material usage and service delivery costs. The revenue from extended warranties i.e. for period in excess of standard warranty, is recognised on a straight-line basis over the period of the extended warranty.

Revenue from services is recognised in the periods in which the services are rendered. Where services involve performance of an indeterminate number of acts without substantial variation in significance over a specified period of time, revenue is recognised on a straight-line basis over the specified period. Where a specific act is much more significant than any other act, the revenue is recognised on completion of such significant act.

Revenue from providing solutions and services is recognised in accordance with the customer contract and when there are no unfulfilled company obligations or any obligations that are inconsequential and will not affect the customer's final acceptance of the arrangement. Income from maintenance contracts is recognised proportionately over the period of the contract.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established. Interest income is recognised on a time proportion basis.

#### **A.5. Inventories**

Inventories are stated at lower of cost and net realizable value. Cost is determined using the weighted average method. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business, after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution.

#### **A.6. Property, plant and equipment**

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. Borrowing cost directly attributable to the construction or production of qualifying assets are capitalised as a part of cost. All other repair and maintenance costs, including regular servicing, are recognised in the Statement of Profit and Loss, as and when incurred.

All property, plant and equipment are stated at cost of acquisition or construction, less accumulated depreciation and impairment loss, if any. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Capital Work-in-Progress is stated at cost, comprising of direct cost and related incidental expenditure.

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset, and is recognised in the Statement of Profit and Loss.

#### **A.7. Intangible assets**

Software costs, both acquired and internally generated, are recognised as intangible assets only where they are clearly linked to long term economic benefits for the Company. They are amortized on a straight-line basis over their estimated useful lives. All other costs on software are expensed in the Statement of Profit and Loss as and when incurred.

Expenditure during development phase of internally generated software is recognized as intangible assets if all of the following conditions are met:

- i) completion of the development is technically feasible;
- ii) it is the intention to complete the intangible asset and use or sell it;
- iii) it is clear that the intangible asset will generate probable future economic benefits;
- iv) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- v) it is possible to reliably measure the expenditure attributable to the intangible asset during its development.

Recognition of costs as an asset is ceased when the project is complete and available for its intended use, or if these criteria no longer apply.

Where development activities do not meet the conditions for recognition as an asset, any associated expenditure is treated as an expense in the period in which it is incurred

#### A.8. Depreciation and amortization of property, plant and equipment and intangible assets

Depreciation or amortization is provided on the straight-line method over the useful lives of assets as estimated by the management. The estimated useful lives of assets are as follows:

Assets	Useful Life applied (In Years)
Computers	3.00
Furniture and Fixtures - Owned Premises	10.00
Furniture and Fixtures - Leased Premises	5.00
Office Equipment	5.00
Plant and Equipments including Electrical installations	4.00
Computer Peripherals - on Use and Pay	4.00
Vehicles	8.00
Air Conditioners	4.00
Moulds, Dies & Patterns	5.00
Building	30.00

Individual Assets costing less than ₹ 5,000 are depreciated in full in the year of purchase. Depreciation for assets purchased / sold during the period is proportionately charged.

Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis as follows:

Asset	Amortization (In Years)
Computer Software – ERP Systems	4.00
Computer Software	2 to 3 years
Technical Know-how	5.00

#### A.9. Impairment of Assets

At each balance sheet date, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying amount of those assets may not be recoverable through continuing use.

If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of the fair value, less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset, for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the Statement of Profit and Loss as and when the carrying amount of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

#### A.10. Foreign Currency Transactions

The financial statements of the Company are presented in INR, which is the functional currency of the Company and the presentation currency for the financial statements. Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction.

At the end of each reporting period, all monetary items denominated in foreign currencies are translated at the rates prevailing as at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

The exchange difference arising on account of the difference between the rates prevailing on the date of transaction and on the date of settlement, as also on translation of monetary items at the end of the year is recognized as income or expense, as the case may be, in the Statement of Profit and Loss for the year.

## A.11. Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss, are immediately recognised in the Statement of Profit and Loss.

### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

#### a) Financial assets

##### Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost, if these financial assets are held within a business model whose objective is to hold these assets, in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income, if these financial assets are held within a business model, whose objective is to hold these assets in order to collect contractual cash flows, or to sell these financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets not measured at amortised cost, or at fair value through other comprehensive income, are carried at fair value through profit or loss.

##### Impairment of financial assets

The Company assesses, on a forward looking basis, the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company has applied the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables with effect from April 1, 2017.

##### Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

#### b) Financial liabilities and equity instruments

##### Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity is recorded at the proceeds received, net of direct issue costs.

##### Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

Interest-bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs.

## Derecognition of financial liabilities

The Company derecognises financial liabilities when the Company's obligations are discharged, cancelled or they expire.

### A.12. Employee Benefits

#### i. Short Term Employee Benefits

Short Term Employees Benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related services is rendered.

#### ii. Other long-term employee benefit obligations

**Leave Encashment:** Liability in respect of leave encashment as at the balance sheet date is determined based on actuarial valuation, by using the Projected Unit Credit Method and gains/losses for the year are recognized immediately in the Statement of Profit and Loss.

#### iii. Post Employment Benefits

**Provident Fund:** The Company contributes monthly at a determined rate. These contributions are remitted to the Employee Provident Fund Commissioner office and are charged to the Statement of Profit and Loss on accrual basis.

**Gratuity:** The Company provides for gratuity (a defined benefit retirement plan) to all the eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, on death while in employment, or termination of employment for an amount equivalent to 15 days' salary, payable for each completed year of service. Vesting occurs on completion of five years of service. Liability in respect of gratuity as at the balance sheet date is determined on the basis of actuarial valuation, using the Projected Unit Credit Method. Re-measurement gains and losses of the net defined benefit liability / (asset) are recognised immediately in other comprehensive income. The service cost, net interest on the net defined benefit liability / (asset) is treated as a net expense within employment costs and are recognized immediately in the Statement of Profit and Loss.

#### iv. Employee Stock Options

All employee services received in exchange for the grant of any share based remuneration are measured at their fair values. These are indirectly determined by reference to the fair value of the share options awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

All share-based remuneration is ultimately recognised as an expense in the Statement of Profit and Loss, with a corresponding credit to Employee Stock Compensation Reserve. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates. Once vested, no adjustment is made to expense recognised in prior periods if, ultimately, fewer share options are exercised than originally estimated. Upon exercise of share options, the proceeds received (net of any directly attributable transaction costs) up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as Securities Premium.

### A.13. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of those assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

### A.14. Earning Per Share

In accordance with the Ind AS 33 "Earnings Per Share", basic / diluted earnings per share is computed by taking the weighted average number of shares outstanding during the year.

### A.15. Taxation

Tax expense for the year comprises of current tax and deferred tax.

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from net profit, as reported in the Statement of Profit and Loss, because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.



Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets for all deductible temporary differences and unused tax losses are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets are reviewed at each balance sheet date for the appropriateness of their respective carrying values.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax are recognised as an expense or income in the Statement of Profit and Loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax during the specified period. Accordingly, MAT entitlement is recognised as an asset in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with it will fructify. Such asset is reviewed at each balance sheet date and the carrying amount of MAT credit asset is written down to the extent there is no longer a convincing evidence for the effect that the company will pay normal income tax during the specified period.

#### A.16. Warranty Cost

The Company accrues the estimated cost of warranties at the time when the revenue is recognised. The accruals are based on the Company's historical experience of material usage and service delivery cost.

#### A.17. Provisions

Provisions are recognized in the balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date. When appropriate, provisions are measured on a discounted basis.

Constructive obligation is an obligation that derives from a Company's actions where:

- a) by an established pattern of past practice, published policies or a sufficiently specific current statement, the Company has indicated to other parties that it will accept certain responsibilities; and
- b) as a result, the Company has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

#### A.18. Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company, in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease.

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the Statement of Profit and Loss on a straight line basis, over the term of the relevant lease, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### A.19. Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, demand deposits with bank, and other short term highly liquid investments, with original maturities of 3 months or less.

## B. Explanation of Transition to IND AS

### B.1. Exemptions availed by the Group

Ind AS 101 "First time adoption of Indian accounting standards" permits companies adopting Ind AS for the first time to avail of certain exemptions from the full retrospective application of Ind AS in the transition period. The Company, on transition to Ind AS, has availed the following key exemptions:

a) **Property, plant and equipment**

The Company has elected to adopt previous GAAP carrying value of its Property, Plant and Equipment as deemed cost on date of transition

b) **Intangible assets**

The Company has elected to treat the carrying value as deemed cost for all items of intangible assets.

c) **Investment in subsidiary**

The Company has elected to take the carrying amount of all its investments in its subsidiaries as at April 1, 2016, as its deemed cost under Ind AS.

d) **Share based payments**

The Company has elected to apply the requirements of Ind AS 102, retrospectively, for all the options granted by the Company

### B.2. Exceptions applicable to Group

Ind AS 101 "First time adoption of Indian accounting standards" contains certain exceptions that prohibit full retrospective application of Ind AS in the transition period. From amongst these exceptions, the one applicable to the Company are as follows:

a) **De-recognition of financial assets and liabilities**

The Company has elected to apply the de-recognition provisions of Ind AS 109 (Financial Instruments) prospectively from the date of transition to Ind AS.

b) **Classification and measurement of financial assets**

The Company has classified the financial assets in accordance with Ind AS 109 (Financial Instruments) on the basis of facts and circumstances that existed as at the date of transition to Ind AS.

### B.3. Reconciliation between previous GAAP and Ind AS

i) **Equity Reconciliation**

(₹ in Mn)

Particulars	Note	As at March 31, 2017	As at April 1, 2016
Equity as per previous IGAAP		423.39	310.19
<b>Add / (Less): Adjustments on transition to Ind AS</b>			
Warranty provision restatement	e	1.74	
Deferred tax impact		0.81	0.38
Stock Options Plan Impact	b	-	0.72
Revenue Deferment for extended warranty obligations	a	(3.83)	
Fair Valuation of Deposits impact	d	(0.03)	
<b>Adjustments (Total)</b>		<b>(1.31)</b>	<b>1.10</b>
Equity as per Ind AS		422.08	311.29

ii) Total Comprehensive Income Reconciliation

(₹ in Mn)

Particulars	Note	For the year ended March 31, 2017
Net Profit as per previous IGAAP		12.12
<b>Add / (Less): Adjustments on transition to Ind AS</b>		
Revenue Deferment for extended warranty obligations	a	(3.83)
Stock option expense impact due to fair valuation	b	(0.57)
Actuarial Gain recognised in Other comprehensive income	c	(0.21)
Advance Rent expensed off due to fair valuation of deposits	d	(0.65)
Interest income on Rent deposits due to fair valuation	d	0.62
Warranty provision restatement	e	1.74
Deferred tax Impact		0.49
<b>Adjustments (Total)</b>		<b>(2.40)</b>
<b>Net Profit as per Ind AS</b>		<b>9.72</b>
Other Comprehensive Income as per Ind AS		0.14
<b>Total Comprehensive Income as per Ind AS</b>		<b>9.86</b>

Notes

- The Company provides extended warranty for its products. Consequent to adoption of Ind AS, the Company has derecognised the revenue pertaining to the extended warranty and spread on a straight line basis over the period extended warranty.
- The amount of stock options expense impact represents the impact of change in valuation of stock options from the erstwhile intrinsic value method under IGAAP to the fair value method under Ind AS.
- The Company has recognised all actuarial gains and losses on post retirement defined benefit schemes in other comprehensive income. Deferred taxes pertaining to these losses have also been recognised in other comprehensive income.
- Advance rent expense and Interest income on rent deposits is due to adoption of fair valuation for the Rent Deposits paid by the Company.
- Warranty provision restatement is due to deferment of revenue for the extended warranty on products sold by the Company. Since the provision was made factoring the extended warranty and with the revenue being deferred and recognised over the period of extended warranty, the provision pertaining to the extended warranty period has been reversed.

## WeP Solutions Limited

### Statement of Changes in Equity for the year ended March 31, 2018

#### STATEMENT OF CHANGES IN EQUITY

##### A. Equity Share Capital

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the reporting period	25,08,02,545	23,00,40,545
Changes in equity share capital during the year	4,29,000	2,07,62,000
Balance at the end of the reporting period	25,12,31,545	25,08,02,545

##### B. Other Equity

	Reserves and Surplus					Total
	Capital Reserve	General Reserve	Securities Premium Reserve	Stock Options Outstanding	Retained Earnings	
<b>Opening Balance at April 1, 2016</b>	<b>3,13,27,459</b>	<b>83,202</b>	<b>66,75,000</b>	<b>21,88,176</b>	<b>4,09,77,833</b>	<b>8,12,51,670</b>
Changes in accounting policy or prior period errors						-
Restated balance at the beginning of the reporting period						-
Profit for the year					97,21,203	97,21,203
Other Comprehensive Income for the year net of taxes					1,37,920	1,37,920
Premium on Issue of shares under preferential allotment			8,00,00,000			8,00,00,000
Transfer to General Reserve						-
Transfer from Stock Options Outstanding a/c		22,710	5,78,612	(6,01,322)		-
Employee stock options expense				1,66,338		1,66,338
<b>Closing Balance as at March 31, 2017</b>	<b>3,13,27,459</b>	<b>1,05,912</b>	<b>8,72,53,612</b>	<b>17,53,192</b>	<b>5,08,36,956</b>	<b>17,12,77,131</b>
<b>Opening Balance at April 1, 2017</b>	<b>3,13,27,459</b>	<b>1,05,912</b>	<b>8,72,53,612</b>	<b>17,53,192</b>	<b>5,08,36,956</b>	<b>17,12,77,131</b>
Changes in accounting policy or prior period errors						-
Profit for the year					1,39,92,838	1,39,92,838
Other Comprehensive Income for the year net of taxes					88,947	88,947
Transfer to General Reserve		25,234		(25,234)		-
Transfer from Stock Options Outstanding a/c			3,50,456	(3,50,456)		-
Employee stock options Subsidiary				11,52,345		11,52,345
Employee stock options expense				62,02,334		62,02,334
<b>Closing Balance as at March 31, 2018</b>	<b>3,13,27,459</b>	<b>1,31,146</b>	<b>8,76,04,068</b>	<b>87,32,181</b>	<b>6,49,18,741</b>	<b>19,27,13,595</b>

- Capital Reserve** – This represents the value of bargain purchase gain upon acquisition and is not freely available for distribution
- Retained earnings/ General reserve** – These are free reserves that are available for distribution of dividends. Retained earnings comprises of the Company's undistributed earnings after taxes.
- Securities premium reserve:** Securities premium reserve is used to record the premium on issue of shares. The reserve is utilized in accordance with the provision of section 52 of the Companies Act, 2013.
- Share option outstanding account** - The share option outstanding account is used to recognize the value of equity-settled sharebased payments provided to employees, including key management personnel.
- Other Comprehensive Income:** Changes in the fair value of financial instruments measured at fair value through other comprehensive income and actuarial gains and losses on defined benefit plans are recognized in other comprehensive income (net of taxes), and presented within equity as other comprehensive income.

## Note 2: Property, Plant and Equipment

Particulars	Leasehold - Land	Building - Factory	Plant & Equipment	Moulds, Dies & Patterns	Computers	Computer Peripherals - On Use & Pay	Furniture & Fixture	Vehicles	Total	Capital work in progress
<b>Year ended March 31, 2017</b>										
<b>Gross carrying amount</b>										
Deemed cost as at April 1, 2016	6,68,56,988	3,80,22,641	19,18,263	3,76,911	33,58,421	12,61,48,656	27,61,747	10,70,085	24,05,13,712	
Additions	-	-	21,68,341	41,11,075	16,91,346	13,64,00,633	2,87,558	-	14,46,58,953	
Disposals	-	-	-	-	-	36,11,691	-	4,83,827	40,95,518	
<b>Closing gross carrying amount</b>	<b>6,68,56,988</b>	<b>3,80,22,641</b>	<b>40,86,604</b>	<b>44,87,986</b>	<b>50,49,767</b>	<b>25,89,37,598</b>	<b>30,49,305</b>	<b>5,86,258</b>	<b>38,10,77,147</b>	<b>19,38,000</b>
<b>Accumulated Depreciation</b>										
Depreciation charge during the year	8,05,506	13,62,005	12,08,958	3,24,846	20,02,206	6,99,39,081	6,93,537	1,66,013	7,65,02,152	
Disposals	-	-	-	-	-	9,72,789	-	56,435	10,29,224	
<b>Closing accumulated depreciation</b>	<b>8,05,506</b>	<b>13,62,005</b>	<b>12,08,958</b>	<b>3,24,846</b>	<b>20,02,206</b>	<b>6,89,66,292</b>	<b>6,93,537</b>	<b>1,09,578</b>	<b>7,54,72,928</b>	
<b>Net carrying amount</b>	<b>6,60,51,482</b>	<b>3,66,60,636</b>	<b>28,77,646</b>	<b>41,63,140</b>	<b>30,47,561</b>	<b>18,99,71,306</b>	<b>23,55,768</b>	<b>4,76,680</b>	<b>30,56,04,219</b>	<b>19,38,000</b>
<b>Year ended March 31, 2018</b>										
<b>Gross carrying amount</b>										
Opening gross carrying amount	6,68,56,988	3,80,22,641	40,86,604	44,87,986	50,49,767	25,89,37,598	30,49,305	5,86,258	38,10,77,147	19,38,000
Additions	-	2,60,000	1,46,340	52,08,442	44,46,868	9,72,58,039	8,69,115	-	10,81,88,804	
Disposals	-	-	-	-	-	68,93,291	62,505	-	69,55,796	
<b>Closing gross carrying amount</b>	<b>6,68,56,988</b>	<b>3,82,82,641</b>	<b>42,32,944</b>	<b>96,96,428</b>	<b>94,96,635</b>	<b>34,93,02,346</b>	<b>38,55,915</b>	<b>5,86,258</b>	<b>48,23,10,155</b>	<b>2,85,440</b>
<b>Accumulated Depreciation</b>										
Opening accumulated depreciation	8,05,506	13,62,005	12,08,958	3,24,846	20,02,206	6,89,66,292	6,93,537	1,09,578	7,54,72,928	
Additions	8,05,506	13,96,672	13,74,038	11,76,390	27,30,649	8,31,95,470	5,78,376	1,09,576	9,13,66,677	
Disposals	-	-	-	-	-	52,03,092	10,496	-	52,13,588	
<b>Closing accumulated depreciation</b>	<b>16,11,012</b>	<b>27,58,677</b>	<b>25,82,996</b>	<b>15,01,236</b>	<b>47,32,855</b>	<b>14,69,58,670</b>	<b>12,61,417</b>	<b>2,19,154</b>	<b>16,16,26,017</b>	
<b>Net carrying amount</b>	<b>6,52,45,976</b>	<b>3,55,23,964</b>	<b>16,49,948</b>	<b>81,95,192</b>	<b>47,63,780</b>	<b>20,23,43,676</b>	<b>25,94,498</b>	<b>3,67,104</b>	<b>32,06,84,138</b>	<b>2,85,440</b>

Note: a) Leasehold Land is the land situated at Baddi, Himachal Pradesh, which has been obtained under a 85 years lease from the Department of Industries, Himachal Pradesh.

### Note 3: Intangible Assets

Particulars	Computer Software	Computer Software - ERP System	Total	Capital work in progress
<b><u>Year ended March 31, 2017</u></b>				
<b>Gross carrying amount</b>				
Deemed cost as at April 1, 2016	9,47,877	1,61,233	11,09,110	-
Additions	24,80,147	-	24,80,147	
Disposals	-	-	-	
<b>Closing gross carrying amount</b>	<b>34,28,024</b>	<b>1,61,233</b>	<b>35,89,257</b>	<b>-</b>
<b>Accumulated Depreciation</b>				
Depreciation charge during the year	7,59,791	1,41,891	9,01,682	
Disposals	-	-	-	
<b>Closing accumulated depreciation</b>	<b>7,59,791</b>	<b>1,41,891</b>	<b>9,01,682</b>	
<b>Net carrying amount</b>	<b>26,68,233</b>	<b>19,342</b>	<b>26,87,575</b>	<b>-</b>
<b><u>Year ended March 31, 2018</u></b>				
<b>Gross carrying amount</b>				
Opening gross carrying amount	34,28,024	1,61,233	35,89,257	-
Additions	26,19,895	42,31,989	68,51,884	
Disposals	-	-	-	
<b>Closing gross carrying amount</b>	<b>60,47,919</b>	<b>43,93,222</b>	<b>1,04,41,141</b>	<b>-</b>
<b>Accumulated Depreciation</b>				
Opening accumulated depreciation	7,59,791	1,41,891	9,01,682	
Additions	19,37,530	3,72,007	23,09,537	
Disposals	-	-	-	
<b>Closing accumulated depreciation</b>	<b>26,97,321</b>	<b>5,13,898</b>	<b>32,11,219</b>	
<b>Net carrying amount</b>	<b>33,50,598</b>	<b>38,79,324</b>	<b>72,29,922</b>	<b>-</b>

Note: a) Computer software includes capitalised development cost being internally generated intangible asset.

## Note 4: Financial Assets

### 4 (a) Non Current Investments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Equity Investments (fully paid-up)			
Unquoted			
48,09,999 Equity shares of WeP Digital Services Limited (March 31, 2017 : 8,09,999 and April 1, 2016: 8,09,999)	4,92,52,345	81,00,000	88,17,791
<b>Total Non Current Investments</b>	<b>4,92,52,345</b>	<b>81,00,000</b>	<b>88,17,791</b>
Aggregate amount of unquoted investments	4,92,52,345	81,00,000	88,17,791
Aggregate amount of impairment in the value of investments	-	-	-

### 4 (b) Trade Receivables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade Receivables	20,01,52,633	18,55,05,048	21,69,94,474
Receivables from Related Parties	4,63,931	-	-
Allowance for Doubtful Debts	(7,11,17,038)	(6,76,69,721)	(6,60,40,234)
<b>Total Receivables</b>	<b>12,94,99,526</b>	<b>11,78,35,327</b>	<b>15,09,54,240</b>
Current Portion	12,94,99,526	11,78,35,327	15,09,54,240
Non-Current Portion	-	-	-

### Break-up of Security Details

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Outstanding for More than Six Months from the due date</b>			
Secured, considered good	-	-	-
Unsecured, considered good	72,33,884	34,76,919	77,86,010
Doubtful	7,01,14,163	6,76,69,721	6,60,40,234
	7,73,48,047	7,11,46,640	7,38,26,244
Allowance for doubtful debts	(7,01,14,163)	(6,76,69,721)	(6,60,40,234)
<b>Sub total</b>	<b>72,33,884</b>	<b>34,76,919</b>	<b>77,86,010</b>
<b>Other Receivables</b>			
Secured, considered good	-	-	-
Unsecured, considered good	12,32,68,516	11,43,58,408	14,31,68,230
Doubtful	-	-	-
	12,32,68,516	11,43,58,408	14,31,68,230
Allowance for doubtful debts	(10,02,874)	-	-
<b>Sub total</b>	<b>12,22,65,642</b>	<b>11,43,58,408</b>	<b>14,31,68,230</b>
<b>Total Trade Receivables</b>	<b>12,94,99,526</b>	<b>11,78,35,327</b>	<b>15,09,54,240</b>

### 4 (c) Loans

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Non-Current</b>			
Unsecured, considered good			
Loan to subsidiary	-	1,00,00,000	42,92,670
<b>Total Loans</b>	<b>-</b>	<b>1,00,00,000</b>	<b>42,92,670</b>

4 (d) Cash and Cash Equivalents

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balances with Banks			
- In current accounts	40,556	1,14,245	3,86,563
Cash on hand	-	-	39,173
<b>Total Cash and Cash Equivalents</b>	<b>40,556</b>	<b>1,14,245</b>	<b>4,25,736</b>

4 (e) Other Financial Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Non Current</b>			
Security Deposits	1,16,04,448	1,15,26,567	1,44,53,887
<b>Total Other Financial Assets - Non Current</b>	<b>1,16,04,448</b>	<b>1,15,26,567</b>	<b>1,44,53,887</b>
<b>Current</b>			
Deposits	13,69,660	14,03,032	22,78,927
<b>Total Other Financial Assets - Current</b>	<b>13,69,660</b>	<b>14,03,032</b>	<b>22,78,927</b>

4 (f) Other Bank Balances

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance in Unclaimed Dividend Accounts with Banks	15,17,540	15,72,700	16,09,436
<b>Total Other Bank Balances</b>	<b>15,17,540</b>	<b>15,72,700</b>	<b>16,09,436</b>

Note 5: Deferred Tax Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Tax losses	-	50,60,334	-
Defined Benefit obligations & allowance on payment basis	45,18,616	41,67,886	44,84,926
Allowance for doubtful debts - trade receivables	2,35,13,426	2,23,73,640	2,18,34,883
Others	16,27,912	14,30,089	2,67,757
<b>Total Deferred Tax Assets</b>	<b>2,96,59,954</b>	<b>3,30,31,949</b>	<b>2,65,87,566</b>
Depreciation on Property, plant and equipment	1,31,39,727	1,74,97,999	60,68,828
	<b>1,31,39,727</b>	<b>1,74,97,999</b>	<b>60,68,828</b>
<b>Net Deferred Tax Assets</b>	<b>1,65,20,227</b>	<b>1,55,33,950</b>	<b>2,05,18,738</b>



### Movement in deferred tax assets

Particulars	Tax losses	Defined benefit obligations	Allowance for doubtful debts - trade receivables	Other Items	Property, plant and equipment	Total
<b>As at April 1, 2016</b>		44,84,926	2,18,34,883	2,67,757	(60,68,828)	2,05,18,738
(Charged) / Credited:						
- to profit or loss	50,60,334	(2,48,915)	5,38,757	11,62,332	(1,14,29,171)	<b>(49,16,663)</b>
- to other comprehensive income		(68,125)				<b>(68,125)</b>
- deferred tax on basis adjustment						-
<b>As at March 31, 2017</b>	<b>50,60,334</b>	<b>41,67,886</b>	<b>2,23,73,640</b>	<b>14,30,089</b>	<b>(1,74,97,999)</b>	<b>1,55,33,950</b>
(Charged) / Credited:						
- to profit or loss	(50,60,334)	3,94,664	11,39,786	1,97,823	43,58,272	10,30,211
- to other comprehensive income		(43,934)				(43,934)
- deferred tax on basis adjustment						-
<b>As at March 31, 2018</b>	-	<b>45,18,616</b>	<b>2,35,13,426</b>	<b>16,27,912</b>	<b>(1,31,39,727)</b>	<b>1,65,20,227</b>

### Note 6: Other Non Current Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Margin money deposits with bank	7,18,049	6,65,695	6,16,574
Interest accrued on margin money deposits with bank	75,704	63,881	51,974
Taxes / Refunds recoverable	4,52,34,168	4,30,76,900	3,76,58,423
<b>Total Other Non-Current Assets</b>	<b>4,60,27,921</b>	<b>4,38,06,476</b>	<b>3,83,26,971</b>

### Note 7: Inventories

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw Materials			
- In Stock	3,22,02,624	2,56,35,695	2,48,35,221
- In Transit	-	-	-
Work-in-progress	-	1,25,91,178	1,04,69,792
Finished goods			
- In Stock	23,82,105	64,01,076	1,96,35,055
- In Transit	-	16,868	62,069
Traded goods			
- In Stock	2,21,22,060	3,71,85,333	6,92,76,779
- In Transit	-	-	16,40,510
Spares and Consumables			
- In Stock	6,09,37,004	5,20,92,689	7,06,79,641
- In Transit	2,217	-	-
<b>Total Inventories</b>	<b>11,76,46,010</b>	<b>13,39,22,839</b>	<b>19,65,99,067</b>

### Note 8: Other Current Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Prepayments	87,06,480	78,55,168	48,46,192
Balance with Excise / Customs / GST input credit	89,14,472	23,34,504	26,34,897
<b>Total Other Current Assets</b>	<b>1,76,20,952</b>	<b>1,01,89,672</b>	<b>74,81,089</b>

Note 9(a): Equity Share Capital

Authorised Equity Share capital

Particulars	Number of shares	Amount
As at April 1, 2016	3,00,00,000	30,00,00,000
Increase during the year	-	-
As at March 31, 2017	3,00,00,000	30,00,00,000
Increase during the year	-	-
As at March 31, 2018	3,00,00,000	30,00,00,000

i) Movements in Equity Share Capital

Particulars	Number of shares	Amount
As at April 1, 2016	2,30,03,472	23,00,40,545
Exercise of options - proceeds received	76,200	7,62,000
Preferential Issue	20,00,000	2,00,00,000
As at March 31, 2017	2,50,79,672	25,08,02,545
Exercise of options - proceeds received	42,900	4,29,000
As at March 31, 2018	2,51,22,572	25,12,31,545

Terms and Rights Attached to Equity Shares:

Equity shares have a par value of INR 10. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Shares Reserved for Issue under Options:

Information relating to ESOP plans of the company, including details of the options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in Note 24.

Preferential Issue:

On February 6, 2017, the company allotted 20,00,000 equity shares at a price of INR 50 per share, on a preferential basis after the same was duly approved by the members.

ii) Shares in the Company held by each Shareholder holding more than 5 percent of the Shares:

Name of Shareholders	As at March 31, 2018	As at March 31, 2017
<b>RNAWEP Investments Private Limited</b>		
No of Shares	32,60,403	32,60,403
% Holding	12.98%	13.00%
<b>Ram N Agarwal</b>		
No of Shares	30,05,056	30,05,056
% Holding	11.96%	11.98%
<b>WeP Peripherals Limited</b>		
No of Shares	20,24,994	20,24,994
% Holding	8.06%	8.07%
<b>Wipro Limited</b>		
No of Shares	18,36,000	18,36,000
% Holding	7.31%	7.32%
<b>Sharad Kanayalal Shah</b>		
No of Shares	14,12,035	14,12,035
% Holding	5.62%	5.63%
<b>Dipak Kanayalal Shah</b>		
No of Shares	10,19,450	12,60,553
% Holding	4.06%	5.03%

iii) Aggregate Number of Shares Issued for Consideration other than Cash

Particulars	As at March 31, 2018	As at March 31, 2017
Shares issued as consideration for acquisition of business	2,22,13,645	2,22,13,645

Note 9(b): Reserves and Surplus

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Other Comprehensive Income	-	-	(1,76,974)
Securities Premium Reserve	8,76,04,068	8,72,53,612	66,75,000
Share options outstanding account	87,32,181	17,53,192	21,88,176
Capital Reserve	3,13,27,459	3,13,27,459	3,13,27,459
General Reserve	1,31,146	1,05,912	83,202
Retained earnings	6,49,18,741	5,08,36,956	4,11,54,807
<b>Total Reserves and Surplus</b>	<b>19,27,13,595</b>	<b>17,12,77,131</b>	<b>8,12,51,670</b>

i) Securities Premium Reserve

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance	8,72,53,612	66,75,000
Preferential Issue	-	8,00,00,000
Exercise of Options	3,50,456	5,78,612
<b>Closing Balance</b>	<b>8,76,04,068</b>	<b>8,72,53,612</b>

ii) Share Options Outstanding Account

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance	17,53,192	21,88,176
Employee stock options expense	62,02,334	8,84,129
Employee stock options of subsidiary	11,52,345	(7,17,791)
Transfer to Securities Premium on exercise of options	(3,50,456)	(5,78,612)
Transfer to General Reserve	(25,234)	(22,710)
<b>Closing Balance</b>	<b>87,32,181</b>	<b>17,53,192</b>

iii) Capital Reserve

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance	3,13,27,459	3,13,27,459
<b>Closing Balance</b>	<b>3,13,27,459</b>	<b>3,13,27,459</b>

iv) General Reserve

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance	1,05,912	83,202
Transfer from Stock options outstanding	25,234	22,710
<b>Closing Balance</b>	<b>1,31,146</b>	<b>1,05,912</b>

v) Retained Earnings

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance	5,08,36,956	4,09,77,833
Net profit for the period	1,39,92,838	97,21,203
<b>Items of Other Comprehensive Income</b>		
Actuarial Gains / (Losses) net of taxes	88,947	1,37,920
<b>Closing Balance</b>	<b>6,49,18,741</b>	<b>5,08,36,956</b>

Note 9(c): Others

Particulars	As at March 31, 2018	As at March 31, 2017
Consideration received on Issue of Warrants pending conversion	1,50,00,000	-
<b>Closing Balance</b>	<b>1,50,00,000</b>	<b>-</b>

Note:

On December 28, 2017, the company granted 10,00,000 warrants at a price of INR 60 per warrant, on a preferential basis after the same was duly approved by the members. The company received the initial consideration of 25% i.e. Rs. 1,50,00,000/- and the same has been classified as other Equity. The allottee has a period of 18 months from the date of allotment to convert the warrants into Equity shares, failing which the initial amount paid shall be forfeited as per the terms of the allotment and regulations as applicable.

Note 10: Financial Liabilities

Note 10(a): Current Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Loans Repayable on Demand			
Secured			
From Banks			
Cash Credit Account	7,65,83,473	3,58,05,652	12,23,34,009
<b>Total Current Borrowings</b>	<b>7,65,83,473</b>	<b>3,58,05,652</b>	<b>12,23,34,009</b>

i) Cash credit facility is secured by hypothecation of current assets of the company

Note 10(b): Trade Payables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Current</b>			
Trade payables	10,37,08,061	11,77,85,447	14,03,00,481
Trade payables to related parties	17,09,385	-	-
<b>Total Trade Payables</b>	<b>10,54,17,446</b>	<b>11,77,85,447</b>	<b>14,03,00,481</b>

Note 10(c): Other Financial Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Current</b>			
Customer and Dealer Deposits	1,97,58,055	1,71,23,708	1,84,88,298
Expenses payable	3,20,79,156	3,78,52,837	5,93,54,842
<b>Total Other Current Financial Liabilities</b>	<b>5,18,37,211</b>	<b>5,49,76,545</b>	<b>7,78,43,140</b>

**Note 11: Provisions**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Non Current</b>			
Employee Benefits (Refer Note 23)	87,59,339	63,25,755	75,34,063
Warranty expenses (Refer Note 27)	15,00,441	76,47,218	1,38,80,464
<b>Total Non Current Provisions</b>	<b>1,02,59,780</b>	<b>1,39,72,973</b>	<b>2,14,14,527</b>
<b>Current</b>			
Employee Benefits (Refer Note 23)	6,10,334	9,84,018	18,59,181
Warranty expenses (Refer Note 27)	11,99,002	35,57,628	50,92,011
<b>Total Current Provisions</b>	<b>18,09,336</b>	<b>45,41,646</b>	<b>69,51,192</b>

**Note 12: Other Current Liabilities**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Income received in advance	50,35,030	43,85,809	23,91,032
Unclaimed Dividend	15,17,540	15,72,700	16,09,436
Advance from customers	2,53,016	19,10,721	1,85,368
Statutory payables	33,61,742	34,05,037	36,61,859
Other payables	42,78,971	37,98,396	9,24,586
<b>Total Other Current Liabilities</b>	<b>1,44,46,299</b>	<b>1,50,72,663</b>	<b>87,72,281</b>

**Note 13: Revenue from Operations**

Particulars	For the year ended April 1, 2017 to March 31, 2018	For the year ended April 1, 2016 to March 31, 2017
Sale of Products	38,27,22,980	39,38,33,139
Sale of Services	41,52,82,520	40,61,67,420
Other Operating Revenue	3,68,263	4,61,381
<b>Total Revenue from Operations</b>	<b>79,83,73,763</b>	<b>80,04,61,940</b>

**Note 14: Other Income**

Particulars	For the year ended April 1, 2017 to March 31, 2018	For the year ended April 1, 2016 to March 31, 2017
Interest on Deposits with banks	1,23,084	63,784
Rental Income	23,58,106	-
Other Interest	7,61,471	14,11,423
Exchange Gain	11,22,114	-
Miscellaneous Income	24,13,801	18,28,164
Credit balances / Provision no longer required written back	21,10,417	61,40,001
<b>Total Other Income</b>	<b>88,88,993</b>	<b>94,43,372</b>

Note 15: Cost of Materials Consumed

Particulars	For the year ended April 1, 2017 to March 31, 2018	For the year ended April 1, 2016 to March 31, 2017
Raw materials / Spares and consumables at the beginning of the year	7,77,28,385	9,55,14,862
Add: Purchases during the year	25,80,83,401	24,24,61,493
Less: Closing stocks	9,31,41,845	7,77,28,385
<b>Cost of Material Consumed</b>	<b>24,26,69,941</b>	<b>26,02,47,970</b>
Excise Duty paid	60,97,512	2,41,08,769
<b>Total Cost of Material Consumed</b>	<b>24,87,67,453</b>	<b>28,43,56,739</b>

Note 16: Purchase of Stock-in-Trade

Particulars	For the year ended April 1, 2017 to March 31, 2018	For the year ended April 1, 2016 to March 31, 2017
Purchases of stock-in-trade	19,23,11,187	21,45,96,886
Less :- Capitalised during the year	9,75,98,753	13,50,09,943
<b>Total Purchase of Stock-in-Trade</b>	<b>9,47,12,434</b>	<b>7,95,86,943</b>

Note 17: Changes in Inventories of Work-in-Progress, Stock-in-Trade and Finished Goods

Particulars	For the year ended April 1, 2017 to March 31, 2018	For the year ended April 1, 2016 to March 31, 2017
<b>Opening Stock</b>		
Work-in-progress	1,25,91,178	1,04,69,792
Finished goods	64,17,944	1,96,97,124
Traded goods	3,71,85,333	7,09,17,289
<b>Total Opening Stock</b>	<b>5,61,94,455</b>	<b>10,10,84,205</b>
<b>Closing Stock</b>		
Work-in-progress	-	1,25,91,178
Finished goods	23,82,105	64,17,944
Traded goods	2,21,22,060	3,71,85,333
<b>Total Closing Stock</b>	<b>2,45,04,165</b>	<b>5,61,94,455</b>
<b>Total changes in Inventories of Work-in-Progress, Stock-in-Trade and Finished Goods</b>	<b>3,16,90,290</b>	<b>4,48,89,750</b>

Note 18: Employee Benefit Expenses

Particulars	For the year ended April 1, 2017 to March 31, 2018	For the year ended April 1, 2016 to March 31, 2017
Salaries, wages and bonus	9,08,49,947	8,21,79,151
Gratuity and Leave encashment expense	45,27,879	17,83,168
Employee share-based payment expense	62,02,334	8,84,129
Contribution to provident and other fund	43,99,463	39,68,314
Staff welfare expenses	60,95,832	86,10,611
<b>Total Employee Benefit Expense</b>	<b>11,20,75,455</b>	<b>9,74,25,373</b>

**Note 19: Other Expenses**

Particulars	For the year ended April 1, 2017 to March 31, 2018	For the year ended April 1, 2016 to March 31, 2017
Power and fuel	52,87,532	59,13,767
Insurance	8,91,121	8,44,421
Repairs & Maintenance	55,92,094	56,85,116
Rent	2,38,41,370	2,43,24,643
Rates and taxes	41,82,713	61,69,698
Warranty Expenses	18,05,687	11,22,380
Carriage and Freight outwards	2,10,65,759	2,59,85,128
Commission on sales	27,88,931	73,25,349
Support Charges	1,61,33,334	2,11,03,252
<b>Auditors' Remuneration</b>		
for Audit fees	5,75,000	6,61,250
for Taxation matters	1,00,000	57,500
for Reimbursement of expenses	1,66,507	1,07,920
Advertisement and sales promotion	98,53,824	58,30,831
Directors' Commission and Sitting fees	8,10,000	7,10,000
Loss on disposal of assets	16,54,250	21,43,410
Travelling and Conveyance	1,44,66,400	1,59,32,742
Communication Expenses	87,88,389	87,69,467
Legal and Professional charges	92,31,186	74,03,813
Manpower support service charges	5,40,75,732	5,07,97,014
Office Maintenance	47,61,667	42,87,534
Cloud Expenses	37,83,551	-
Provision for doubtful debts / advances	34,47,317	16,29,487
Bad Debts Write off	3,07,405	44,218
Exchange Differences (Net)	-	1,91,013
Recruitment Expenses	14,49,474	7,82,072
Miscellaneous expenses	16,19,963	18,32,171
<b>Total Other Expenses</b>	<b>19,66,79,206</b>	<b>19,96,54,196</b>

**Note 20: Finance Costs**

Particulars	For the year ended April 1, 2017 to March 31, 2018	For the year ended April 1, 2016 to March 31, 2017
Interest Expenses	75,37,795	1,04,24,456
Other Borrowing costs	18,98,486	15,26,156
<b>Total Finance Costs</b>	<b>94,36,281</b>	<b>1,19,50,612</b>

**Note 21: Depreciation and Amortisation Expense**

Particulars	For the year ended April 1, 2017 to March 31, 2018	For the year ended April 1, 2016 to March 31, 2017
Depreciation of property, plant and equipment	9,13,66,677	7,65,02,152
Amortisation of intangible assets	23,09,537	9,01,682
<b>Total Depreciation and Amortisation Expense</b>	<b>9,36,76,214</b>	<b>7,74,03,834</b>

Note 22: Related Party Transactions

A) List of related parties

Name of Related Party	Relationship
Mr. Ram Narayan Agarwal	Chairman & Managing Director
Mr. G H Visweswara	Independent Director
Mr. B R Ganesh*	Small Shareholders & Independent Director
Mr. Sudhir Prakash	Independent Director
Dr. A L Rao	Non-executive Director
Mr. H V Gowthama	Independent Director
Ms. Mythily Ramesh	Independent Director
Ms. Prashee Agarwal	Non - executive Director
Mr Shankar Jaganathan	Independent Director
WeP Digital Services Limited (formerly eRM Solutions Private Limited)	Subsidiary Company (100% owned)
WeP Solutions India Limited	Promoter
WeP Peripherals Limited	Promoter

\* Director till September 22, 2017

B) Remuneration to Chairman & Managing Director

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Remuneration to Mr. Ram N Agarwal	-	5,06,497

C) Transactions with other related parties

Transactions	WeP Peripherals Limited	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Purchase of Goods and Services (excluding taxes)	84,34,300	70,64,800
Initial consideration (25%) for allotment of warrants received	1,50,00,000	-
Transactions	WeP Digital Services Limited	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Purchase of Goods and Services	1,44,240	1,69,211
Sale of Goods and Services	37,80,273	-
Interest received on Loan (Gross of TDS)	2,28,596	7,89,142

D) Amount due to related parties

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Trade payables to WeP Digital Services Limited	17,09,385	-

E) Amount receivable from related parties

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Loan amount receivable from WeP Digital Services Limited	-	1,00,00,000
Trade receivable from WeP Digital Services Limited (Net of TDS)	4,63,931	-



## Note 23: Employee Benefit Plans

The Company provides to its employees following retirement benefits:

- i) Gratuity
- ii) Leave Accrual

**Leave Accrual:** The Company allows accumulation / encashment of leave. Such accumulation can be utilized by obtaining leave in the subsequent period employment or encashment at the time of separation. The obligation as on the balance sheet date is provided on the basis of actuarial valuation.

**Gratuity:** The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary for each completed year of service. The company accounts for gratuity benefits payable in the future based on the actuarial valuation. The company is exposed to actuarial risk with respect to this plan.

The following table sets out the amounts recognised in the financial statements for Gratuity

### Principal Actuarial Assumptions

Particulars	As at March 31, 2018	As at March 31, 2017
Salary Escalation	7.00%	7.00%
Discount Rate (per annum)	7.80%	7.00%
Mortality	India Assured Lives Mortality (2006-2008)	India Assured Lives Mortality (2006-2008)

Amount recognized in the Balance Sheet are as follows

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of Funded defined benefit obligation	52,24,325	49,19,857
Fair value of plan assets	(22,19,383)	(24,55,407)
Present value of unfunded obligations	-	-
<b>Net Liability</b>	<b>30,04,942</b>	<b>24,64,450</b>
Current	-	-
Non - current	30,04,942	24,64,450

Amount reflected in the P&L account is as follows

Particulars	As at March 31, 2018	As at March 31, 2017
Current Service Cost	12,45,801	6,78,094
Interest on Defined Benefit Obligation	1,03,462	3,29,780
Past Service cost	3,09,495	-
<b>Total</b>	<b>16,58,758</b>	<b>10,07,874</b>

Amount recorded in Other Comprehensive Income

Particulars	As at March 31, 2018	As at March 31, 2017
Opening amount recognised in OCI outside profit and loss account	(29,071)	1,76,974
Remeasurements during the period due to		
Changes in financial assumptions	(3,60,361)	3,11,108
Experience adjustments	1,91,100	(4,85,089)
Actual return on plan assets less interest on plan assets	36,380	(32,064)
<b>Closing amount recognised in OCI outside profit and loss account</b>	<b>(1,61,952)</b>	<b>(29,071)</b>

## Reconciliation statement

Particulars	As at March 31, 2018	As at March 31, 2017
<b>a) <u>Change in Defined Benefit Obligation</u></b>		
Opening Defined Benefit Obligation	49,19,857	50,89,352
Current Service Cost	12,45,801	6,78,094
Past service cost	3,09,495	-
Interest on Defined Benefit Obligation	2,75,218	3,58,168
Actuarial Losses / (Gain)		
Remeasurements due to:		
- Actuarial loss / (gain) arising from change in financial assumptions	(3,60,361)	3,11,108
- Actuarial loss / (gain) arising on account of experience changes	1,91,100	(4,85,089)
Benefits Paid	(3,71,400)	(10,31,776)
Acquisition / Transfer adjustment for Inter group transfer	(9,85,385)	-
<b>Closing Defined Benefit Obligation</b>	<b>52,24,325</b>	<b>49,19,857</b>
<b>b) <u>Change in Fair Value of Assets</u></b>		
Opening Fair Value of Plan Assets	24,55,407	4,67,093
Interest on plan assets	1,71,756	28,388
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	(36,380)	32,064
Contribution by Employer	-	29,59,638
Benefit Paid	(3,71,400)	(10,31,776)
<b>Closing Fair Value of Plan Assets</b>	<b>22,19,383</b>	<b>24,55,407</b>
<b>c) <u>Change in Net Liability / (asset)</u></b>		
Opening net defined benefit liability / (asset)	24,64,451	46,22,260
Expense charged to profit & loss account	16,58,758	10,07,874
Amount recognised outside profit & loss account	(1,32,881)	(2,06,045)
Contribution by Employer	-	(29,59,638)
Impact of liability assumed or (settled) on account of inter group transfer	(9,85,385)	-
<b>Closing net defined benefit liability / (asset)</b>	<b>30,04,943</b>	<b>24,64,451</b>

## Sensitivity Analysis

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>% Increase / (decrease) on present value of defined benefits obligation at the end of the year</b>		
50 bps increase in discount rate	(4.10%)	(3.50%)
50 bps decrease in discount rate	4.40%	3.70%
50 bps increase in rate of salary escalation	3.90%	3.70%
50 bps decrease in rate of salary escalation	(3.80%)	(2.80%)

#### Note 24: Employee Stock Option Plan

The Company, from time to time, provides share based payments to its employees. These payments are provided in the form of stock options that can be exercised once the employee has completed specified service term with the Company. All share based employee payments will be settled in equity. The details of Stock options are provided below.

Particulars	ESOP 2011	ESOP 2016
Date of Shareholders' approval	27 <sup>th</sup> Sep., 2011	22 <sup>nd</sup> Sep., 2016
Total number of options approved under the scheme	6,00,000	6,00,000
Vesting Schedule		
On completion of 12 months from the date of grant of Options	30% vesting	30% vesting
On completion of 24 months from the date of grant of Options	30% vesting	30% vesting
On completion of 36 months from the date of grant of Options	40% vesting	40% vesting
Exercise Price	Rs.10 per share	Rs.10 per share
Exercise Period	5 years from the date of vesting	5 years from the date of vesting
Option movements during the year		
Options outstanding at the beginning of the year	3,92,300	NIL
Options granted during the year	93,000	1,32,000
Options Lapsed during the year	17,000	NIL
Options vested and available for exercise	2,86,300	NIL
Options exercised during the year	42,900	NIL
Variations of terms of options	None	None
Money realised by exercise of options (Rs.)	4,29,000	NIL
<b>Total number of options in force as at the end of the year</b>	<b>4,25,400</b>	<b>1,32,000</b>
Vested and available for exercise	1,67,200	NIL
Unvested	2,58,200	1,32,000

#### Summary of the status of Options

Particulars	As at March 31, 2018	As at March 31, 2017
Options outstanding at the beginning of the year	3,92,300	5,04,000
Options granted during the year	2,25,000	2,48,000
Options Lapsed during the year	17,000	2,83,500
Options vested and available for exercise	2,86,300	80,700
Options exercised during the year	42,900	76,200
<b>Total number of options in force as at the end of the year</b>	<b>5,57,400</b>	<b>3,92,300</b>

#### Fair Valuation of Options

The fair value of each option is estimated using the Black-Scholes Option Pricing model. The following key assumptions are used for valuation:

Particulars	November 20, 2017
Current Market Price	50.05
Exercise Price	10.00
Weighted average volatility rate	154.1%
Dividend Payouts	5.00%
Risk free rate	7.05%
Expected life of the option	6 to 8 years

Note 25: Disclosures of dues / payments to Micro, Small and Medium enterprises to the extent such enterprises are identified by the company:

Particulars	As at March 31, 2018	As at March 31, 2017
a. Amount due on account of suppliers as at the end of the accounting year	7,10,223	NIL
b. Interest paid during the year;	NIL	NIL
c. Interest payable at the end of the year;	NIL	NIL
d. Interest accrued and unpaid at the end of the accounting year; has not been provided.	NIL	NIL

The information has been given in respect of such vendors to the extent they could be identified as "Micro, Small and Medium" enterprises on the basis of information available with the Company during the year

Note 26: Earning Per Share(EPS) computed in accordance with Ind AS 33

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Basic</b>		
Profit / (Loss) after tax as per accounts	1,39,92,838	97,21,203
Number of Shares issued (Weighted average no.)	2,51,00,743	2,33,31,499
<b>Earning Per Share</b> (of nominal value of equity share of Rs.10/- each)	<b>0.56</b>	<b>0.42</b>
<b>Diluted</b>		
Profit / (Loss) after tax as per accounts	1,39,92,838	97,21,203
Number of Shares issued (Weighted average no.)	2,57,68,691	2,35,01,678
<b>Earning Per Share</b> (of nominal value of equity share of Rs.10/- each)	<b>0.54</b>	<b>0.41</b>

Calculation of Weighted average number of shares used as the denominator

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Weighted average number of equity shares used as the denominator in calculating basic earning per share	2,51,00,743	2,33,31,499
Adjustments for calculation of diluted earnings per share		
Stock options	4,13,153	1,70,179
Convertible Warrants	2,54,795	-
Weighted average number of equity shares used as the denominator in calculating diluted earning per share	<b>2,57,68,691</b>	<b>2,35,01,678</b>

Note 27: Warranty

The Company generally offers 6 to 12 months warranties for its products. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims. Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period.

Movement in provision during the financial year	Warranty Provision	
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening Provision	1,12,04,846	1,89,72,475
Additions during the year	26,99,444	1,29,46,461
Reversal due to revenue deferment on extended warranty impact	-	17,41,615
Reversal during the year	1,12,04,846	1,89,72,475
Closing Provision	<b>26,99,444</b>	<b>1,12,04,846</b>

**Note 28: Contingent Liabilities**

Particulars	As at March 31, 2018	As at March 31, 2017
Disputed Tax demands and other matters	6,11,61,777	5,92,52,472
<b>Total</b>	<b>6,11,61,777</b>	<b>5,92,52,472</b>

**Note 30: Financial Instruments**

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet terms that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in Note 1 to the financial statements.

**i) Classification of Financial Assets and Liabilities**

All financial assets and financial liabilities are valued at amortised cost.

**ii) Fair Value Hierarchy**

There are no financial asset or liabilities of the Company, which, after their initial recognition, have been fair valued either during the year or in the previous year.

**iii) Financial Risk Management Policies and Objectives**

The Company, in the course of its business, is exposed to a variety of financial risks, viz., market risk, credit risk and liquidity risk which can adversely impact the financial performance. The Company's endeavour is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The Company has a risk management policy that which not only covers the foreign exchange risk but also other risks such as interest rate risk and credit risk which are associated with financial assets and liabilities.

**A. Market Risk**

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the value of financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

**B. Foreign currency exchange rate risk**

The fluctuations in foreign currency exchange rate may have a potential impact on the statement of profit and loss and equity. This arises from transactions entered into foreign currency and assets / liabilities which are denominated in a currency other than the functional currency of the Company.

The Company imports raw materials, traded goods, consumables etc and such transactions are denominated in US Dollars. The Company does not take major exposure in any other foreign currency. The company also exports goods which are billed in US dollars. The Company has a hedging policy approved and reviewed by the Board of Directors to mitigate its risks. Details of foreign currency exposure in USD are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Trade Payables (Amount in INR)	1,67,48,919	3,26,50,757
Trade Payables (Amount in USD)	2,57,501	5,03,432

**C. Credit risk**

Credit risk is the risk of financial loss arising from counter party failure to repay or service debt according to the contractual terms or obligations. Credit risk covers both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

Trade receivables constitute the financial instruments that are exposed to credit risk. The Company's policy is to deal only with creditworthy counterparts. The Company management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including the reporting dates under review are of good those that are past due. None of the Company financial assets are secured by collateral or other credit enhancements.

The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date.

**Note 29: Segment Reporting**

For management purposes, the company is organised into business units based on its products and services and has three reportable segments, as follows:

- The Printers business which is into design, manufacturing and distribution of Retail Billing Printers and other impact printers
- The Managed Printing Solutions (MPS) business which is into providing office printing solutions and services to corporate customers
- The Digital Services business which is into providing Digital services like GST, Aadhaar authentication, document management etc. This business has been seeded during the current financial year.

**Segment Information**

Particulars	Printer Business		MPS Business		Digital Services		Total	
	2017 - 18	2016 - 17	2017 - 18	2016 - 17	2017 - 18	2016 - 17	2017 - 18	2016 - 17
<b>Revenue</b>								
Net Sales / Income from Operations	37,74,67,079	40,08,37,663	41,90,66,284	39,96,24,278	18,40,400	-	79,83,73,763	80,04,61,940
Less:- Intersegment Revenue	-	-	-	-	-	-	-	-
<b>Segment Revenue</b>	<b>37,74,67,079</b>	<b>40,08,37,663</b>	<b>41,90,66,284</b>	<b>39,96,24,278</b>	<b>18,40,400</b>	-	<b>79,83,73,763</b>	<b>80,04,61,940</b>
<b>Segment Result</b>								
Less:- Finance Cost	1,54,30,134	(3,34,34,245)	3,85,03,017	6,00,22,722	(2,42,71,447)	-	2,96,61,704	2,65,88,477
<b>Profit Before tax</b>							94,36,281	1,19,50,612
Tax Expenses							2,02,25,423	1,46,37,865
<b>Profit After Tax</b>							62,32,585	49,16,662
<b>Other Information</b>							<b>1,39,92,838</b>	<b>97,21,203</b>
Segment Assets	19,65,65,381	23,14,81,987	46,85,65,716	43,27,52,615	5,41,67,587	-	71,92,98,685	66,42,34,602
Segment Liabilities	9,08,53,943	12,69,36,327	8,86,03,500	7,94,12,946	43,12,628	-	18,37,70,072	20,63,49,273
<b>Capital Employed</b>	<b>10,57,11,438</b>	<b>10,45,45,660</b>	<b>37,99,62,216</b>	<b>35,33,39,669</b>	<b>4,98,54,959</b>	-	<b>53,55,28,613</b>	<b>45,78,85,329</b>

Note 31: Additional Information Pursuant to the Provisions of Part II of Schedule III to the Companies Act 2013.

A) Value of Imports on CIF basis

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw material, Stock in trade, spares and consumables	15,91,85,451	17,81,99,749

B) Expenditure in Foreign Currency

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Travelling	1,38,159	50,951
Repair Charges	-	3,65,640

C) Material consumption details

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Indigenous-</b>		
Consumption during the year	17,65,11,704	14,25,29,913
% of total consumption	73%	55%
<b>Imported-</b>		
Consumption during the year	6,61,58,237	11,77,18,057
% of total consumption	27%	45%
<b>Total</b>	<b>24,26,69,941</b>	<b>26,02,47,970</b>

D) Earning in Foreign Currency

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Export of Goods	12,30,525	12,17,850

Note 32: Previous Year figures have been regrouped / rearranged wherever necessary to conform to the current period presentation.

As per our report attached  
For N M Raiji & Co  
Chartered Accountants  
Firm Reg. No.: 108296W

Vinay D Balse  
Partner  
Membership No. : 39434

Place: Bengaluru  
Date: May 19, 2018

For and on behalf of the Board of Directors

H V Gowthama  
Director

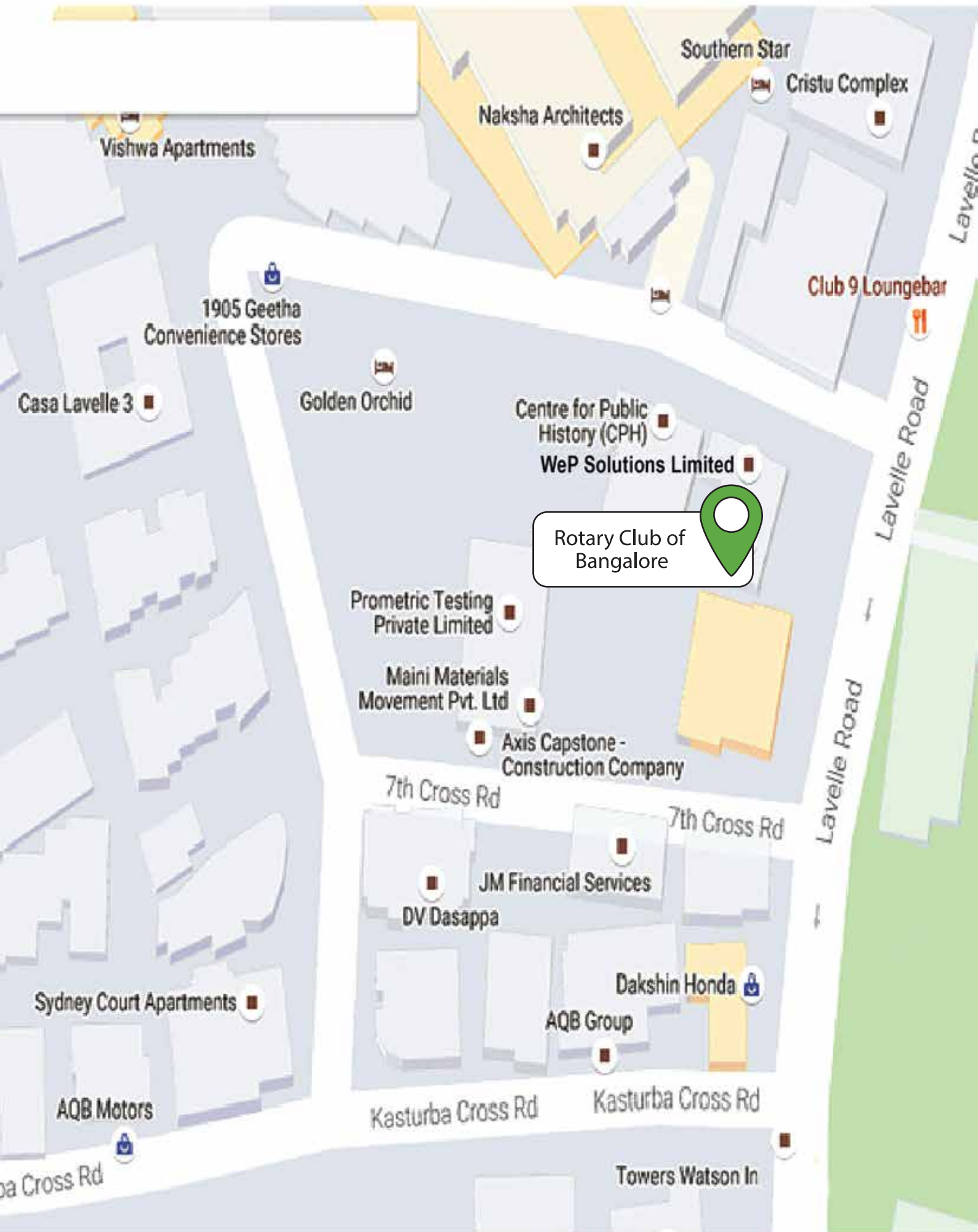
Sandeep Goyal  
Chief Financial Officer

Place: Bengaluru  
Date: May 19, 2018

Ram N Agarwal  
Chairman & Managing Director

Sujata Lele  
Company Secretary

# Route map to the venue of the AGM







## WeP Solutions Limited

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