



**WeP Solutions Limited**

TWENTY FIRST ANNUAL REPORT 2015 - 16



## Corporate Information

### Board of Directors

Ram N Agarwal	- Chairman and Managing Director
H V Gowthama	- Independent Director
Sudhir Prakash	- Independent Director
Shankar Jaganathan	- Independent Director
Mythily Ramesh	- Independent Director
B R Ganesh	- Small Shareholders and Independent Director
G H Visweswara	- Non-Executive Director
Dr. A L Rao	- Non-Executive Director
Prashee Agarwal	- Non-Executive Director

### Share Transfer Agent

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

### Bankers

Axis Bank Limited  
Corporation Bank  
HDFC Bank Limited

### Statutory Auditors

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

### Secretarial Auditor

S Kannan, Practicing Company Secretary, Bangalore

### Cost Auditors

M/s Rao, Murthy and Associates, Cost Accountants, Bangalore

### Internal Auditors

M/s Gnanoba & Bhat, Chartered Accountants, Bangalore

### Corporate Identity Number (CIN)

L72200KA1995PLC025617

### Listed on

Bombay Stock Exchange (BSE)  
Scrip Code : 532373  
Scrip Name : WEP SOLN

### Website

www.wepsolutions.co.in

### Investor E-mail ID

investor@wepsol.in

### Registered Office

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

### Manufacturing Locations

- Karnataka:**  
No. 312/313, Hebbal Industrial Area, Mysore 570 016.
- 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,

In spite of high GDP growth in India (in comparison to other G20 countries), the year 2015-16 has been a disappointing year for Indian Corporate with most companies declaring reduction in their earnings. The initiatives taken by the Government, during the year 2014-15 and 2015-16, are yet to bear fruits at the ground level. Bad monsoons added to obstacles in industrial growth. The good news is that year 2016-17 is expected to bring in significant upsides due to good monsoon coupled with positive effect of high public investments made during 2015-16.

Your company continued to recalibrate its business portfolio. We invested further in developing our Retail Solutions Business. We are happy to report that this business grew by 30% during the year. The losses created by Printer business could not be compensated even by significant improvement in profitability of MPS business. We have also invested in creating technology platform involving 'Aadhaar' and 'Management of Documents'. These investments are yet to yield significant results in terms of higher revenues and profits. We hope that revenue and profits will show significant up trends from 2017-18 onwards.

Impact Printer market has contracted significantly. This has created challenges for your company in short term until the investments in other initiatives start bearing fruits. There is a need for recalibration in your company business portfolio. Board of Directors of your company has set up an empowered committee of Directors to suggest the right structure for WeP businesses so as to protect and enhance shareholder value.

We remain committed to provide "WoW" to our customers in form of WeP Products and Services with long term returns to our shareholders. We also continue to provide exciting and challenging workplace to all our employees.

I thank you for your continued support. I take this opportunity to place on record my sincere gratitude to our Bankers, regulatory bodies like BSE, Custom and Excise, for their support. I also wish to express my appreciation to my colleagues on the Board for their guidance. We also thank our employees for their dedication and commitment. We rededicate ourselves to everyone who has reposed their faith and trust on us.

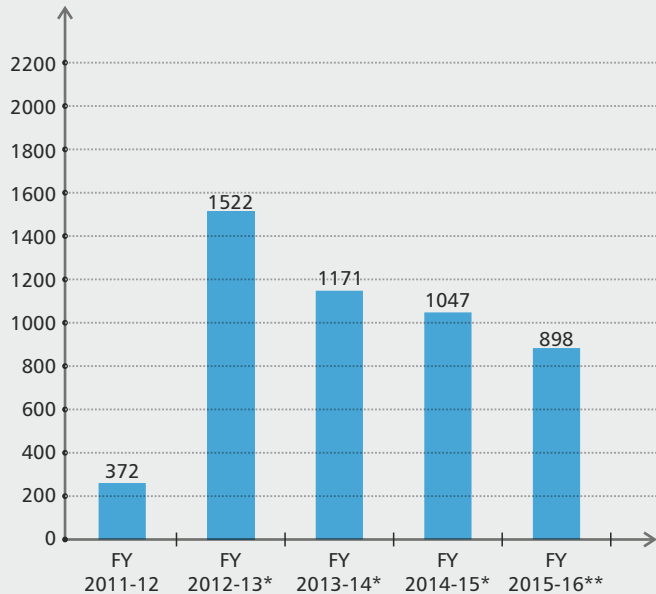
With Best Regards,

A handwritten signature in blue ink, appearing to read 'Ram N Agarwal'.

Ram N Agarwal

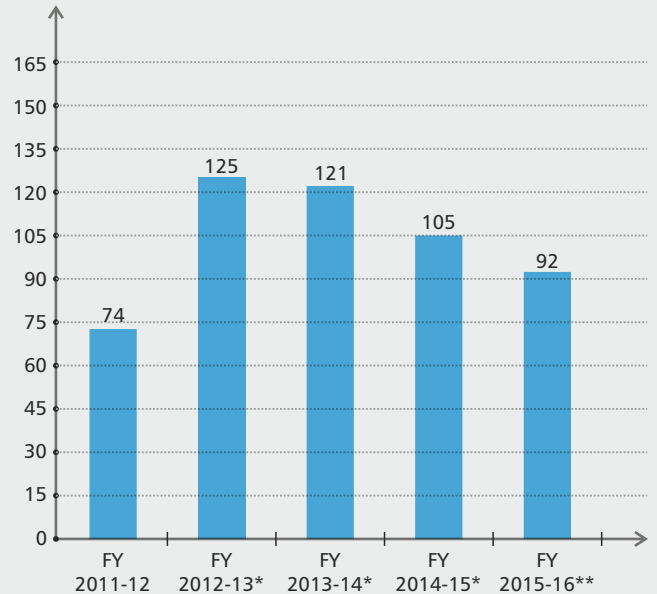
# Financial Highlights

## Revenue ₹ in Mn



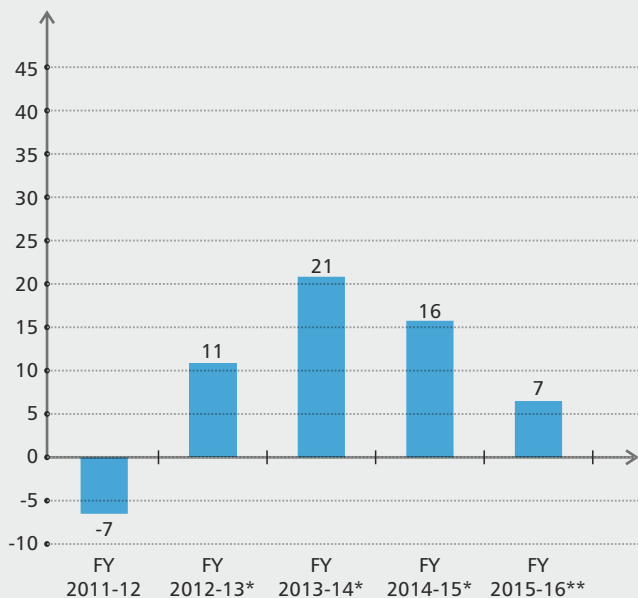
\* Includes revenue of Printers business acquired wef April 1, 2012  
 \*\* Consolidated Figures

## Gross Earnings (EBITDA) ₹ in Mn



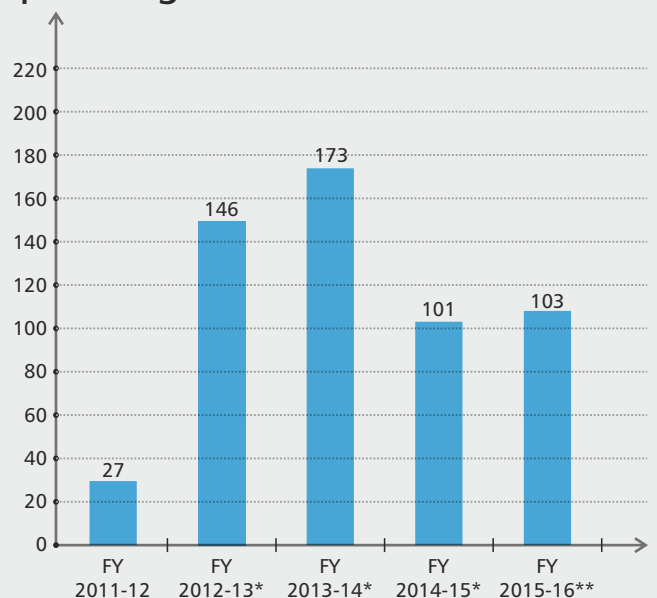
\* Includes figures of Printers business acquired wef April 1, 2012  
 \*\* Consolidated Figures

## Profit After Tax ₹ in Mn



\* Includes figures of Printers business acquired wef April 1, 2012  
 \*\* Consolidated Figures

## Operating Cash Flow ₹ in Mn



\* Includes figures of Printers business acquired wef April 1, 2012  
 \*\* Consolidated Figures



# Business Overview

## Managed Printing Solutions (MPS)

MPS is a solution which is provided to various business concerns for making the job of document output in a well organised pattern. It is the efficient and effective management of printing documents in an organisation. MPS helps in reducing the hassle of handling the document printing of an organisation which ultimately helps the organisation in putting more attention on the core area of its business. It will help in reducing the cost of printing, copying and scanning of the documents in a business concern. It also reduces the cost spent on the staffs for handling the printing in an organisation.

## MPS of WeP Solutions



WeP Solutions Limited is well known for the Managed Print Services as it is the first company in India which have introduced the concept of MPS. WeP is also well known for its innovative and productive services to its customers. It is having a well fledged customer base all over India. WeP is also doing its MPS operations with the moto of go green, which is beneficial for the customers as well as the economy as a whole. WeP MPS grows with innovation and with the most updated technology in printing. For the last few years MPS business of WeP Solutions witnessed significant growth in the revenue as well as the customer portfolio on a country wide basis. MPS is having a customer base of more than 600 customers pan India in which more than 20,000 printers and copiers are deployed.

With the efficient handling of consumables, printers, spares, and support WeP helps its customers to ease the handling of documents. By the proper management of the printing and

reducing the wastage of printing, WeP ensures environment friendly initiatives from its customers. WeP follows the practice of Go Green by proper deployment and management of eco-friendly printers and copiers. We are also having delighted customers all across India, which helps us in the futuristic growth of Managed Print Services. WeP provides numerous value added services like special color schemes, software advantages, resident engineers, etc. in order to make happy customers.

## Solutions under MPS

- **Asset Plus Service Solution:** The printer, copier or scanner will be provided to the customer with all the toner, support, spare parts and maintenance services. This will allow the customers to get a complete pack of solution with zero capital investment.
- **Full Support Services:** Customers with existing printers are also given solution by WeP MPS. WeP provides a complete solution of support, toner, spares, and maintenance for the customers who had already invested on the printers and who wants to own the printers.
- **Bulk Service Solution:** WeP also has the solution for the seasonal printing requirements where a huge volume of printing is to be done. A high level of secrecy is also maintained under BSS as the printing is done on WeP premises.



## New Solutions WeP MPS



- **Print Management Software:** An advanced and the updated technology solution which helps customer protect confidential information while printing. It enables customer to control, optimize and reduce wastage by analysing user behaviour, implementing various print policies, thereby saving cost.
- **Device Management Software:** A device management software solution provides opportunity to track and manage the entire print fleet through a single console. It enhances the printer management techniques resulting in higher printer uptime, pro-active actions on print failure, reduce the operational hassles and operational cost, increase productivity.
- **Customer Portal:** It is a customized solution for each customer. It gives flexibility to customer to track their billing, SLAs, call management in a real time environment.
- **Mobile Apps:** WeP introduced an android based mobile App for its field engineers. App gives option for engineers to manage the calls on the go, thus improving the response time. This is a step towards WeP values of providing cutting edge solutions to its customers.
- **Color Revolution:** A Color print is far more effective in communicating a message compared to a black & white print. It has many advantages in helping customers grow their businesses. WeP has initiated special schemes for making color printing affordable to Indian market with variety of print options.

## Document Management Solutions (DMS)

eRM Solutions Private Limited is a 100% owned subsidiary of WeP Solutions Limited.

We are **The Document Technology Company** that focuses on e-Archiving needs of its customers. The company is managed by professionals with wide range of document solutions expertise. The company operates across India with the principal objective of providing PDF/A - the ISO 19005-1:2005 standard file format solutions for long-term preservation of e-Archives.

Our Document Management Solution is unique, in the sense that it makes the customers digitized documents compliant with International Standards of Electronic Archiving such as ISO 19005-1:2005. Our Digitization Process helps customers become compliant under GCM (Governance and Compliance Management) framework, that in turn increases the efficiency and productivity of the organization with respect to its document management.

We have developed Document Management Solutions specific to Pharmaceutical, Healthcare, HR Records, Audit Records, Legal Records, Engineering & Manufacturing Records, Financial Company Records, Airline Fleets etc.

### DMS Features:

1. The focus is on maintaining 3 criterias i.e. Retention, Authenticity and Traceability.
2. Business Continuity feature: People move from organisations, but the organisation stays; hence the Critical Records will be in the safe custody of the organisation.
3. Openability for life of e-document in a royalty free manner: The document will be openable for life and will be independent of technological obsolescence.
4. International standards of Archiving: The solution provided by us is as per the ISO 19005-1:2005 Standard which is PDF/A.

Primary features of PDF/A are

- a. Device Independent
  - b. Self Documentation
  - c. Self Contained
5. Physical Traceability: The electronic record will contain the information about the location of the physical file, thus improving the traceability of the Physical Files.
  6. Digital Repository of Records: All the business critical records will be present in the digital form which will be mirror image of the physical records.

7. Open source Software used as Repository:

The benefits of using Open source software are:

- a) Ownership of the Software lies with the Company rather than the vendor.
- b) Any customisation can be easily done.
- c) Cost effective since it is supported by a community.

WeP eRM Solutions & Services

- Records Digitizing Solution - PDF/A with long term retention
- Migration Solution - TIFF, JPG, PDF and other Legacy Images to PDF/A
- Digitizing of Records in line with 21 CFR Part 11 fitments.
- Physical traceability feature.
- Developing e-Books from Paper Records & Manuals for cross platform usage

Information Governance Reference Model (IGRM)

Linking duty + Value to information asset = efficient, effective management

**Duty:**

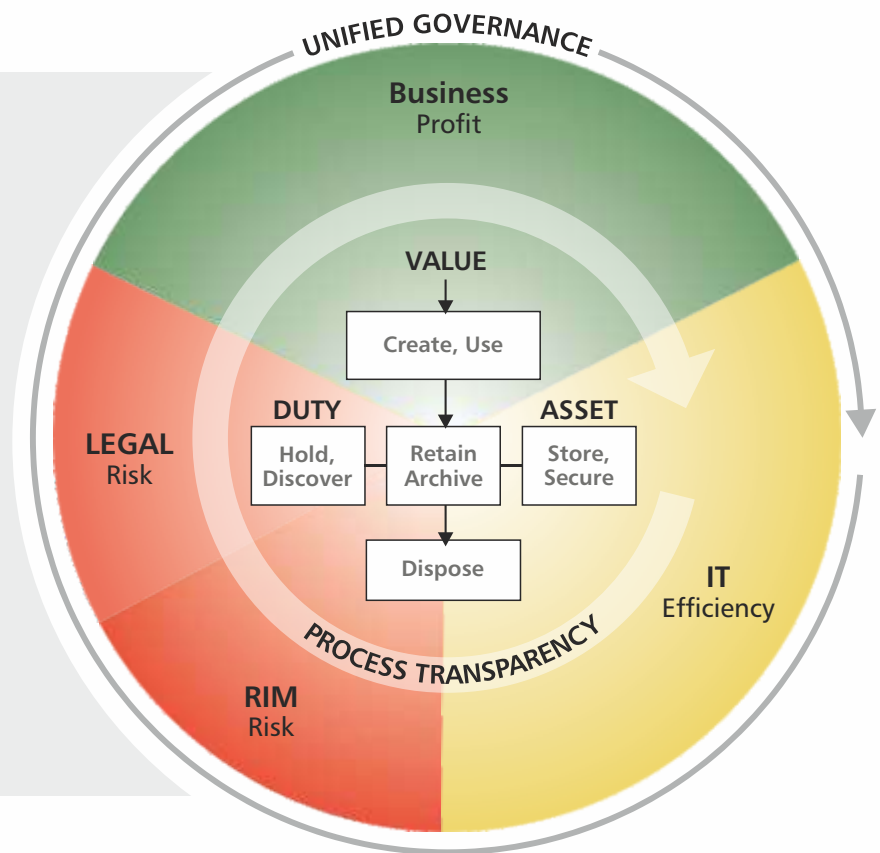
Legal Obligation for specific information

**Value:**

Utility or business purpose or specific information

**Asset:**

Specific container of information



Printers Business

WeP Printer business unit has 4 main products in its portfolio - Dot Matrix Printers, Line Matrix Printers, POS printers and After-Market (Consumables).

The Impact Printer market continued its expected decline in 2015-16. The market is now more niche application based, as printing for general applications continues to migrate to alternate technologies namely, lasers in offices and thermals in retail stores. Adoption of digitization especially among corporates and banks has also impacted the quantum of hardcopy printing today. However, niche applications like printing of receipts at medical stores, cheque / demand drafts in banks, gate pass and invoices in warehouses and depots continue to rely on the multi-copy capability and low cost per page advantage of dot matrix printing. WeP's forte has been its product performances which is more suited for such specific applications. Line matrix printer market continues to vacillate but has remained, by and large, within a narrow band. Due to its moderate unit market size, significant changes in any customer purchase in a particular year have the ability to alter the market growth. A recent trend in this segment is the adoption of higher resolution (laser-like quality) printing which has found important use in education, finance, manufacturing & logistics. POS printer market reached a period of stabilization after many years of brisk growth due to automation in retail specifically in the enterprise segment.

## Retail Printing Solutions



WeP Retail Business unit offers Retail billing solution through innovative in-house developed BP range of products. The key customer segments include the Food & beverages, mom-and-pop stores, Textiles and other retail shops.

The Indian retail sector, which is one of fast growing sectors contributing about 15% to the GDP, is surely on the roll for the last few years. There are around 13 million retail outlets across the country accounting for 95% of the total outlets that are still to be automated or organised giving a huge opportunity for us. These outlets are largely dominated by small retailers such as local Kirana shops, owner-manned general stores, chemists, footwear shops, apparel shops and other small and medium retail showrooms.

The invincible Kirana stores have their own advantages as they offer credit, and apply flexible conditions for product returns and exchanges. Apart from these factors, neighborhood locations, personal services etc are among the strengths of the neighbourhood retail stores which are largely unorganised and lack access to modern technology to run the business. Billing adoption in the unorganised sector is far less compared to its organised counterparts. That simply means there lies a huge untapped market for modern all-in-one point-of-sale solutions, cloud and mobile-based applications, which are fast catching up.

The unorganised retail sector is shifting from manual to electronic billing as the process is fast, convenient, takes less space and cost-effective.

WeP is well positioned today to address the above market with vast experience of more than 50,000 happy customers, deep understanding of customer needs, knowledgeable frontend sales force and presence through sales and support channel across India.

Last year, WeP invested in new products development, manufacturing capacity enhancement and Channel expansion. Retail Business sales revenue grown consistently for the last 3 years and Plan to expand significantly in the coming years. We have restructured our retail business to fuel the required growth and attain market leadership.

We continue to work on emerging new technologies like cloud, Mobile computing, payment gateway, digital wallet and Aadhaar based authentication and roll out solutions for shop automation and management to the unorganised retail shops.

### Our mission is to

1. Automate their business and enable them to accelerate their transaction process.
2. Improve customer satisfaction level.
3. Do more business.
4. Achieve flawless inventory management.
5. Better usage of store space and staff.





# Directors' Report

Dear Members,

Your Directors are pleased to present 21st Annual Report and the Company's Audited Financial Statements for the Financial Year ended March 31, 2016.

## Financial Performance

The Company's financial performance, both standalone and consolidated, for the year ended March 31, 2016 is summarised below:

(₹ in lakhs)

Particulars	Standalone		Consolidated
	2015-16	2014-15	2015-16*
Revenue from Operations	8,890.47	10,417.66	8,935.22
Other Income	41.78	53.22	39.92
<b>Total Revenue</b>	<b>8,932.25</b>	<b>10,470.88</b>	<b>8,975.14</b>
<b>Profit Before Depreciation, Interest and Taxes</b>	<b>951.05</b>	<b>1,050.87</b>	<b>924.25</b>
Finance Cost	175.39	176.70	175.47
Depreciation and Amortisation	619.78	650.37	638.71
<b>Profit Before Tax</b>	<b>155.88</b>	<b>223.80</b>	<b>110.06</b>
Provision for Tax	50.57	65.71	36.42
<b>Profit / (Loss) for the Year</b>	<b>105.30</b>	<b>158.09</b>	<b>73.65</b>
Earnings Per Share (Equity share par value ₹ 10/-each) Basic / Diluted (₹ per share)	0.46	0.69	0.32

\* During the Financial Year 2015-16, Company acquired 100% in M/s. eRM Solutions Private Limited.

## Consolidated Accounts

The Consolidated Financial Statements of your Company for the Financial Year 2015-16 are prepared in compliance with the applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, applicable Accounting Standards and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## Subsidiary Company

During the year under review your company has executed a Share Purchase Agreement for acquiring 100% of equity shares of M/s. eRM Solutions Private Limited (eRM), a company focused on Document Management Solutions and having developed proprietary software in this domain. M/s. eRM Solutions Private Limited (eRM) is functioning as a 100% Subsidiary of WeP Solutions Limited.

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 up to the date of Annual General Meeting as required under Section 136 of the Companies Act, 2013.

During the year the Board of Directors have formulated a policy for determining Material Subsidiaries. The policy is disclosed on the company's website and is accessible on [www.wepsolutions.co.in](http://www.wepsolutions.co.in).

## 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 2015-16.

Pursuant to Section 205C and other applicable provisions of Companies Act, 1956 (*the corresponding provision in the Companies Act, 2013 have not been notified, and hence the earlier law is still applicable in respect of these provisions*), Dividends that are unpaid / unclaimed for a period of seven years are required to be transferred to the Investor Education and Protection Fund administered by the Central Government and once unpaid/unclaimed dividend due for refund is transferred to IEPF, no claim shall lie in respect thereof against the Company.

The due date for transfer of unpaid dividend to Investor Education and Protection Fund (IEPF) for the previous years is given in the Corporate Governance Report. Shareholders who have not encashed their Dividend Warrants are requested to have them revalidated and encashed to avoid transfer to IEPF.

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 20th Annual General Meeting on 27th August 2015) 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 website [www.wepsolutions.co.in](http://www.wepsolutions.co.in).

During the year under review, no amount was transferred to General Reserve.

## 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 Requirements) Regulations, 2015, your company adheres to all 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. In the 20th Annual General Meeting held on 27th August 2015, Shareholders approved appointment of Prashee Agarwal as Non – Executive Director on the Board. We thank the Shareholders for their support in confirming Prashee Agarwal's appointment at the Annual General Meeting held on 27th August 2015.

### B. 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, Non Executive Director 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.

Section 149(6) of the Companies Act 2013 provides for appointment of Independent Directors. Section 149(10) of the Companies Act 2013 provides that Independent Directors shall hold office for a term of upto five consecutive years on the Board of a Company and shall be eligible for re-appointment on passing resolution by Shareholders of the Company.

In the 20th Annual General Meeting held on 27th August 2015, Company re-appointed Shankar Jaganathan as an Independent Director for a term of five consecutive years.

Further, according to Section 149(11), no Independent Director shall be eligible for appointment for more than two consecutive terms of five years. Section 149(13) states that the provisions of retirement by rotation as defined in section 152 (6) and (7) shall not apply to the Independent Directors.

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of 'Independence' as prescribed both under Section 149(6) of Companies Act, 2013 and under Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**C. 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.

**D. 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.

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

**F. 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 Requirement) Regulations, 2015, the Company conducts the 'Familiarization Program' when a new Independent Director joins the Board of the Company.

'Familiarization Program' provides 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, organisation 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).

**G. Statutory Disclosures**

None of the Directors of your company are disqualified as per the provisions of section 164 (2) of the Companies Act, 2013. Your Directors have made necessary disclosures as required under various provisions of the Act and SEBI (Listing Obligations and Disclosures 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 2015-16, 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 Four 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 31st March 2016 is included in this report as *Annexure – II* and forms an integral part of this report.

### Credit Rating

During the year under review the Company has sustained its Long Term Credit Rating of BWR Triple B Minus (BWR BBB-) (Stable). The moderate credit rating of Triple B Minus (BBB-) awarded by M/s. Brickwork Ratings India Private Limited reflects the moderate degree of safety regarding timely servicing of financial obligations. The Company's short term credit rated as BWR A 3 by M/s. Brickwork Ratings India Private Limited, has also been reaffirmed.

### 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. Raiji & Co, Chartered Accountants, Mumbai (Firm Registration Number: 108296W) were appointed as the Statutory Auditors of the Company in the 19th Annual General Meeting of the Company until the conclusion of 21st Annual General Meeting, subject to ratification of their appointment at every Annual General Meeting.

Pursuant to the provisions of Section 139(2)(b), the tenure of office of M/s. N.M.Raiji & Co, Chartered Accountants, Mumbai (Firm Registration No: 108296W) will expire with the conclusion of 21st AGM. M/s. N.M.Raiji & Co have been the Statutory Auditors of your company since the Financial Year 2011-12. Considering having served a term of five years, the Statutory Auditors have expressed their willingness to continue as the Statutory Auditors.

As required under the provisions of Section 139,141 and other applicable provisions of the Companies Act, 2013, and Rules issued thereunder (including any statutory modification(s) or re-enactment(s) for the time being in force) the company has obtained written confirmation from M/s. N.M. Raiji & Co, Chartered Accountants, Mumbai that their appointment, if made, would be in conformity with the limits specified in the said section.

Consequent to the above, the Audit Committee and the Board of Directors recommend the appointment of M/s. N.M. Raiji and Co., Chartered Accountants, Mumbai (Firm Registration No: 108296W) as Statutory Auditors of the Company from the conclusion of the



21st Annual General Meeting till the conclusion of 26th Annual General Meeting to be held in the Financial Year 2021, subject to ratification of appointment by the members at every Annual General Meeting. Suitable resolution for the appointment of M/s. N.M. Raiji & Co, as the Statutory Auditors is proposed in the Notice of 21st Annual General Meeting sent to the shareholders.

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.

### Cost Auditors

M/s. Rao, Murthy and Associates, Cost Accountants, Bangalore have been appointed as Cost Auditors for the Financial Year 2016-17 by the Audit Committee to conduct Audit of Cost Accounting Records maintained by the Company, in respect of various products/services as prescribed under Cost Audit Rules, 2011.

The Board of Directors, on the recommendation of the Audit Committee, has appointed M/s. Rao, Murthy and Associates, Cost Accountants, Bangalore as the Cost Auditor to audit the Cost Accounts of the Company for the Financial Year 2016-17 at a remuneration of ₹ 1,50,000/- plus service tax as applicable and reimbursement of out of pocket expenses. As required under the Companies Act, 2013, a resolution seeking member's approval for the remuneration payable forms part of the Notice convening the 21st Annual General Meeting.

The Cost Audit Report for the Financial Year 2015-16, in respect of the various products / services prescribed under Cost Audit Rules, 2011 is due to be filed with MCA and shall be filed as per the requirements of applicable laws.

### Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed S Kannan, Practicing Company Secretary, Bangalore (C.P. No. 13016) 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 31st March 2016 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 provisions 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

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 the this Report.

### 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 its assets, the prevention and detection of fraud 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, transactions are authorised, recorded and reported correctly. The Internal Auditors of the company M/s. Gnanoba & Bhatt, Chartered Accountant, Bangalore independently evaluates the adequacy of internal controls and concurrently does the audit of majority of 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 under 'ESOP Scheme 2011' which is administered by the Nomination and Compensation Committee for the benefit of employees.

During the year the company has granted 240,000 ESOP option to its employees under the ESOP Scheme 2011. As required under the Securities and Exchange Board of India Guidelines, the applicable disclosures as on 31st March 2016 is as tabulated below:

There is no material changes in the ESOP Scheme 2011, during the financial year under review.

Options at the beginning of the period (1st April 2015)	305,000
Options granted during the period	240,000
Price Per Share (₹)	10
Pricing Policy	Face Value
Options Vested	114,900
Options Lapsed	41,000
Options available for exercise	114,900
Options Exercised	NIL
Total number of Shares arising as a result of exercise of Options	NIL
Variations of terms of Options	NIL
Money realized by exercise of Options	NIL
Total number of Options in force	504,000

The Board on the recommendation of Nomination and Compensation Committee proposes to roll out new grant under the 'ESOP Plan 2016'. As required under the Companies Act, 2013 and SEBI (Share Based Employees Benefit) Regulations, 2014 a resolution seeking members approval for 'ESOP Plan 2016' forms part of the Notice convening the 21st Annual General Meeting.

## 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 2015-16, 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).

## Anti Sexual Harassment Policy

The Company has in place an Anti 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 2015-16, 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 18 years of rich experience in design and development of mechatronics products has delivered 320 varieties of products. WeP design team has delivered products that deals with dynamics of mechanical components and its behavioral study with electronics for all extreme conditions and adherence to the International Standards and Certifications. R&D team has executed several application specific printer projects for Voting Machine, Petrol Bunk, Retail Automation, Pharmacy and Dairy Segments.

## 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. Anti – 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 the 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 31st March 2016 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 95.89% of the Issued Capital is held in electronic mode.

## Listing Fees

The Company confirms that it has paid the Annual Listing Fees for the Financial Year 2016-17 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 organisation. 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 relation 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 2015-16 and the Notice of 21st 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 2015-16 and the Notice of 21st 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: 11th August, 2016**

**Place: Bangalore**

**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 31st March 2016 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:

- Design & Development of Printers and Retail Billing Solutions.
- Product Engineering Services for Application Specific Printers and Electromechanical Systems.
- PCB Design for Analog/ Digital and mixed signal.
- Application specific thermal printer development.
- Universal Magnetic path design for next generation print head design.
- Ethernet, GSM/GPRS for remote management of printers.
- Communication protocols Serial, Parallel, USB.
- Retail F&B Software design and development for Win CE and Andriod ICS Operating system.
- 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:

- High Speed printer release with Ethernet, Parallel and USB interfaces.
- Self reliance in print head design and development for Dot Matrix Printers. All in-house captive requirements are met with our own Print Heads.
- Retail product variants design and development based on thermal and impact platform.
- Retail solutions for Application specific requirements like Diary Society, Pharmacy and F&B.
- Retail central Server and Client product solutions for multiple location chain shops.
- F&B software release for Android OS
- Application specific printers design and manufacturing for voting machine and Petrol Dispenser Retail Automation.

**c. Future Plan of action:**

- 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 MicroATM and UID applications.
- Application Specific Printers for kiosk, Petrol Dispenser and ATM.

**2. Expenditure on R&D**

Expenditure : 1.85 Million  
 R&D Expenditure as % of total turnover : 0.21%

**3. 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.

- 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 Diary 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:**

At R & D that is our primary challenge and motivation today. 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 Retail Product Solutions and Application Specific Printers.

Due to technology absorption and development, we are placing ourselves in a better position to deliver on our new customer promise of "TECH FANTASY". Also these Research and Technology explorations will enable "Wow!" elements to customer in each delivery of the products.

**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**

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

The Foreign Exchange earned in terms of 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 2016	Year ended 31 <sup>st</sup> March 2015
Foreign Exchange Earnings	2,262.72	NIL
Foreign Exchange Outgo	215,807.46	301,120.96

Annexure - II

Form MGT – 9

Extract of Annual Return as on the Financial Year ended on 31st March, 2016  
 [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	1st 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, Bangalore 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	56.53
2	Managed Printing and Document Services	3670	43.47

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. eRM Solutions Private Limited  <b>Address:</b> 103, Krishna Chambers, 20/21 Konena Agrahara, 5th Cross, Airport Road Bangalore, Karnataka - 560 017.	U74900KA2015PTC080570	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 (01.04.2015)				No. of Shares held at the end of the year (31.03.2016)				% Change during the year
	DEMAT	Physical	Total	% of Total Shares	DEMAT	Physical	Total	% of Total Shares	
<b>A Promoters</b>									
<b>1 Indian</b>									
a) Individual / HUF	3,667,149	0	3,667,149	15.94	3,667,149	0	3,667,149	15.94	0.00
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	6,123,567	0	6,123,567	26.63	6,135,861	0	6,135,861	26.67	0.05
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>9,790,716</b>	<b>0</b>	<b>9,790,716</b>	<b>42.57</b>	<b>9,803,010</b>	<b>0</b>	<b>9,803,010</b>	<b>42.62</b>	<b>0.05</b>
<b>2 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>9,790,716</b>	<b>0</b>	<b>9,790,716</b>	<b>42.57</b>	<b>9,803,010</b>	<b>0</b>	<b>9,803,010</b>	<b>42.62</b>	<b>0.05</b>
<b>B Public Shareholding</b>									
<b>1 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) Center Government(s)	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 (01.04.2015)				No. of Shares held at the end of the year (31.03.2016)				% Change during the year
	DEMAT	Physical	Total	% of Total Shares	DEMAT	Physical	Total	% of Total Shares	
<b>2</b> Non - Institutions									
a) Bodies Corporate									
(i) Indian	2,315,385	40,000	2,355,385	10.24	2,546,780	40,000	2,586,780	11.25	1.01
(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	3,115,262	650,929	3,766,191	16.37	4,364,926	734,920	5,099,846	22.17	5.80
(ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakh	5,902,211	142,292	6,044,503	26.28	4,382,831	48,805	4,431,636	19.27	-7.01
c) Others (specify)									
(i) Clearing Members	1,237	0	1,237	0.01	14,051	0	14,051	0.06	0.05
(ii) Hindu Undivided Families	126,209	100	126,309	0.55	164,935	100	165,035	0.72	0.17
(iii) Non Resident Indians	798,948	120,082	919,030	4.00	782,931	120,082	903,013	3.93	-0.07
(iv) Trusts	0	101	101	0.00	0	101	101	0.00	0.00
<b>Sub-total (B) (2)</b>	<b>12,259,252</b>	<b>953,504</b>	<b>13,212,756</b>	<b>57.44</b>	<b>12,256,454</b>	<b>944,008</b>	<b>13,200,462</b>	<b>57.38</b>	<b>-0.06</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>12,259,252</b>	<b>953,504</b>	<b>13,212,756</b>	<b>57.44</b>	<b>12,256,454</b>	<b>944,008</b>	<b>13,200,462</b>	<b>57.38</b>	<b>-0.06</b>
<b>C</b> Shares held by Custodian for GDRs and ADRs	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>22,049,968</b>	<b>953,504</b>	<b>23,003,472</b>	<b>100.00</b>	<b>22,059,464</b>	<b>944,008</b>	<b>23,003,472</b>	<b>100.00</b>	<b>0.00</b>

ii. Promoters Shareholding:

Sl. No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2015)			Shareholding at the end of the year (31.03.2016)			% 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	3,248,109	14.12	0.00	3,260,403	14.17	0.00	0.05
2	WeP Peripherals Limited	2,124,994	9.24	0.00	2,124,994	9.24	0.00	0.00
3	wep solutions india limited	750,464	3.26	0.00	750,464	3.26	0.00	0.00
4	Ram N Agarwal*	3,205,056	13.94	0.00	3,205,056	13.94	0.00	0.00
5	Sarita Agarwal	121,568	0.53	0.00	121,568	0.53	0.00	0.00
6	Suman Jain	340,525	1.48	0.00	340,525	1.48	0.00	0.00
<b>Total</b>		<b>9,790,716</b>	<b>42.57</b>	<b>0.00</b>	<b>9,803,010</b>	<b>42.62</b>	<b>0.00</b>	<b>0.05</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. Hence the two folios - Ram N Agarwal and Ram Narayan Agarwal are consolidated and the consolidated Shareholding is shown in Ram N Agarwal.

iii. Change in Promoters' Shareholding:

Sl. No.	Particulars	Shareholding at the beginning of the year (01.04.2015)		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	3,248,109	14.12	3,248,109	14.12
	Purchase on 5th November 2015	12,294	0.05	3,260,403	14.17
	<b>At the end of the year</b>			<b>3,260,403</b>	<b>14.17</b>
2	<b>WeP Peripherals Limited</b>				
	At the beginning of the year	2,124,994	9.24	2,124,994	9.24
	<b>At the end of the year</b>			<b>2,124,994</b>	<b>9.24</b>
3	<b>wep solutions india limited</b>				
	At the beginning of the year	750,464	3.26	750,464	3.26
	<b>At the end of the year</b>			<b>750,464</b>	<b>3.26</b>
4	<b>Ram N Agarwal</b>				
	At the beginning of the year	2,173,014	9.45	2,173,014	9.45
	<b>At the end of the year</b>			<b>2,173,014</b>	<b>9.45</b>
5	<b>Sarita Agarwal</b>				
	At the beginning of the year	121,568	0.53	121,568	0.53
	<b>At the end of the year</b>			<b>121,568</b>	<b>0.53</b>
6	<b>Suman Jain</b>				
	At the beginning of the year	340,525	1.48	340,525	1.48
	<b>At the end of the year</b>			<b>340,525</b>	<b>1.48</b>
7	<b>Ram Narayan Agarwal</b>				
	At the beginning of the year	1,032,042	4.49	1,032,042	4.49
	<b>At the end of the year</b>			<b>1,032,042</b>	<b>4.49</b>

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 (01.04.2015)		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>Wipro Limited</b>				
	At the beginning of the year	1,836,000	7.98	1,836,000	7.98
	At the end of the year			1,836,000	7.98
2	<b>Rakesh M Bohra</b>				
	At the beginning of the year	612,857	2.66	612,857	2.66
	At the end of the year			612,857	2.66
3	<b>Deepak A Chari</b>				
	At the beginning of the year	292,898	1.27	292,898	1.27
	At the end of the year			292,898	1.27
4	<b>Sattva Developers Private Limited</b>				
	At the beginning of the year	271,774	1.18	271,774	1.18
	At the end of the year			271,774	1.18
5	<b>Sharad Kanayalal Shah</b>				
	At the beginning of the year	17,025	0.07	17,025	0.07
	Purchased on 11th September 2015	17,885	0.08	34,910	0.15
	Purchased on 18th September 2015	1,724	0.01	36,634	0.16
	Purchased on 25th September 2015	9,256	0.04	45,890	0.20
	Purchased on 9th October 2015	6,784	0.03	52,674	0.23
	Purchased on 27th November 2015	137,902	0.60	190,576	0.83
	Purchased on 4th December 2015	38,000	0.16	228,576	0.99
	Purchased on 11th December 2015	4,600	0.02	233,176	1.01
	Purchased on 25th December 2015	10,000	0.04	243,176	1.05
	Purchased on 19th February 2016	13,000	0.06	256,176	1.11
	At the end of the year			256,176	1.11
6	<b>P K Gopalakrishnan</b>				
	At the beginning of the year	129,951	0.56	129,951	0.56
	Purchased on 10th April 2015	2,309	0.01	132,260	0.57
	Purchased on 29th May 2015	108,000	0.47	240,260	1.04
	At the end of the year			240,260	1.04

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year (01.04.2015)		Cumulative Shareholding during the year	
		Number of Shares	% of Total Shares of the Company	Number of Shares	% of Total Shares of the Company
<b>7</b>	<b>Dilip Kumar Sahu</b>				
	At the beginning of the year	265,719	1.16	265,719	1.16
	Purchased on 5th June 2015	5,000	0.02	270,719	1.18
	Purchased on 19th June 2015	4,582	0.02	275,301	1.20
	Purchased on 6th November 2015	12,173	0.05	287,474	1.25
	Sold on 20th November 2015	17,572	0.08	269,902	1.17
	Sold on 4th December 2015	20,000	0.09	249,902	1.08
	Sold on 8th January 2016	20,000	0.09	229,902	0.99
	<b>At the end of the year</b>			<b>229,902</b>	<b>0.99</b>
<b>8</b>	<b>Sridhar Mitta</b>				
	At the beginning of the year	158,897	0.69	158,897	0.69
	<b>At the end of the year</b>			<b>158,897</b>	<b>0.69</b>
<b>9</b>	<b>Dilip Kanayalal Shah</b>				
	At the beginning of the year	27,000	0.12	27,000	0.12
	Purchased on 24th July 2015	3,000	0.01	30,000	0.13
	Purchased on 31st July 2015	34,270	0.15	64,270	0.28
	Purchased on 7th August 2015	14,401	0.06	78,671	0.34
	Purchased on 14th August 2015	20,000	0.09	98,671	0.43
	Purchased on 21st August 2015	650	0.00	99,321	0.43
	Purchased on 28th August 2015	10,679	0.05	110,000	0.48
	Purchased on 4th September 2015	200	0.00	110,200	0.48
	Purchased on 2nd October 2015	800	0.00	111,000	0.48
	Purchased on 16th October 2015	847	0.00	111,847	0.49
	Purchased on 25th December 2015	24,998	0.11	136,845	0.60
	Purchased on 8th January 2016	3,155	0.01	140,000	0.61
	Purchased on 29th January 2016	3,000	0.01	143,000	0.62
	Purchased on 18th March 2016	5,000	0.02	148,000	0.64
	<b>At the end of the year</b>			<b>148,000</b>	<b>0.64</b>
<b>10</b>	<b>Prakash Ramanlal Shah</b>				
	At the beginning of the year	189,826	0.83	189,826	0.83
	Sold on 25th December 2015	25,000	0.11	164,826	0.72
	Sold on 22nd January 2016	38,913	0.17	125,913	0.55
	<b>At the end of the year</b>			<b>125,913</b>	<b>0.55</b>

## v. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Director/Key Managerial Personnel (KMP)	Shareholding at the beginning of the year (01.04.2015)		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	3,205,056	13.94	3,205,056	13.94
	At the end of the year			3,205,056	13.94
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	Dr. A L Rao - Non Executive Director				
	At the beginning of the year	385,542	1.68	385,542	1.68
	At the end of the year			385,542	1.68
5	B R Ganesh - Small Shareholders and 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
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 Kumar Goyal - Chief Financial Officer (KMP)				
	At the beginning of the year	5,028	0.02	5,028	0.02
	At the end of the year			5,028	0.02

**Note:**

- \*With reference to the SEBI Circular dated 30th 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. Hence the two folios - Ram N Agarwal and Ram Narayan Agarwal are consolidated and the consolidated Shareholding is shown in Ram N Agarwal.
- The following Directors / Key Managerial Personnel (KMP) did not hold any Shares during the Financial Year 2015-16.  
*H V Gowthama - Independent Director*  
*Sudhir Prakash - Independent Director*  
*G H Visweswara - Non-Executive 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	114,257,440	NIL	NIL	114,257,440
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>114,257,440</b>	<b>NIL</b>	<b>NIL</b>	<b>114,257,440</b>
<b>Change in indebtedness during the Financial Year</b>				
Addition	8,076,569	NIL	NIL	8,076,569
Reduction	NIL	NIL	NIL	NIL
<b>Net Change</b>	<b>8,076,569</b>	<b>NIL</b>	<b>NIL</b>	<b>8,076,569</b>
<b>Indebtedness at the end of the Financial Year</b>				
i) Principal Amount	122,334,009	NIL	NIL	122,334,009
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	579,286
b	Others, specify	NIL
5	Others, specify	NIL
	<b>Total (A)</b>	<b>579,286</b>

B. Remuneration to Other Director

Sl. No.	Particulars of Remuneration	H V Gowthama	Sudhir Prakash	Shankar Jaganathan	Mythily Ramesh	B R Ganesh	Total Amount (₹)
<b>1) Non Executive Director (Independent)</b>							
1	Fees for attending Board / Committee Meetings	80,000	40,000	80,000	60,000	80,000	340,000
2	Commission	0	0	0	0	0	0
3	Others (specify)	0	0	0	0	0	0
	<b>Total (1)</b>	<b>80,000</b>	<b>40,000</b>	<b>80,000</b>	<b>60,000</b>	<b>80,000</b>	<b>340,000</b>



Sl. No.	Particulars of Remuneration	G H Visweswara	Dr. A L Rao	Prashee Agarwal	Total Amount (₹)
<b>2) Other Non-Executive Director</b>					
1	Fees for attending Board / Committee Meetings	80,000	60,000	-	140,000
2	Commission	0	0	-	0
3	Others (specify)	0	0	-	0
<b>Total (2)</b>		<b>80,000</b>	<b>60,000</b>	<b>-</b>	<b>140,000</b>
<b>Total (B) = (1)+(2)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>480,000</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	43.40	4.04
	b Value of perquisites u/s 17(2) of the Income -Tax Act, 1961	-	-
	c Profit in lieu of Salary u/s 17(3) of the Income - Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	a As a % of Profit	-	-
	b Others, specify	-	-
5	Others, specify	-	-
	<b>Total (A)</b>	<b>43.40</b>	<b>4.04</b>

viii. 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	M/s. eRM Solutions Private Limited
2	Reporting period for the Subsidiary concerned, if different from the Holding Company's reporting period	1st April to 31st 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	8,100,000
5	Reserves & surplus	(3,165,794)
6	Total Assets	10,461,378
7	Total Liabilities	10,461,378
8	Investments	0
9	Turnover	5,902,168
10	Profit / Loss before Taxation	(4,581,469)
11	Provision for taxation	(1,415,674)
12	Profit / Loss after Taxation	(3,165,795)
13	Proposed Dividend	0
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

H V Gowthama  
Director

Ram N Agarwal  
Chairman and Managing Director

Place: Bangalore  
Date: 28th May, 2016

Sandeep Goyal  
Chief Financial Officer

Sujata Lele  
Company Secretary

**Annexure - IV**
**SECRETARIAL AUDIT REPORT**
**Form No. MR-3**
**For the Financial Year ended 31st March 2016**

*[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, Bangalore 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 31st March 2016 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 31st March 2016 according to the provisions of:

1. The Companies Act, 2013, (the Act) and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder 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. Employees Provident Fund and Miscellaneous Provisions Act, 1952
7. Employees State Insurance Act, 1948
8. Environment Protection Act, 1986 and other applicable environmental laws
9. Indian Contract Act, 1872
10. Income Tax Act, 1961
11. Indian Stamp Act, 1999

12. The Factories Act, 1948
13. Payment of Bonus Act, 1965
14. Payment of Gratuity Act, 1972
15. The Trade Marks Act, 1999
16. The Information Technology Act, 2000

and such other applicable laws as observed during the course of audit.

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 applicable as on the date of my audit.
- b) The Listing Agreement entered into by the Company with Bombay Stock Exchange Limited.
- c) The SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 effective from 1st December 2015.

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, there were no instances of:
  - a) Public/Rights/Preferential Issue of shares/Debentures/Sweat Equity.
  - b) Redemption buy back of securities
  - c) Merger/Amalgamation/Reconstruction etc.,
  - d) Foreign Technical Collaborations.

Place: Bangalore

Date: 13th July, 2016

S. Kannan

FCS: 6261

PCS: 13016

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	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 of Goods and Services
4	Duration of the contracts / arrangements / transactions	3 years	1 year
5	Salient terms of the contracts / arrangement / transactions including the value, if any	Sale of Goods and Services ₹ 1,367,014/- Purchase of Goods and Services ₹ 9,158,372/-	Purchase of Goods and Services ₹ 14,27,249/- Interest received on Loan (Gross of TDS) ₹ 186,446/- Loan (inclusive of interest) ₹ 4,292,670/-
6	Justification for entering into such contracts or arrangements or transactions	Sale and Purchases of Goods and Services.	Purchase of Goods and Services and Loan to meet the working capital requirements.
7	Date of approval by the Board, if any	18th May 2015	2nd November 2015
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: Bangalore  
Date: 28th May, 2016

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 2015-16:

Name of Director	Title	Ratio of Median Remuneration
Ram N Agarwal	Chairman and Managing Director	1.71
H V Gowthama	Independent Director	0.24
Sudhir Prakash	Independent Director	0.12
Shankar Jaganathan	Independent Director	0.24
Mythily Ramesh	Independent Director	0.18
B R Ganesh	Small Shareholders and Independent Director	0.24
G H Visweswara	Non – Executive Director	0.24
Dr. A L Rao	Non – Executive Director	0.18
Prashee Agarwal	Non – Executive Director	NIL

- 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 2015-16:

Name of Director	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	Non - Executive Director	Not Applicable
Dr. A L Rao	Non - Executive Director	Not Applicable
Prashee Agarwal	Non - Executive Director	Not Applicable
Sandeep Kumar Goyal	Chief Financial Officer	23.00
Sujata Arvind Lele	Company Secretary	12.90

- c) The percentage increase in the median remuneration of employees in the Financial Year 2015-16:

The median remuneration has remained same in the Financial Year 2015-16.

- d) The number of permanent employees on the rolls of company in the Financial Year 2015-16: 165

- e) The explanation on the relationship between average increase in remuneration and company performance:

On an average, employees received an increase of 12.8%. 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 performances.



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 2015-16 (aggregated)	58.03
Revenue from Operations	8935.22
Remuneration (as % of Revenue)	0.65
Profit Before Tax (PBT)	110.06
Remuneration (as % of PBT)	52.72

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 31st March 2016	As on 31st March 2015	Variation
Closing rate of Shares at Bombay Stock Exchange (BSE)	₹	22.05	13.50	63.33%
EPS (Consolidated)	₹	0.32	0.69	-53.62%
Market Capitalization	₹	5072.27 Lakhs	3,105.47 Lakhs	63.33%
Price Earning Ratio	Ratio	68.90	19.56	252.28

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 2015-16 was 12.8%. 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	5.79	43.40	4.04
Revenue	8935.22	8935.22	8935.22
Remuneration (as % of revenue)	0.06%	0.49%	0.05%
Profit Before Tax (PBT)	110.06	110.06	110.06
Remuneration (as % of PBT)	5.26%	39.43%	3.67%

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 2015-16 was in many ways a challenging year. Inflation remained slightly higher than expected instead of expectations of it being lower than previous year. Overall the economy did not show any significant positive uptick given that the expectations did not take off. However, as the world sees, India continues to be a bright spot among all the nations and is expected to grow still at more than 7% p.a. This given the global macro environment context looks to be a decent growth rate. However, the challenge for India is to meet the burden of the expectations created and perceived both within India and outside. The initiatives like 'Make in India', increased FDI limits in many sectors should come as a boost for the economy and should start resulting in positive and impactful results soon. GST, the most awaited tax reforming legislation, is expected to provide a significant boost to the economy.

### 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 year your company acquired 100% in eRM Solutions Private Limited, a company focused on providing unique and customized document management solutions.

#### Revenue

In continuation to a good performance in the previous year, the MPS business logged a growth of 9% again in its services revenue. The revenues grew from ₹ 343.5Mn in FY 2015 to ₹ 374Mn in FY 2016. This growth was a result of innovative and customized solutions made by your company to meet the changing needs of existing customers and emerging needs to new customers.

However, revenues in the Printers business declined significantly during this year again. The revenues dipped to ₹ 505mn in FY 2016 from ₹ 672Mn in FY 2015. This was due to de-growth in the traditional impact printer business. However, the Retail Printers continued to register a growth of 15.5% over the previous year. The company continued to focus on developing Application Specific Printing Solutions and the growth in retail printers business is a result of that focus.

#### Operating Profit

During the year the operating profit of the company declined from ₹ 40.05Mn in FY 2015 to ₹ 33.13Mn in FY 2016. Of this the major decline was in the case of Printers business where the operating loss increased from ₹ 6.95Mn to an operating loss of ₹ 27.52Mn. MPS business continued to do well on profitability due to growth as well as continued focus on operational efficiency. The significant fall in printers business was covered to a large extent by the MPS business where the operating profit jumped from ₹ 47.01Mn to ₹ 60.65Mn.

While the Printers business suffered due to fall in revenues, the MPS business improved both on revenues and operating costs. Improvement in Asset productivity, improved customer support and employee productivity were the prime reasons for the jump in the operating margin of MPS business.

#### Net Working Capital

The company's 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. During the current year also the company maintained the inventory days and improved on the receivables days. The net payable days reduced from 117 as at March 2015 to 96 days as at March 2016. The net working capital cycle of the company increased from 87 days in FY 2015 to 100 days in FY 2016.

The company improved its Net Operating Cash flows of ₹ 110.38Mn as against ₹ 101.16Mn in FY 2015. These cash flows were used to invest in the capex required for MPS business and also for financing the acquisition made by the company during the year.

### 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 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 Accountant 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 statutory auditors regularly interact with the Audit Committee to share their findings and the status of further improvement actions under implementation. The CFO certification provided in the Annual Report discusses about the adequacy of our Internal control systems and procedures.

#### 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.

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. This has helped the company to promote a culture of 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. Your Board acknowledges the following major SWOT analysis more specific to your company.

##### Strengths:

1. Scalable infrastructure with PAN India presence, wide geographical reach and strong operational expertise.
2. Strong Research & Development skill set to develop application specific printing devices and solutions.
3. Long standing relationships with Customers and Technology partners.
4. Comprehensive Document management solution with acquisition of a focused DMS company

##### Weaknesses:

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

##### Opportunities

1. Significant movement ahead by customers to look for total Document Management Solutions for their enterprises
2. Demand moving up in application specific printing solutions both in Impact and Non-Impact printing area.
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. Demand reduction for Impact printers across industry verticals.
2. Customer concentration in MPS business. Any impact due to these customers can adversely impact the company.
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.

### **Receivable Risks**

These risks broadly relate to risks in settlement of dues by clients and provision for bad and doubtful debts. During the year, the company faced challenges in improving its receivables position. While the average number of days of sales outstanding improved, the company found a tendency in customers to delay the payments. Delays in payments impact our ability to meet our working capital requirements on time and puts pressure on our borrowings thereby increasing finance costs.

#### **Mitigants:**

Systems are put in place for assessment of creditworthiness of customers, provision for bad and doubtful debts made to arrive at correct financial position of the Company, appropriate recovery management and follow up. Company carefully monitors and controls the financial exposure to those customers whom it considers as credit risk. Company has introduced stricter credit controls and pursuing customers to accept advance payment terms. The company has adopted a consistent and reasonable policy for providing the doubtful receivables.

### **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 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.

The Securities and Exchange Board of India ("SEBI") on 2nd September 2015 issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with an aim to consolidate and streamline the provisions of the Listing Regulations for different segments of capital markets to ensure better enforceability. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were effective from 1st December 2015. Accordingly all listed entities were required to enter into a fresh listing agreement. Your Company has entered into a fresh listing agreement with Bombay Stock Exchange Limited during the month of February 2016.

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. This is overseen by the Board of Directors in respect of strategies, fairness to stakeholders, strong accounting principles and ethical corporate practices.

### Composition of the Board as on 31st March 2016

As on 31st March, 2016 the Board consists of Nine Directors. Besides the Chairman and Managing Director, the Board comprises of four Independent Directors, three Non – Executive Directors and one Small Shareholders and Independent Director. The composition of the Board as on 31st March 2016 is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and exceeds the percentage stipulated therein. 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 31st March 2016

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 31st March 2016, 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 provide 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 2015-16, Four Meetings of the Board of Directors were held on 18th May 2015, 25th July 2015, 2nd November 2015 and 6th February 2016 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 27th August 2015, Nine Directors including the Chairman of the Audit Committee and Statutory Auditor - Vinay D Balse attended the 20th Annual General Meeting held on 27th August 2015.

## 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 Directors are members 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 31st March 2016 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 2015-16		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	4	4	Yes	1	-	4
H V Gowthama	Independent Director	4	4	Yes	-	3	-
Sudhir Prakash	Independent Director	4	2	Yes	1	-	10
Shankar Jaganathan	Independent Director	4	4	Yes	1	1	2
Mythily Ramesh	Independent Director	4	3	Yes	2	-	-
B R Ganesh	Small Shareholders and Independent Director	4	4	Yes	3	-	2
Dr. A L Rao	Non- Executive Director	4	3	Yes	-	-	3
G H Visweswara	Non- Executive Director	4	4	Yes	2	-	-
Prashee Agarwal*	Non-Executive Director	4	-	Yes	-	-	-

Note:

1. Video/Tele-conferencing facilities are not used for any of the meetings.

2. \* Prashee Agarwal was appointed as Non-Executive Director in the 20th Annual General Meeting held on 27th August 2015.

## 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 Committees and each Director was carried out for the Financial Year 2015-16.

## 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

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 the requirements of the 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 Requirement) 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 modified Code was adopted by the Board of Directors at its meeting held on 13th November 2014. The Code is also available on the Company's website [www.wepsolutions.co.in](http://www.wepsolutions.co.in).

## Materially Significant Related Party Transactions

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 31st March 2016, 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 31st March 2016, the Audit Committee comprises of Four Directors. Chairman of the Audit Committee is an Independent Director. During the Financial Year 2015-16, the Audit Committee meetings were held on 15th May 2015, 25th July 2016, 2nd November 2015 and 6th February 2016. 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 2015-16 are as mentioned below:

Name of the Member	Category	Status	No. of Meeting	
			Held	Attended
H V Gowthama	Independent Director	Chairman	4	4
B R Ganesh	Small Shareholders and Independent Director	Member	4	4
Sudhir Prakash	Independent Director	Member	4	2
Shankar Jaganathan	Independent Director	Member	4	4

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 20th Annual General Meeting (AGM) held on 27th August 2015 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:
  1. 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;
  2. 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.
  3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
  4. 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 Directors' 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 and 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

As on 31st March 2016, Nomination and Compensation Committee comprises of Four Directors. During the Financial Year 2015-16, the Nomination and Compensation Committee meetings were held on 18th May 2015 and 2nd November 2015. 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 2015-16 are as mentioned below:

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

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) 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, includes 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 2015-16 your Company has paid ₹ 4,80,000 as Sitting Fees for attending the Board and Committee Meetings to the Non-Executive Directors of your Company.

Details of Compensation paid to Directors for the Financial Year 2015-16 are as under:

(in ₹)

Name of the Director	Sitting Fees	Salary and Perquisites	Commission	Total	No of Equity shares held as on 31.3.2016
<b>Chairman and Managing Director</b>					
Ram N Agarwal*	0	0	5,79,286	5,79,286	3,205,506
<b>Independent Directors</b>					
H V Gowthama	80,000	0	0	80,000	-
Sudhir Prakash	40,000	0	0	40,000	-
Shankar Jaganathan	80,000	0	0	80,000	2,228
Mythily Ramesh	60,000	0	0	60,000	14,040
<b>Non – Executive Director</b>					
Dr. A L Rao	60,000	0	0	60,000	385,542
G H Visweswara	80,000	0	0	80,000	-
Prashee Agarwal**	0	0	0	0	5,181
<b>Small Shareholders and Independent Director</b>					
B R Ganesh	80,000	0	0	80,000	1,666

Notes:

- None of the above director is eligible for any severance pay, and none of them hold any stock option as on 31st March 2016.
- The notice period for Director is such period as is mutually agreed between Director and the Board.
- During the Financial Year 2015-16, the Company did not advance any loan to any of its Director.
- \*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. Hence the two folios - Ram N Agarwal and Ram Narayan Agarwal are consolidated and the consolidated Shareholding is shown in Ram N Agarwal as on 31<sup>st</sup> March 2016.
- \*\* Prashee Agarwal appointed as Non-Executive Director w.e.f 27th August 2015.

### 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

The Risk Management Committee has been constituted by the Board of Directors on 25th July 2015. As on 31st March 2016, Risk Management Committee comprises of three Directors. The first meeting of the Risk Management Committee was held on 28th May 2016. The composition of the Risk Management Committee of the Board of Directors of your Company is as mentioned below:

Name of the Director	Category	Status
Shankar Jaganathan	Chairman	Independent Director
Mythily Ramesh	Member	Independent Director
B R Ganesh	Member	Small Shareholders and Independent Director

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 endeavours 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 approved by the Board on 25th July 2015 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 31st March 2016, Shareholders / Investors' Grievance cum Share Transfer Committee comprises of Three 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 Director	Category	Status
H V Gowthama	Chairman	Independent Director
G H Visweswara	Member	Non-Executive Director
B R Ganesh	Member	Small Shareholders and Independent Director

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 2015-16 are given below:

Number of Investors Complaints pending at the beginning of the Financial Year i.e. 1st April 2015	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. 31st March 2016
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 2015-16	Disposed Of during the Financial Year 2015-16	Pending as on 31st March 2016
Non-Receipt of Annual Reports	7	7	NIL
Non-Receipt of Dividend Warrants	8	8	NIL
Dematerialization/Rematerialization of Shares	NIL	NIL	NIL
Others (Change in correspondence address, mailing id, contact details etc)	5	5	NIL

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 31st March 2016 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 31st March 2016 there is no material unlisted subsidiary of the Company. M/s. 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 at [www.wepsolutions.co.in](http://www.wepsolutions.co.in).

### Related Party Transactions

All transactions entered into by your Company with related parties during the Financial Year 2015-16, 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 was considered and approved by the Board at its Meeting held on 13th November 2014. 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 2015-16 was placed before the Board of Directors at their meeting held on 28th May 2016. 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
2014-15	Annual General Meeting	Rotary Club, Lavelle Road, Bangalore 560001	27th August 2015	4.00 PM	Appointment of Ram N Agarwal as Managing Director for a period of three years w.e.f 16th February 2015.
2013-14	Annual General Meeting	Rotary Club, Lavelle Road, Bangalore 560001	23rd September 2014	4.00 PM	No Special Resolution Passed
2012-13	Annual General Meeting	Conference Hall, Basappa Complex, Lavelle Road, Bangalore 560001	16th December 2013	4.00 PM	Appointment of P K Gopalakrishnan as Managing Director w.e.f 1st June 2013

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 Extra Ordinary General Meeting of Members was held during the year.

### Disclosures:

#### Disclosure of Accounting Treatment

The Company has followed the treatment laid down in the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in preparation of financial statements. There are no audit qualifications in the Company's financial statements for the year under review.

#### 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. In May 2013, the Board adopted the revised Whistleblower Policy that adopts global best practices. We further affirm that no employee has been denied access to the audit committee during Financial Year 2015-16. The policy has been disclosed on the website of the Company at [www.wepsolutions.co.in](http://www.wepsolutions.co.in).

### **Anti 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 Anti 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 5th 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 id (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. 21st Annual Report for the Financial Year 2015-16 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 recommend any Dividend for the Financial Year 2015-16.

### 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%	27th August 2015	26th August 2022
2013-14	Final Dividend	5%	23rd September 2014	22nd 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 information on Options granted by the Company during the Financial Year 2015-16 and other particulars with regard to Employees' Stock Options are set out in the Directors' Report.

### Listing

At present, the equity shares of the Company are listed at Bombay Stock Exchange Limited (BSE). The Annual Listing fees for the Financial Year 2016-17 has been paid to Bombay Stock Exchange Limited.

### General Shareholder Information:

Annual General Meeting	Thursday, 22nd September, 2016
Time	3.00pm
Venue	Rotary Club, Lavelle Road, Bangalore 560 001
Book Closure Dates	16th September, 2016 to 22nd September, 2016
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)

Month	Open	High	Low	Close	No. of Shares
April 2015	14.69	16.50	12.41	13.50	88,753
May 2015	13.50	16.99	12.11	14.00	73,607
June 2015	13.99	15.79	12.10	14.71	70,628
July 2015	14.00	23.77	12.90	20.20	544,692
August 2015	20.00	20.95	15.40	16.25	125,403
September 2015	15.50	18.00	15.50	16.40	89,314
October 2015	16.20	21.10	15.00	18.35	83,897
November 2015	18.00	29.35	17.90	29.35	919,171
December 2015	30.00	38.15	29.45	38.15	859,140
January 2016	41.95	50.70	31.40	37.25	895,431
February 2016	37.90	38.60	23.50	24.45	332,288
March 2016	25.65	29.90	21.45	22.05	376,560

Distribution of Shareholdings according to number of shares held as on 31st March 2016.

Values of Shares held (₹)	No. of Shareholders	% of Shareholders	Values of Shares held	% to the total paid up capital
0 - 5000	2,171	54.10	2,675,340	1.16
5001 - 10000	343	8.55	2,695,700	1.17
10001 - 20000	597	14.88	7,755,620	3.37
20001 - 30000	305	7.60	6,843,670	2.98
30001 - 40000	109	2.72	3,776,570	1.64
40001 - 50000	87	2.17	3,872,990	1.68
50001 - 100000	213	5.31	15,082,860	6.56
100001 - And Above	188	4.68	187,331,970	81.44
<b>TOTAL</b>	<b>4,013</b>	<b>100.00</b>	<b>230,034,720</b>	<b>100.00</b>

Shareholding Pattern as at March 31, 2016

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	3,667,149	15.94
Bodies Corporate	3	6,135,861	26.67
<b>Total Promoters' Holding</b>	<b>6</b>	<b>9,803,010</b>	<b>42.62</b>
<b>B) Public Shareholding</b>			
Bodies Corporate	84	2,586,780	11.25
Individuals			
I. Individuals Shareholders Holding Nominal Share Capital upto Rs. 1 lakh	3,728	5,099,846	22.17
II. Individual Shareholders Holding Nominal Share Capital in excess of Rs. 1 lakh	72	4,431,636	19.27
Clearing Members	6	14,051	0.06
Hindu Undivided Families	72	165,035	0.72
Non Residents Indians	42	903,013	3.93
Trusts	2	101	0.00
<b>Total Public Shareholding</b>	<b>4,006</b>	<b>13,200,462</b>	<b>57.38</b>
<b>Total (A)+(B)</b>	<b>4,012</b>	<b>23,003,472</b>	<b>100.00</b>

Note: \* With reference to the SEBI Circular dated 30th November 2015 (CIR/CFD/CMD/13/2015) the Shareholding of the Promoter and Promoter Group is consolidated on the basis of the PAN and Folio Number to avoid multiple disclosure of Shareholding of the same person. Total number of shares and percentage shareholding by Non- Resident Shareholders is 903,013 and 3.93 % respectively. The Company has not issued any ADRs and GDRs. The foreign shareholding consists of holding by NRIs and other foreign national only.

**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 Agent. 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 Requirements) Regulations, 2015, and files a copy of the same with Bombay Stock Exchange (BSE).

**Reconciliation of Share Capital Audit**

S Kannan, Practicing Company Secretary, 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 has 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 31st March 2016

Category	Number of Shareholders	No. of Shares	% to total equity
<b>DEMAT Segment</b>			
a. NSDL	2,403	20,402,573	88.70
b. CDSL	856	1,656,891	7.20
<b>DEMAT Segment Total (A)</b>	<b>3,259</b>	<b>22,059,464</b>	<b>95.90</b>
<b>Physical Segment (B)</b>	<b>754</b>	<b>944,008</b>	<b>4.10</b>
<b>Grand Total (A+B)</b>	<b>4,013</b>	<b>23,003,472</b>	<b>100.00</b>

### 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

The Company has no outstanding GDRs, ADRs, Warrants or Options as on 31st March 2016.

### Plant Locations:

- Karnataka (Mysore CWH): No.312-313, Hebbal Industrial Area, Mysore – 570016.
- Himachal Pradesh: Plot 87, EPIP, Phase I, Jharmarjri, Dist:Solan, Himachal Pradesh – 174103.

### Address for Investor's Correspondence

For any queries related 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, Bangalore 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 31st March, 2016**

**A. Compliance Certificate on Corporate Governance**

To,  
The Members,  
WeP Solutions Limited  
Basappa Complex, Lavelle Road,  
Bangalore - 560 001.

I have examined the relevant records of WeP Solutions Limited (the Company) for the purpose of certifying compliance of the conditions of the Corporate Governance under Clause 49 of the Listing Agreement with the Bombay Stock Exchange, Mumbai, for the period from 1st April 2015 to 30th November 2015 and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from 1st December 2015 to 31st March 2016.

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 efficiency 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 said Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place: Bangalore  
Date: 13th July, 2016

S. Kannan  
FCS No.: 6261  
CP No.: 13016

**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 Requirements), Regulations, 2015.**

This is to certify that pursuant to Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) 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 31st March, 2016.

Place: Bangalore  
Date: 28<sup>th</sup> May, 2016

For and on behalf of the Board of Directors

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 my 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: Bangalore  
Date: 28<sup>th</sup> May, 2016

Sandeep Goyal  
Chief Financial Officer

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WeP SOLUTIONS LIMITED

### 1. Report on Consolidated Financial Statements

We have audited the accompanying consolidated 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") comprising the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### 2. Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated 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 and consolidated cash flows of the Group, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 financial statements by the Directors of the Holding Company, as aforesaid.

### 3. Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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. 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### 5. Other Matters

The financial statements / financial information of the subsidiary have been audited by another auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the said subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, is based solely on the reports of the other auditor.

Our opinion on the consolidated 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 reports of the other auditors and the financial statements certified by the Management.

## 6. Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 financial statements.
  - b) In our opinion, proper books of account, as required by law relating to preparation of the aforesaid consolidated 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, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on 31st March, 2016, 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 holding company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates— Refer Note 2.26 a) to the consolidated financial statements.
    - ii. The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

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

Vinay D. Balse  
Partner  
Membership Number: 39434

Place: Mumbai  
Date: May 28, 2016

**ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE  
ON THE CONSOLIDATED FINANCIAL STATEMENTS OF WeP SOLUTIONS LIMITED**  
*(Referred to in Paragraph 1 point (f) under the heading of  
"Report on Other Legal and Regulatory Requirements" of our report of even date)*

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of WeP SOLUTIONS LIMITED (hereinafter referred to as "the Holding Company") as of that date.

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

The Board of Directors of the of the Holding Company 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 the respective 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.

**3. Auditor's 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") issued by the ICAI 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 issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**4. 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 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.

**5. 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.

## 6. Opinion

In our opinion, the Holding 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, 2016, 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

Vinay D. Balse  
Partner  
Membership Number: 39434

Place: Mumbai  
Date: May 28, 2016

**WeP Solutions Limited**  
Consolidated Balance Sheet as at March 31, 2016

(in ₹)

Particulars		Note No.	As at March 31, 2016
<b>I</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Shareholders' Funds</b>		
a)	Share Capital	2.1	230,040,545
b)	Stock Options Outstanding	2.1.4	652,650
c)	Reserves & Surplus	2.2	76,331,914
			<b>307,025,109</b>
<b>2</b>	<b>Non current Liabilities</b>		
a)	Other Long Term Liabilities	2.3	18,488,298
b)	Long Term Provisions	2.4	21,480,248
			<b>39,968,546</b>
<b>3</b>	<b>Current Liabilities</b>		
a)	Short Term Borrowings	2.5	122,334,009
b)	Trade Payables	2.6	140,300,474
c)	Other Current Liabilities	2.7	69,291,748
d)	Short Term Provisions	2.8	6,955,348
			<b>338,881,579</b>
	<b>TOTAL</b>		<b>685,875,234</b>
<b>II</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non current Assets</b>		
a)	Fixed Assets	2.9	
	i) Tangible assets		241,541,092
	ii) Intangible assets		6,814,845
	iii) Capital work in progress		1,526,471
b)	Deferred tax assets (Net)	2.10	21,550,883
c)	Long term Loans and Advances	2.11	15,725,215
d)	Other Non current assets	2.12	668,548
			<b>287,827,054</b>
<b>2</b>	<b>Current Assets</b>		
a)	Inventories	2.13	196,599,067
b)	Trade Receivables	2.14	151,757,579
c)	Cash and cash equivalents	2.15	3,060,419
d)	Short term loans and advances	2.16	46,631,115
			<b>398,048,180</b>
	Significant Accounting Policies Note No. 2.1 to 2.32 form an integral part of these Financial Statements	1	
	<b>TOTAL</b>		<b>685,875,234</b>

For and on behalf of the Board of Directors

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

HV 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: Mumbai  
Date: May 28, 2016

Place: Bangalore  
Date: May 28, 2016



## WeP Solutions Limited

### Consolidated Statement of Profit and Loss for the year ended March 31, 2016

(in ₹)

Particulars		Note No.	For the period ended March 31, 2016
	<b>REVENUE</b>		
I	Revenue from Operations	2.17	893,521,660
II	Other Income	2.18	3,991,783
	<b>Total Revenue (I+II)</b>		<b>897,513,443</b>
	<b>EXPENDITURE</b>		
a)	Cost of Materials consumed	2.19	322,989,446
b)	Purchases of Stock in trade	2.20	121,456,638
c)	Changes in inventories of finished goods, work in progress and stock in trade	2.21	25,617,310
d)	Employee Benefits expense	2.22	95,362,425
e)	Other expenses	2.24	239,662,555
	<b>Total Expenses</b>		<b>805,088,374</b>
IV	<b>Profit Before Depreciation, Interest, Exceptional Item and Tax</b>		<b>92,425,069</b>
f)	Depreciation and amortization expense		63,871,250
V	<b>Profit Before Interest, Exceptional Item and Tax</b>		<b>28,553,819</b>
g)	Finance costs	2.23	17,547,376
VI	<b>Profit Before Tax</b>		<b>11,006,443</b>
VII	<b>Tax expense</b>		
a)	Current Tax		3,394,709
b)	Current Tax adjustment for prior years		(6,543,104)
c)	MAT Credit entitlement		(3,094,822)
d)	Deferred Tax		9,885,038
VIII	<b>Profit / (Loss) for the year / period</b>		<b>7,364,622</b>
	<b>Earnings Per Share</b> (Equity Shares par value Rs 10/- each)		
	- Basic		0.32
	- Diluted		0.32
	Number of shares used in computing earnings per share		
	- Basic		23,003,472
	- Diluted		23,365,445
	Significant Accounting Policies Note No. 2.1 to 2.32 form an integral part of these Financial Statements	1	

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

Vinay D Balse  
Partner  
Membership No. : 39434

Place: Mumbai  
Date: May 28, 2016

For and on behalf of the Board of Directors

HV Gowthama  
Director

Sandeep Goyal  
Chief Financial Officer

Place: Bangalore  
Date: May 28, 2016

Ram N Agarwal  
Chairman & Managing Director

Sujata Lele  
Company Secretary

**WeP Solutions Limited**  
Cash Flow Statement for the year ended March 31, 2016

(in ₹)

Particulars		March 31, 2016	
<b>A</b>	<b>Cash Flow From Operating Activities</b>		
	Profit / (Loss) before tax		11,006,443
	<b>Adjustment for:</b>		
	Depreciation & Amortisation	63,871,250	
	Provision for doubtful debts	1,643,439	
	Loss / (Profit) on Sale of Fixed Assets	1,978,724	
	Interest Expense	17,547,376	85,040,789
	Operating profit before working capital changes		96,047,232
	<b>Working Capital Changes</b>		
	(Increase) / Decrease in Inventories	27,860,213	
	(Increase) / Decrease in Trade Receivables	42,690,677	
	(Increase) / Decrease in Other Current Assets	7,187,976	
	(Increase) / Decrease in Non Current Assets	(1,260,468)	
	Increase / (Decrease) in Trade Payables	(53,578,102)	
	Increase / (Decrease) in Other Current Liabilities	(9,196,607)	
	Increase / (Decrease) in Non Current Liabilities	2,713,187	
			16,416,876
	Cash Generated from Operations		112,464,108
	Direct taxes paid		(9,104,269)
	<b>Net Cash From Operating Activities</b>		<b>103,359,838</b>
<b>B</b>	<b>Cash Flow From Investing Activities</b>		
	Purchase of Fixed Assets including Capital work in progress	(87,142,306)	
	Proceeds from Sale of Fixed Assets	1,152,521	
			(85,989,785)
	<b>Net Cash Used In Investing Activities</b>		<b>(85,989,785)</b>
<b>C</b>	<b>Cash Flow From Financing Activities</b>		
	Payment of Dividend including Tax	(13,843,219)	
	Interest paid	(17,547,376)	
	Proceeds / (Repayment) of Borrowings	16,661,910	
			(14,728,685)
	<b>Net Cash From / (Used for) Financing Activities</b>		<b>(14,728,685)</b>
	<b>Net Increase / (Decrease) In Cash And Cash Equivalents - (A+B+C)</b>		<b>2,641,368</b>
	Cash And Cash Equivalents At The Beginning of The Year		419,051
	<b>Cash And Cash Equivalents At The End of The Year</b>		<b>3,060,419</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: Mumbai  
Date: May 28, 2016

For and on behalf of the Board of Directors

HV Gowthama  
Director

Ram N Agarwal  
Chairman & Managing Director

Sandeep Goyal  
Chief Financial Officer

Sujata Lele  
Company Secretary

Place: Bangalore  
Date: May 28, 2016

## Significant accounting policies and notes on accounts

### 1. Significant accounting policies

#### a) Basis of Consolidation

The Consolidated Financial Statements are prepared in accordance with Accounting Standard 21 on Consolidated Financial Statement notified under Section 129 of the Companies Act, 2013.

#### b) Basis of preparation

- i) The financial statements of the Holding Company and its subsidiary are prepared according to uniform accounting policies, in accordance with generally accepted accounting policies in India.
- ii) The financial statements of the Holding Company and its subsidiary company have been combined on a line by line basis by adding together like items of assets, liabilities, incomes and expenses. The intra group balances, intra- group transactions and unrealised profits or losses thereon have been fully eliminated.
- iii) The financial statements of the subsidiary used in consolidation are drawn upto the same reporting date as that of the Holding Company.
- iv) The excess value of the consideration, if any, given over the net value of the identifiable assets acquired in the subsidiary company is recognised as goodwill/ capital reserve. Goodwill, if any, on consolidation disclosed under fixed assets is not amortised but is however tested for impairment.
- v) As the subsidiary was acquired during the financial year 2015-16, There were no consolidated financials as on March 31, 2015. Hence, opening balances, where ever applicable, have been taken date on the standalone financials of the Company as on March 31, 2015.

#### c) Subsidiaries included in Consolidation

Name of the Enterprise	Country of Incorporation	Nature of Business	Shareholding / Controlling Interest
eRM Solutions Private Limited	India	Document Management Solutions	100%

- d) **Deferred Tax:** is recognised using the liability method, on all timing differences to the extent that is possible that a liability or asset will crystallise. As at the Balance Sheet date, unless there is evidence to the contrary, deferred tax assets pertaining to business loss are only recognised to the extent of virtual certainty of future taxable profits.

#### 1.1 Basis of preparation of financial statements

The Financial Statements are prepared as a going-concern under the historical cost convention on an accrual basis and in accordance with the provision of Section 129 and other provisions of the Companies Act, 2013.

#### 1.2 Use of Estimates

The preparation of financial statements in accordance with the generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimate is recognised in the period in which the estimates are revised and in any future period affected.

#### 1.3 Fixed assets, intangible assets, leased assets and work-in-progress

Fixed assets are stated at historical cost less accumulated depreciation. Costs include expenditure directly attributable to the acquisition of the asset. Borrowing costs directly attributable to the construction or production of qualifying assets are capitalized as part of the cost.

Intangible assets are stated at the consideration paid for acquisition less accumulated amortization. Advances paid towards the acquisition of fixed assets outstanding as of each balance sheet date is shown as capital advance and the cost of fixed assets not ready for use as on that date are disclosed as capital work in progress.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Lease rentals in respect of assets taken under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

#### 1.4 Depreciation and amortization

Depreciation on fixed assets is provided at the rates prescribed in Schedule II to the Companies Act, 2013, or at the rates determined based on the useful life of the asset, as estimated by the management, whichever is higher. Depreciation is provided based on the straight line method. The rates adopted for the depreciation determined on the basis of the estimated useful life of fixed 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
Project Equipment	3.00
Moulds, Dies & Patterns	5.00
Building	30.00

During the year the company has acquired a business on going concern basis Document Management Solutions business. Consequent to this, the company has acquired some assets for which the depreciation is based on the remaining estimated useful life as under:

Assets acquired	Useful Life applied (In Years)
Computers	1.00
Furniture and Fixtures	1.00
Office Equipment	1.00
Project Equipment	2.00
Computer Software	4.00

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	2.00
Technical Know-how	5.00

#### 1.5 Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. Impairment loss recognised in the preceding accounting period is adjusted if there has been a change in the estimate of recoverable amount.

#### 1.6 Borrowing Costs

Borrowing Costs incurred in connection with borrowing of funds for the acquisition, production or construction of an asset that necessarily takes substantial period of time to get ready for its intended use are capitalised as part of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

### 1.7 Inventories

Inventories are valued at lower of cost or net realizable value, including necessary provision for obsolescence. Cost is determined using the weighted average method.

### 1.8 Contingencies and events occurring after the Balance Sheet date

Accounting for contingencies (gain or loss) arising out of contractual obligations are made only on the basis of mutual acceptance.

Events occurring after the date of Balance Sheet are considered upto the date of approval of the accounts by the Board of Directors, where material.

### 1.9 Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or which approximates the actual rate at the date of the transaction.

Monetary items denominated in foreign currencies as at the year end are restated at the year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.

Non monetary foreign currency items are carried at cost.

### 1.10 Revenue Recognition

Sales of Product/Service are accounted net of Excise duty, Sales Tax/VAT, Service Tax and discounts on accrual basis.

Agency Commission is accrued on shipment of consignment by Principal and Other income is recognised on accrual basis.

### 1.11 Employee Benefits

**Gratuity:** The Company provides gratuity benefit to the employees which is defined benefit plan and the obligation of the company is calculated on the basis of actuarial valuation.

**Leave Accrual:** The Company allows accumulation/encashment of leave. Such accumulation can be utilized by obtaining leave in the subsequent period of employment or at the time of separation for a specified period. The obligation as on the balance sheet date is provided on the basis of actuarial valuation.

### 1.12 Tax Expense

Current tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income-tax Act, 1961, and based on expected outcome of assessments/appeals.

Deferred tax is recognised on timing difference between taxable and accounting income for the year and quantified using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date.

Deferred tax asset relating to unabsorbed depreciation / business losses/ losses under the head " capital gains" are recognised and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Other deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

### 1.13 Provisions and Contingent liabilities

Provisions are recognised when the Company has a present obligation as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Legal provisions are made as per the requirements of the applicable legislation. Warranty provision is arrived at considering the warranty period and the rate of failures determined from historical information. They represent the best estimate of likely expenses during the unexpired warranty period.

### 1.14 Research & Development

The Company incurs certain expenditure for new product development or upgradation of features in the existing products. Any revenue expenditure incurred is charged off during the period in which it is incurred. Any capital expenditure is shown as addition to fixed assets.

## 2. Notes on Accounts for the year ended March 31, 2016

All figures are reported in Rupees, except data relating to number of Equity Shares or unless stated otherwise.

This being the year of incorporation of eRM Solutions Private Limited, the previous year figures are not applicable and thereby not reported.

Particulars	As at March 31, 2016
<b>Authorised</b> 30,000,000 (PY: 30,000,000) Equity Shares of ₹ 10 each	300,000,000
	300,000,000
<b>Issued, Subscribed and Paid-Up</b> 23,003,472 (PY 23,003,472) Equity shares of ₹ 10 each fully paid up (Of the above 22,213,645 shares have been allotted within the last five years for consideration other than cash.)	230,034,720
Forfeited Shares (Equity shares of ₹ 5 each paid up)	5,825
<b>TOTAL</b>	<b>230,040,545</b>

### 2.1.1. The reconciliation of the number of shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2016
Shares outstanding at the beginning of the year	23,003,472
Shares outstanding at the end of the year	23,003,472

### 2.1.2 Rights, Preferences and Restrictions attached to Equity Shares:

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is entitled to one vote per equity share. The shareholders are entitled to dividend declared on proportionate basis. On liquidation of the Company, the equity shareholders would be eligible to receive the remaining assets of the Company after distribution of all preferential amount in proportion to their shareholding.

### 2.1.3. Shares in the Company held by each shareholder holding more than 5 percent of the Shares:

Name of Shareholder	As at March 31, 2016
<b>RNAWEP Investments Private Limited</b>	
No of Shares	3,260,403
% Holding	14.17%
<b>Ram N Agarwal</b>	
No of Shares	3,205,056
% Holding	13.94%
<b>WeP Peripherals Limited</b>	
No of Shares	2,124,994
% Holding	9.24%
<b>Wipro Limited</b>	
No of Shares	1,836,000
% Holding	7.98%

#### 2.1.4. Stock options outstanding

Particulars	As at March 31, 2016
Stock Options Outstanding	652,650

#### 2.2. Reserves and Surplus

Particulars	As at March 31, 2016
<b>Capital Reserve</b>	
Opening Balance	30,428,459
Transfer of Subsidy from Government	899,000
<b>Closing Balance</b>	<b>31,327,459</b>
<b>Subsidy from Govt</b>	
Opening balance	899,000
Transfer to Capital Reserve	(899,000)
<b>Closing balance</b>	<b>-</b>
<b>Securities Premium Account</b>	
Opening Balance	6,675,000
<b>Closing Balance</b>	<b>6,675,000</b>
<b>Surplus in Statement of Profit and Loss Account</b>	
Opening balance	30,951,374
Add :- Current year profit / (loss)	7,364,622
<b>Profit available for appropriation</b>	<b>38,315,996</b>
<b>Less :- Appropriations</b>	
Tax on Dividend	(13,459)
<b>Closing balance</b>	<b>38,329,455</b>
<b>TOTAL</b>	<b>76,331,914</b>

#### 2.3. Other Long Term Liabilities

Particulars	As at March 31, 2016
Customer and Dealer Deposits	18,488,298
<b>TOTAL</b>	<b>18,488,298</b>

#### 2.4. Long Term Provisions

Particulars	As at March 31, 2016
Employee Benefits	7,599,784
Warranty Liability (Refer Note No. 2.25)	13,880,464
<b>TOTAL</b>	<b>21,480,248</b>



## 2.5. Short Term Borrowings

Particulars	As at March 31, 2016
a) Secured	
Loans repayable on Demand	
From Banks	
Cash Credit Account	122,334,009
(Secured by Hypothecation of Current Assets)	
<b>TOTAL</b>	<b>122,334,009</b>

## 2.6. Trade Payables

Particulars	As at March 31, 2016
Other Trade Payables	140,300,474
<b>TOTAL</b>	<b>140,300,474</b>

## 2.7. Other Current Liabilities

Particulars	As at March 31, 2016
For Expenses	60,059,280
Unclaimed Dividend	1,609,436
Advance from customers	185,368
Income received in advance	2,391,032
Statutory payables	3,801,707
Other payables	1,244,925
<b>TOTAL</b>	<b>69,291,748</b>

## 2.8. Short Term Provisions

Particulars	As at March 31, 2016
Warranty Liability (Refer Note No. 2.25)	5,092,011
Employee Benefits	1,863,337
<b>TOTAL</b>	<b>6,955,348</b>

## 2.10. Deferred Tax

Particulars	As at March 31, 2016
<b><u>Deferred Tax Asset</u></b>	
Provision for doubtful debts	21,508,445
Expenses allowed on actual payment basis u/s 43B of I.T Act 1961	4,422,857
Expenses allowed under 40a(i)(a)	97,335
Carried forward loss	2,134,431
Amortisation of Demerger expenditure u/s 35DD of I.T. Act 1961	165,417
<b><u>Less: Deferred Tax Liability</u></b>	
Depreciation Difference	6,777,602
<b>Net Deferred Tax Asset</b>	<b>21,550,883</b>

2.9. Fixed Assets as on 31st March 2016

Particulars	Gross Block				Depreciation and Amortisation				Net Block
	Opening Block as at 1-Apr-2015	Additions During the year	Deduction on Disposal	Closing as at 31-Mar-2016	As at 1-Apr-2015	For the Year	Deduction on Disposal / adjustment	Total as 31-Mar-2016	As at 31-Mar-2016
<b><u>Tangible Assets:</u></b>									
Leasehold - Land	68,468,000	-	-	68,468,000	805,506	805,506	-	1,611,012	66,856,988
Building - Factory	40,860,152	-	-	40,860,152	1,475,505	1,362,005	-	2,837,510	38,022,642
Plant & Equipment	77,043,135	1,545,276	1,896,035	76,692,376	73,910,321	1,672,791	1,896,008	73,687,104	3,005,272
Moulds, Dies & Patterns	156,185,014	95,137	-	156,280,151	156,001,707	156,727	-	156,158,434	121,717
Computers	95,629,556	3,383,505	8,592,172	90,420,889	92,961,751	2,178,084	8,592,127	86,547,708	3,873,181
Computer Peripherals									
- On Use and Pay	516,313,207	71,617,647	91,556,177	496,374,677	404,021,939	54,571,336	88,425,011	370,168,264	126,206,413
Furniture & Fixture	40,545,937	860,776	3,077,140	38,329,573	38,232,962	788,952	3,077,133	35,944,782	2,384,791
Vehicles	4,211,601	-	-	4,211,601	2,956,537	184,976	-	3,141,513	1,070,088
	<b>999,256,602</b>	<b>77,502,341</b>	<b>105,121,524</b>	<b>971,637,419</b>	<b>770,366,228</b>	<b>61,720,377</b>	<b>101,990,279</b>	<b>730,096,327</b>	<b>241,541,092</b>
<b><u>Intangible Assets:</u></b>									
Technical Knowhow	6,803,441	-	-	6,803,441	6,803,441	-	-	6,803,441	-
Computer Software	8,610,258	8,071,286	2,362,713	14,318,831	8,610,258	1,417,665	2,362,713	7,665,210	6,653,621
Computer Software - ERP System	8,531,375	42,200	-	8,573,575	7,679,143	733,208	-	8,412,351	161,224
	<b>23,945,074</b>	<b>8,113,486</b>	<b>2,362,713</b>	<b>29,695,847</b>	<b>23,092,842</b>	<b>2,150,873</b>	<b>2,362,713</b>	<b>22,881,002</b>	<b>6,814,845</b>
<b>Total</b>	<b>1,023,201,676</b>	<b>85,615,827</b>	<b>107,484,237</b>	<b>1,001,333,266</b>	<b>793,459,070</b>	<b>63,871,250</b>	<b>104,352,992</b>	<b>752,977,329</b>	<b>248,355,937</b>

Note: The above additions include the assets acquired by eRM Solutions Private Limited during the year.

### 2.11. Long Term Loans and Advances

Particulars	As at March 31, 2016
Unsecured - Considered good Deposits	15,725,215
<b>TOTAL</b>	<b>15,725,215</b>

### 2.12. Other Non Current Assets

Particulars	As at March 31, 2016
Unsecured - Considered good Margin Money Deposits with Bank Interest Accrued on Fixed Deposits	616,574 51,974
<b>TOTAL</b>	<b>668,548</b>

### 2.13. Inventories

Particulars	As at March 31, 2016
<b>Raw Materials</b>	
- In Stock	24,835,221
<b>Work in Progress</b>	10,469,792
<b>Stock in Trade</b>	
- In Stock	69,276,779
- In Transit	1,640,510
<b>Finished Goods</b>	
- In Stock	19,635,055
- In Transit	62,069
<b>Spares and Consumables</b>	
- In Stock	70,679,641
<b>TOTAL</b>	<b>196,599,067</b>

### 2.14. Trade Receivables

Particulars	As at March 31, 2016
<u>Unsecured</u>	
Outstanding for a period exceeding six months from the due date	
Considered good	7,786,010
Considered doubtful	66,304,607
Less: Provision for Doubtful debts	66,304,607
<b>Sub total</b>	<b>7,786,010</b>
<b>Other debts</b>	
Considered good	143,971,569
<b>TOTAL</b>	<b>151,757,579</b>

**2.15. Cash and Cash Equivalents**

Particulars	As at March 31, 2016
i) <b>Balances with Banks</b> Current account	1,411,810
ii) <b>Other Bank Balances</b> Dividend Account	1,609,436
iii) <b>Cash on Hand</b>	39,173
<b>TOTAL</b>	<b>3,060,419</b>

**2.16. Short Term Loans and Advances**

Particulars	As at March 31, 2016
<b>Unsecured - Considered good</b>	
a) <b>Other Loans and Advances</b>	
i) Advance Income Tax (net of provision)	37,991,926
ii) Balances with Excise, Customs, VAT and Service Tax input credit	2,634,897
iii) Deposits	1,157,600
iv) Others	4,846,692
<b>TOTAL</b>	<b>46,631,115</b>

**2.17. Revenue From Operations**

Particulars	For the year ended March 31, 2016
Sale of Products	530,505,171
Sale of Services	398,813,984
Other Operating Revenue	868,963
	<b>930,188,118</b>
Less: Excise Duty	36,666,458
<b>TOTAL</b>	<b>893,521,660</b>

**2.18. Other Income**

Particulars	For the year ended March 31, 2016
Interest on Deposits with banks	365,755
Rental Income	1,197,312
Other Interest	186,446
Miscellaneous Income	2,242,270
<b>TOTAL</b>	<b>3,991,783</b>

#### 2.19. Cost of Material Consumed

Particulars	For the year ended March 31, 2016
Opening Stocks	97,757,761
Add: Purchases during the year	320,746,547
<b>Opening Stocks + Purchases</b>	<b>418,504,308</b>
Less: Closing stocks	95,514,862
Sub Total	322,989,446
<b>Cost of material consumed</b>	<b>322,989,446</b>

#### 2.20. Purchase of Stock in Trade

Particulars	For the year ended March 31, 2016
Purchases of stock-in-trade	192,998,355
Less :- Capitalised during the year	71,541,717
<b>TOTAL</b>	<b>121,456,638</b>

#### 2.21. Changes in Inventories of Work in Process, Finished Goods and Stock-in-trade

Particulars	For the year ended March 31, 2016
<b>Opening stock</b>	
Work in Process	12,719,705
Finished Goods	28,389,191
Stock in Trade	85,592,621
<b>Total</b>	<b>126,701,517</b>
<b>Closing Stock</b>	
Work in Process	10,469,792
Finished Goods	19,697,124
Stock in Trade	70,917,291
<b>Sub total</b>	<b>101,084,207</b>
	<b>25,617,310</b>

#### 2.22. Employee Benefit Expenses

Particulars	For the year ended March 31, 2016
Salaries and Wages	82,226,906
Contribution to provident and other fund	3,645,109
Staff welfare expenses	9,490,410
<b>TOTAL</b>	<b>95,362,425</b>

#### 2.23. Finance Cost

Particulars	For the year ended March 31, 2016
Interest Expenses	16,556,020
Other Borrowing costs	991,356
<b>TOTAL</b>	<b>17,547,376</b>

## 2.24. Other Expenses

Particulars	For the year ended March 31, 2016
Power and fuel	6,924,255
Insurance	799,041
Repairs & Maintenance	4,432,810
Rent	29,136,365
Rates and taxes	6,689,512
Warranty Expenses	7,983,466
Carriage and Freight outwards	28,731,613
Commission on sales	11,369,786
Support Charges	27,217,497
<b>Auditors' Remuneration</b>	
- for Audit fees	397,625
- for Taxation matters	50,000
- for Reimbursement of expenses	39,033
Advertisement and sales promotion	9,836,403
Directors' Commission and Sitting fees	480,000
Loss on disposal of assets	1,978,724
Travelling and Conveyance	18,805,216
Communication Expenses	9,849,398
Legal and Professional charges	7,995,177
Manpower support service charges	52,864,631
Office Maintenance	4,960,430
Provision for Bad debts / advances	1,643,439
Exchange Differences (Net)	3,212,091
Recruitment Expenses	1,656,371
Miscellaneous expenses	2,609,672
<b>TOTAL</b>	<b>239,662,555</b>

## 2.25. Details of Disclosure as Required By AS-29

Particulars	Warranty Provision
Opening Balance as on April 1, 2015	19,766,626
Additions during the year	18,972,475
Reversal	19,766,626
<b>Closing Balance As on March 31, 2016</b>	<b>18,972,475</b>

## 2.26. Contingent Liabilities in Respect of:

- a) Disputed demand for Excise, Customs, Income Tax, VAT and other matters ₹ 1,123,318 (March, 2016), ₹ 5,091,761 (March 2015).

## 2.27. Related Party Transactions

### 2.27.1. List of related parties

Name of Related Party	Relationship
WeP Solutions Limited eRM Solutions Private Limited	Holding Company Subsidiary Company (100% owned)
WeP Solutions India Limited WeP Peripherals Limited	Promoter Group Promoter

### 2.27.2. Transactions with Key Management Personnel

Particulars	For the year ended March 31, 2016
Remuneration to Mr. Ram N Agarwal (Chairman & Managing Director)	579,286

### 2.27.3. Transaction with Other Related Parties

Transactions	WeP Peripherals Ltd
	For the year ended March 31, 2016
Sale of Goods and Services	1,367,014
Purchase of Goods and Services	9,158,372

### 2.28. Employee Benefit Plans

The Company provides to its employees following retirement benefits:

- i) Gratuity
- ii) Leave Accrual

**Gratuity:** The Company provides gratuity benefit to the employees which is the defined benefit plan and the obligation of the company is calculated on the basis of actuarial valuation.

**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.

Disclosure envisaged in revised AS 15 in respect of gratuity are given below:

#### Principal Actuarial Assumptions

Particulars	As at March 31, 2016
Expected Rate of Return on Assets (p.a)	0.00%
Salary Escalation	7.00%
Discount Rate	8.00%

#### Amount recognized in the Balance Sheet are as follows

Particulars	As at March 31, 2016
Present value of Funded Obligations	5,089,352
Fair value of plan assets	(467,093)
Present value of unfunded obligations	25,612
<b>Net Liability</b>	<b>4,647,871</b>

#### Amount reflected in the P&L account is as follows

Particulars	As at March 31, 2016
Current Service Cost	577,255
Interest on Defined Benefit Obligation	361,786
Expected Return on Plan Assets	-
Net Actuarial Losses / (Gains) Recognised in year	176,974
Benefits Paid	-
Total included in employee benefit	-
Expected Return on Plan assets	17,633
<b>Total</b>	<b>1,133,648</b>



### Reconciliation of Benefit Obligation & Plan Assets for the Period

Particulars	As at March 31, 2016
<b><u>Change in Defined Benefit Obligation</u></b>	
Opening Defined Benefit Obligation	4,398,423
Current Service Cost	577,255
Interest Cost	361,786
Actuarial Losses / (Gain)	194,607
(Benefit Paid)	(442,719)
<b>Closing Defined Benefit Obligation</b>	<b>5,089,352</b>
<b>Expected Employers Contribution Next Year</b>	<b>1,000,000</b>

### 2.29. Employee Stock Option Plan [ESOP]

The Company had implemented Employee Stock Option Plans as detailed below:

Particulars	ESOP 2011
Options at the beginning of the period (1st April 2015)	305,000
Options granted during the period	240,000
Price per share	10
Pricing Policy	Face Value
Options vested	114,900
Options Lapsed	41,000
Options available for exercise	114,900
Options exercised	NIL
Total number of shares arising as a result of exercise of options	NIL
Variations of terms of options	NIL
Money realised by exercise of options	NIL
Total number of options in force	504,000

### 2.30. Disclosures of dues / payments to Micro, Small and Medium enterprises to the extent such enterprises are identified by the company:

The Company has not received any intimation from the suppliers regarding the status under the Micro, Small and Medium Enterprises development Act, 2006 (the Act), hence disclosure regarding:

- Amount due on account of suppliers as at the end of the accounting year;
- Interest paid during the year;
- Interest payable at the end of the year;
- Interest accrued and unpaid at the end of the accounting year; has not been provided.

The Company is making efforts to get the confirmation from the suppliers regarding their status under the Act.

### 2.31. 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, 2016
Raw Material, Stock-in-Trade and Spares & Consumables	213,143,480

#### b. Expenditure in Foreign Currency

Particulars	For the year ended March 31, 2016
Travelling	186,762
Repair Charges	2,477,221

c. Material consumption details

Particulars	For the year ended March 31, 2016
<b>Indigenous-</b>	
Consumption during the year	179,283,741
% of total consumption	56%
<b>Imported-</b>	
Consumption during the year	143,705,705
% of total consumption	44%
<b>Total</b>	<b>322,989,446</b>

d. Earning in Foreign Currency

Particulars	For the year ended March 31, 2016
Export of Services	2,262,719

2.32. Earning Per Share(EPS) computed in accordance with Accounting Standard 20.

Particulars	For the year ended March 31, 2016
<b>Basic</b>	
Profit/ (Loss) after tax as per accounts	7,364,622
Number of Shares issued (Weighted average no.)	23,003,472
<b>Earning Per Share (of nominal value of equity share of ₹ 10/- each)</b>	<b>0.32</b>
<b>Diluted</b>	
Profit/ (Loss) after tax as per accounts	7,364,622
Number of Shares issued (Weighted average no.)	23,365,445
<b>Earning Per Share (of nominal value of equity share of ₹ 10/- each)</b>	<b>0.32</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: Mumbai  
Date: May 28, 2016

For and on behalf of the Board of Directors

**HV Gowthama**  
Director

**Ram N Agarwal**  
Chairman & Managing Director

**Sandeep Goyal**  
Chief Financial Officer

**Sujata Lele**  
Company Secretary

Place: Bangalore  
Date: May 28, 2016

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WeP SOLUTIONS LIMITED

### 1. Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **WeP SOLUTIONS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### 2. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records, in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### 3. Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on 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 and the order under section 143 (11) of the Act.

We conducted our audit of 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

### 5. Report on Other Legal and Regulatory Requirements

1. 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, and the Cash Flow Statement, dealt with by this Report, are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, 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 A"
  - (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 Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.28 (a) to the 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India, in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure B" a statement on the matters specified in paragraph 3 and 4 of the Order.

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

Vinay D. Balse  
Partner  
Membership Number: 39434

Place: Mumbai  
Date: May 28, 2016

**ANNEXURE – A TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN  
DATE ON THE STANDALONE FINANCIAL STATEMENTS of WeP SOLUTIONS LIMITED**

*(Referred to in Paragraph 1 point (f) under the heading of  
“Report on Other Legal and Regulatory Requirements” of our report of even date)*

**1. 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 at March 31, 2016, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**2. Management’s Responsibility for Internal Financial Controls**

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

**3. Auditors’ Responsibility**

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

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

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

**4. 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.

**5. 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.

### 6. 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, 2016, 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 Registration Number: 108296W

Vinay D. Balse  
Partner  
Membership Number: 39434

Place: Mumbai  
Date: May 28, 2016

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### ANNEXURE - B TO THE INDEPENDENT AUDITORS' 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 a repayment schedule there are presently no overdue amounts.
- (iv) 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) The Company did not have any deposits accepted from the public during the year. As such the question of complying with the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, with regard to deposits accepted from the public is not applicable. Further, there have been no proceedings before the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this matter.

- (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 statute	Forum where dispute is Pending	Financial year to which the matter pertains	Amount (in ₹)
1	Sales Tax	Commissioner of Sales Tax	2012-13	370,798
2	Sales Tax	Commissioner of Sales Tax	2013-14	752,522
<b>Grand Total</b>				<b>1,123,320</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) According to the information and explanations given to us, the Company has not availed of any term loans during the current financial year. The Company did not have any further public offer during the financial year.
- (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 2015-16 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 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 the 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) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review; consequently, the requirements of clause (xiv) of the Order are not applicable to the Company.
- (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, requirement under clause (xv) 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 Registration Number: 108296W

Vinay D. Balse  
Partner  
Membership Number: 39434

Place: Mumbai  
Date: May 28, 2016



**WeP Solutions Limited**  
Balance Sheet as at March 31, 2016

(in ₹)

Particulars		Note No.	As at March 31, 2016	As at March 31, 2015
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' Funds</b>			
a)	Share Capital	2.1	230,040,545	230,040,545
b)	Stock Options Outstanding	2.1.4	652,650	61,383
c)	Reserves & Surplus	2.2	7,94,97,707	68,953,833
			<b>310,190,902</b>	<b>299,055,761</b>
<b>2</b>	<b>Non current Liabilities</b>			
a)	Other Long Term Liabilities	2.3	18,488,298	18,512,626
b)	Long Term Provisions	2.4	21,414,527	19,268,279
			<b>39,902,825</b>	<b>37,780,905</b>
<b>3</b>	<b>Current Liabilities</b>			
a)	Short Term Borrowings	2.5	122,334,009	114,257,440
b)	Trade Payables	2.6	140,300,474	193,878,579
c)	Other Current Liabilities	2.7	68,127,123	76,163,403
d)	Short Term Provisions	2.8	6,951,192	23,202,702
			<b>337,712,798</b>	<b>407,502,124</b>
	<b>TOTAL</b>		<b>687,806,525</b>	<b>744,338,790</b>
<b>II</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non current Assets</b>			
a)	Fixed Assets	2.9		
i)	Tangible assets		240,513,721	2,286,92,626
ii)	Intangible assets		1,109,101	1,049,980
iii)	Capital work in progress		1,526,471	-
b)	Non Current Investments	2.10	8,100,000	-
c)	Deferred tax assets (Net)	2.11	20,135,209	31,435,923
d)	Long term Loans and Advances	2.12	19,867,884	17,054,098
e)	Other Non current assets	2.13	668,548	6,664,536
			<b>291,920,934</b>	<b>284,897,163</b>
<b>2</b>	<b>Current Assets</b>			
a)	Inventories	2.14	196,599,067	224,459,278
b)	Trade Receivables	2.15	150,954,240	196,091,693
c)	Cash and cash equivalents	2.16	2,035,172	419,051
d)	Short term loans and advances	2.17	46,297,112	38,471,605
			<b>395,885,591</b>	<b>459,441,627</b>
	Significant Accounting Policies Note No. 2.1 to 2.35 form an integral part of these Financial Statements			
	<b>TOTAL</b>		<b>687,806,525</b>	<b>744,338,790</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

HV 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: Mumbai  
Date: May 28, 2016

Place: Bangalore  
Date: May 28, 2016

**WeP Solutions Limited**  
Statement of Profit and Loss for the year ended March 31, 2016

(in ₹)

Particulars		Note No.	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>REVENUE</b>				
I	Revenue from Operations	2.18	889,046,741	1,041,765,908
II	Other Income	2.19	4,178,229	5,322,363
<b>Total Revenue (I+II)</b>			<b>893,224,970</b>	<b>1,047,088,271</b>
<b>EXPENDITURE</b>				
a)	Cost of Materials consumed	2.20	324,416,694	328,873,116
b)	Purchases of Stock in trade	2.21	121,456,638	290,615,610
c)	Changes in inventories of finished goods, work in progress and stock in trade	2.22	25,617,310	(12,940,624)
d)	Employee Benefits expense	2.23	92,161,417	91,365,810
e)	Other expenses	2.25	234,468,187	244,087,324
<b>Total Expenses</b>			<b>798,120,246</b>	<b>942,001,236</b>
IV	<b>Profit Before Depreciation, Interest, Exceptional Item and Tax</b>		<b>95,104,724</b>	<b>105,087,035</b>
f)	Depreciation and amortization expense	2.9	61,978,121	65,036,830
V	<b>Profit Before Interest, Exceptional Item and Tax</b>		<b>33,126,603</b>	<b>40,050,205</b>
g)	Finance costs	2.24	17,538,693	17,670,272
VI	<b>Profit Before Tax</b>		<b>15,587,910</b>	<b>22,379,933</b>
VII	Tax expense			
a)	Current Tax		3,394,709	8,822,689
b)	Current Tax adjustment for prior years		(6,543,104)	-
c)	MAT Credit entitlement		(3,094,822)	-
d)	Deferred Tax		11,300,712	(2,252,224)
VIII	<b>Profit / (Loss) for the year / period</b>		<b>10,530,415</b>	<b>15,809,468</b>
<b>Earnings Per Share</b>				
(Equity Shares par value ₹ 10/- each)				
-	Basic		0.46	0.69
-	Diluted		0.45	0.68
Number of shares used in computing earnings per share				
-	Basic		23,003,472	23,003,472
-	Diluted		23,365,445	23,084,395
Significant Accounting Policies				
Note No. 2.1 to 2.35 form an integral part of these Financial Statements		1		

For and on behalf of the Board of Directors

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

HV 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: Mumbai  
Date: May 28, 2016

Place: Bangalore  
Date: May 28, 2016

**WeP Solutions Limited**  
Cash Flow Statement for the year ended March 31, 2016

(in ₹)

Particulars		March 2016		March 2015	
<b>A</b>	<b>Cash Flow From Operating Activities</b>				
	Profit / (Loss) before tax		15,587,910		22,379,933
	<b>Adjustment for:</b>				
	Depreciation & Amortisation	61,978,121		65,036,829	
	Provision for doubtful debts	1,379,066		(373,671)	
	Loss / (Profit) on Sale of Fixed Assets	1,978,724		820,559	
	Interest Expense	17,538,693	82,874,604	17,670,272	83,153,989
	Operating profit before working capital changes		98,462,514		105,533,922
	<b>Working Capital Changes</b>				
	(Increase) / Decrease in Inventories	27,860,213		(11,244,557)	
	(Increase) / Decrease in Trade Receivables	43,758,389		(30,916,041)	
	(Increase) / Decrease in Other Current Assets	7,188,476		(2,801,173)	
	(Increase) / Decrease in Non Current Assets	3,182,202		(1,422,451)	
	Increase / (Decrease) in Trade Payables	(53,578,102)		76,226,549	
	Increase / (Decrease) in Other Current Liabilities	(10,431,110)		(28,769,299)	
	Increase / (Decrease) in Non Current Liabilities	2,713,187		3,093,075	
			20,693,255		4,166,103
	Cash Generated from Operations		119,155,769		109,700,025
	Direct taxes paid		(8,770,766)		(8,538,216)
	<b>Net Cash From Operating Activities</b>		<b>110,385,003</b>		<b>101,161,809</b>
<b>B</b>	<b>Cash Flow From Investing Activities</b>				
	Purchase of Fixed Assets including Capital work in progress	(78,516,061)		(73,450,136)	
	Proceeds from Sale of Fixed Assets	1,152,521		366,153	
	Purchase of Investments	(8,100,000)		-	
			(85,463,540)		(73,083,983)
	<b>Net Cash Used In Investing Activities</b>		<b>(85,463,540)</b>		<b>(73,083,983)</b>
<b>C</b>	<b>Cash Flow From Financing Activities</b>				
	Payment of Dividend including Tax	(13,843,219)		(13,456,456)	
	Interest paid	(17,538,693)		(17,670,272)	
	Proceeds / (Repayment) of Borrowings	8,076,570		3,361,789	
			(23,305,342)		(27,764,939)
	<b>Net Cash From / (Used for) Financing Activities</b>		<b>(23,305,342)</b>		<b>(27,764,939)</b>
	<b>Net Increase / (Decrease) In Cash And Cash Equivalents - (A+B+C)</b>		<b>1,616,121</b>		<b>312,887</b>
	Cash and Cash Equivalents at The Beginning of The Year		419,051		106,164
	<b>Cash and Cash Equivalents at The End of The Year</b>		<b>2,035,172</b>		<b>419,051</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

HV 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: Mumbai  
Date: May 28, 2016

Place: Bangalore  
Date: May 28, 2016

## Significant accounting policies and notes on accounts

### 1. Significant accounting policies

#### 1.1 Basis of preparation of financial statements

The Financial Statements are prepared as a going-concern under the historical cost convention on an accrual basis and in accordance with the provision of Section 129 and other provisions of the Companies Act, 2013.

#### 1.2 Use of Estimates

The preparation of financial statements in accordance with the generally accepted accounting principles, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimate is recognised in the period in which the estimates are revised and in any future period affected.

#### 1.3 Fixed assets, intangible assets, leased assets and work-in-progress

Fixed assets are stated at historical cost less accumulated depreciation. Costs include expenditure directly attributable to the acquisition of the asset. Borrowing costs directly attributable to the construction or production of qualifying assets are capitalized as part of the cost.

Intangible assets are stated at the consideration paid for acquisition less accumulated amortization. Advances paid towards the acquisition of fixed assets outstanding as of each balance sheet date is shown as capital advance and the cost of fixed assets not ready for use as on that date are disclosed as capital work in progress.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Lease rentals in respect of assets taken under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

#### 1.4 Depreciation and amortization

Depreciation on fixed assets is provided at the rates prescribed in Schedule II to the Companies Act, 2013, or at the rates determined based on the useful life of the asset, as estimated by the management, whichever is higher. Depreciation is provided based on the straight line method. The rates adopted for the depreciation determined on the basis of the estimated useful life of fixed 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 Rs 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:

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

## 1.5 Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. Impairment loss recognised in the preceding accounting period is adjusted if there has been a change in the estimate of recoverable amount.

## 1.6 Borrowing Costs

Borrowing Costs incurred in connection with borrowing of funds for the acquisition, production or construction of an asset that necessarily takes substantial period of time to get ready for its intended use are capitalised as part of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

## 1.7 Inventories

Inventories are valued at lower of cost or net realizable value, including necessary provision for obsolescence. Cost is determined using the weighted average method.

## 1.8 Contingencies and events occurring after the Balance Sheet date

Accounting for contingencies (gain or loss) arising out of contractual obligations are made only on the basis of mutual acceptance.

Events occurring after the date of Balance Sheet are considered upto the date of approval of the accounts by the Board of Directors, where material.

## 1.9 Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or which approximates the actual rate at the date of the transaction.

Monetary items denominated in foreign currencies as at the year end are restated at the year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.

Non monetary foreign currency items are carried at cost.

## 1.10 Revenue Recognition

Sales of Product/Service are accounted net of Excise duty, Sales Tax /VAT, Service Tax and discounts on accrual basis.

Agency Commission is accrued on shipment of consignment by Principal and Other income is recognised on accrual basis.

## 1.11 Employee Benefits

**Gratuity:** The Company provides gratuity benefit to the employees which is defined benefit plan and the obligation of the company is calculated on the basis of actuarial valuation.

**Leave Accrual:** The Company allows accumulation/encashment of leave. Such accumulation can be utilized by obtaining leave in the subsequent period of employment or at the time of separation for a specified period. The obligation as on the balance sheet date is provided on the basis of actuarial valuation.

## 1.12 Tax Expense

Current tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income-tax Act, 1961, and based on expected outcome of assessments/ appeals.

Deferred tax is recognised on timing difference between taxable and accounting income for the year and quantified using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date.

Deferred tax asset relating to unabsorbed depreciation / business losses / losses under the head "capital gains" are recognised and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Other deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

### 1.13 Provisions and Contingent liabilities

Provisions are recognised when the Company has a present obligation as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Legal provisions are made as per the requirements of the applicable legislation. Warranty provision is arrived at considering the warranty period and the rate of failures determined from historical information. They represent the best estimate of likely expenses during the unexpired warranty period.

### 1.14 Research & Development

The Company incurs certain expenditure for new product development or upgradation of features in the existing products. Any revenue expenditure incurred is charged off during the period in which it is incurred. Any capital expenditure is shown as addition to fixed assets.

## 2. Notes on Accounts for the year ended March 31, 2016

All figures are reported in Rupees, except data relating to number of Equity Shares or unless stated otherwise.

The Previous period figures have been regrouped / reclassified, wherever necessary, to conform to the current period presentation.

### 2.1. Share Capital

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Authorised</b> 30,000,000 (PY: 30,000,000) Equity Shares of ₹ 10 each	300,000,000	300,000,000
<b>Issued, Subscribed and Paid-Up</b> 23,003,472 (PY: 23,003,472) Equity shares of ₹ 10 each fully paid up (Of the above 22,213,645 shares have been allotted within the last five years for consideration other than cash.) Forfeited Shares (Equity shares of Rs.5 each paid up)	230,034,720 5,825	230,034,720 5,825
<b>TOTAL</b>	<b>230,040,545</b>	<b>230,040,545</b>

#### 2.1.1. The reconciliation of the number of shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2016	As at March 31, 2015
Shares outstanding at the beginning of the year	23,003,472	23,003,472
Shares outstanding at the end of the year	23,003,472	23,003,472

#### 2.1.2. Rights, Preferences and Restrictions attached to Equity Shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is entitled to one vote per equity share. The shareholders are entitled to dividend declared on proportionate basis. On liquidation of the Company, the equity shareholders would be eligible to receive the remaining assets of the Company after distribution of all preferential amount in proportion to their shareholding.

### 2.1.3. Shares in the Company held by each shareholder holding more than 5 percent of the Shares:

Name of Shareholder	As at March 31, 2016	As at March 31, 2015
<b>RNAWEP Investments Private Limited</b>		
No of Shares	3,260,403	3,248,109
% Holding	14.17%	14.12%
<b>Ram N Agarwal</b>		
No of Shares	3,205,056	3,205,056
% Holding	13.94%	13.94%
<b>WeP Peripherals Limited</b>		
No of Shares	2,124,994	2,124,994
% Holding	9.24%	9.24%
<b>Wipro Limited</b>		
No of Shares	1,836,000	1,836,000
% Holding	7.98%	7.98%

### 2.1.4. Stock options outstanding

Particulars	As at March 31, 2016	As at March 31, 2015
Stock Options Outstanding	652,650	61,383

### 2.2. Reserves and Surplus

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Capital Reserve</b>		
Opening Balance	30,428,459	30,428,459
Transfer of Subsidy from Government	899,000	-
<b>Closing Balance</b>	<b>31,327,459</b>	<b>30,428,459</b>
<b>Subsidy from Govt.</b>		
Opening balance	899,000	899,000
Transfer to Capital Reserve	(899,000)	-
<b>Closing balance</b>	<b>-</b>	<b>899,000</b>
<b>Securities Premium Account</b>		
Opening Balance	6,675,000	6,675,000
<b>Closing Balance</b>	<b>6,675,000</b>	<b>6,675,000</b>
<b>Surplus in Statement of Profit and Loss Account</b>		
Opening balance	30,951,374	38,431,066
Less: Adjustment for depreciation	-	9,432,481
Add :- Current year profit / (Loss)	10,530,415	15,809,468
<b>Profit available for appropriation</b>	<b>41,481,789</b>	<b>44,808,053</b>
<b>Less: Appropriations</b>		
Proposed Final Dividend on Equity Shares (5%)	-	11,501,736
Tax on Dividend	(13,459)	2,354,943
<b>Closing balance</b>	<b>41,495,248</b>	<b>30,951,374</b>
<b>TOTAL</b>	<b>79,497,707</b>	<b>68,953,833</b>



### 2.3. Other Long Term Liabilities

Particulars	As at March 31, 2016	As at March 31, 2015
Customer and Dealer Deposits	18,488,298	18,512,626
<b>TOTAL</b>	<b>18,488,298</b>	<b>18,512,626</b>

### 2.4. Long Term Provisions

Particulars	As at March 31, 2016	As at March 31, 2015
Employee Benefits	7,534,063	7,037,361
Warranty Liability (Refer Note No. 2.27)	13,880,464	12,230,918
<b>TOTAL</b>	<b>21,414,527</b>	<b>19,268,279</b>

### 2.5. Short Term Borrowings

Particulars	As at March 31, 2016	As at March 31, 2015
a) Secured Loans repayable on Demand From Banks Cash Credit Account (Secured by Hypothecation of Current Assets)	122,334,009	114,257,440
<b>TOTAL</b>	<b>122,334,009</b>	<b>114,257,440</b>

### 2.6. Trade Payables

Particulars	As at March 31, 2016	As at March 31, 2015
Other Trade Payables	140,300,474	193,878,579
<b>TOTAL</b>	<b>140,300,474</b>	<b>193,878,579</b>

### 2.7. Other Current Liabilities

Particulars	As at March 31, 2016	As at March 31, 2015
For Expenses	59,354,842	65,918,012
Unclaimed Dividend	1,609,436	-
Advance from customers	185,368	371,523
Income received in advance	2,391,032	4,164,895
Statutory payables	3,661,859	4,732,860
Other payables	924,586	976,113
<b>TOTAL</b>	<b>68,127,123</b>	<b>76,163,403</b>

### 2.8. Short Term Provisions

Particulars	As at March 31, 2016	As at March 31, 2015
Warranty Liability (Refer Note No. 2.27)	5,092,011	7,535,708
For Dividend payment	-	13,856,679
Employee Benefits	1,859,181	1,810,316
<b>TOTAL</b>	<b>6,951,192</b>	<b>23,202,702</b>

2.9. Fixed Assets as on 31st March 2016

Particulars	Gross Block				Depreciation and Amortisation				Net Block	
	Opening Block as at 1-Apr-2015	Additions During the year	Deduction on Disposal	Closing Block as at 31-Mar-2016	As at 1-Apr-2015	For the Year	Deduction on Disposal / adjustment	Total as 31-Mar-2016	As at 31-Mar-2016	As at 31-Mar-2015
<b>Tangible Assets:</b>										
Leasehold - Land	68,468,000	-	-	68,468,000	805,506	805,506	-	1,611,012	66,856,988	67,662,494
Building - Factory	40,860,152	-	-	40,860,152	1,475,505	1,362,005	-	2,837,510	38,022,642	39,384,647
Plant & Equipment	77,043,135	353,011	1,896,035	75,500,111	73,910,321	1,266,782	1,896,008	73,281,095	2,219,016	3,132,814
Moulds, Dies & Patterns	156,185,014	95,137	-	156,280,151	156,001,707	156,727	-	156,158,434	121,717	183,307
Computers	95,629,556	3,070,533	8,592,172	90,107,917	92,961,751	2,025,954	8,592,127	86,395,578	3,712,339	2,667,805
Computer Peripherals										
- On Use and Pay	516,313,207	71,541,717	91,556,177	496,298,747	404,021,939	54,571,336	88,425,011	370,168,264	126,130,483	112,291,268
Furniture & Fixture	40,545,937	843,402	3,077,140	38,312,199	38,232,962	775,921	3,077,133	35,931,750	2,380,449	2,312,975
Vehicles	4,211,601	-	-	4,211,601	2,956,537	184,978	-	3,141,515	1,070,086	1,255,064
	<b>999,256,602</b>	<b>75,903,800</b>	<b>105,121,524</b>	<b>970,038,878</b>	<b>770,366,228</b>	<b>61,149,209</b>	<b>101,990,279</b>	<b>729,525,158</b>	<b>240,513,721</b>	<b>228,890,374</b>
<b>Intangible Assets:</b>										
Technical Knowhow	6,803,441	-	-	6,803,441	6,803,441	-	-	6,803,441	-	-
Computer Software	8,610,258	1,043,581	2,362,713	7,291,126	8,610,258	95,704	2,362,713	6,343,249	947,877	-
Computer Software - ERP System	8,531,375	42,200	-	8,573,575	7,679,143	733,208	-	8,412,351	161,224	852,232
	<b>23,945,074</b>	<b>1,085,781</b>	<b>2,362,713</b>	<b>22,668,142</b>	<b>23,092,842</b>	<b>828,912</b>	<b>2,362,713</b>	<b>21,559,041</b>	<b>1,109,101</b>	<b>852,232</b>
<b>Total</b>	<b>1,023,201,676</b>	<b>76,989,581</b>	<b>107,484,237</b>	<b>992,707,020</b>	<b>793,459,070</b>	<b>61,978,121</b>	<b>104,352,992</b>	<b>751,084,199</b>	<b>241,622,822</b>	<b>229,742,606</b>

Fixed Assets as on 31st March, 2015

Particulars	Gross Block				Depreciation and Amortisation				Net Block	
	Opening Block as at 1-Apr-2014	Additions During the year	Deduction on Disposal	Closing Block as at 31-Mar-2015	As at 1-Apr-2014	For the Year	Deduction on Disposal / adjustment	Total as 31-Mar-2015	As at 31-Mar-2015	As at 31-Mar-2014
<b>Tangible Assets:</b>										
Leasehold - Land	68,468,000	-	-	68,468,000	-	805,506	-	805,506	67,662,494	68,468,000
Building - Factory	40,860,152	-	-	40,860,152	-	1,475,505	-	1,475,505	39,384,647	40,860,152
Plant & Equipment	74,708,379	2,488,565	153,809	77,043,135	67,521,231	1,238,324	(5,150,766)	73,910,321	3,132,814	7,187,148
Moulds, Dies & Patterns	155,989,708	195,306	-	156,185,014	155,403,943	597,764	-	156,001,707	183,307	585,766
Computers	117,263,723	1,173,313	22,807,480	95,629,556	114,379,324	1,587,650	22,807,475	93,159,499	2,470,057	2,884,399
Computer Peripherals										
- On Use and Pay	586,856,958	67,065,334	137,609,085	516,313,207	475,197,789	56,850,860	128,026,710	404,021,939	112,291,268	111,659,169
Furniture & Fixture	39,237,052	1,308,885	-	40,545,937	37,461,795	771,167	-	38,232,962	2,312,975	1,775,257
Vehicles	3,245,894	1,510,707	545,000	4,211,601	3,072,978	205,113	321,554	2,956,537	1,255,064	172,915
	<b>1,086,629,866</b>	<b>73,742,110</b>	<b>161,115,374</b>	<b>999,256,602</b>	<b>853,037,060</b>	<b>63,531,889</b>	<b>146,004,973</b>	<b>770,563,976</b>	<b>228,692,626</b>	<b>233,592,807</b>
<b>Intangible Assets:</b>										
Technical Knowhow	6,803,441	-	-	6,803,441	6,803,441	-	-	6,803,441	-	-
Computer Software	8,610,258	-	-	8,610,258	7,902,387	707,871	-	8,610,258	-	707,871
Computer Software - ERP System	8,531,375	-	-	8,531,375	6,684,325	797,070	-	7,481,395	1,049,980	1,847,050
	<b>23,945,074</b>	<b>-</b>	<b>-</b>	<b>23,945,074</b>	<b>21,390,153</b>	<b>1,504,941</b>	<b>-</b>	<b>22,895,094</b>	<b>1,049,980</b>	<b>2,554,921</b>
<b>Total</b>	<b>1,110,574,940</b>	<b>73,742,110</b>	<b>161,115,374</b>	<b>1,023,201,676</b>	<b>874,427,213</b>	<b>65,036,830</b>	<b>146,004,973</b>	<b>793,459,070</b>	<b>229,742,606</b>	<b>236,147,728</b>

#### 2.10. Non Current Investments

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Investment in Equity Shares</b>		
809999 Shares of ₹ 10 each fully paid up in M/s eRM Solutions Private Limited	8,100,000	-
<b>TOTAL</b>	<b>8,100,000</b>	<b>-</b>

#### 2.11. Deferred Tax

Particulars	As at March 31, 2016	As at March 31, 2015
<b><u>Deferred Tax Asset</u></b>		
Provision for doubtful debts	21,426,754	20,979,316
Expenses allowed on actual payment basis u/s 43B of I.T Act 1961	4,401,095	3,177,235
Depreciation Difference	-	6,852,304
Expenses allowed under 40a(i)(a)	97,335	-
Amortisation of Demerger expenditure u/s 35DD of I.T.Act 1961	165,417	427,068
<b><u>Less: Deferred Tax Liability</u></b>		
Depreciation Difference	5,955,392	-
<b>Net Deferred Tax Asset</b>	<b>20,135,209</b>	<b>31,435,923</b>

#### 2.12. Long Term Loans and Advances

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Unsecured - Considered good</b>		
Deposits	15,575,214	17,054,098
Loan to Subsidiary	4,292,670	-
<b>TOTAL</b>	<b>19,867,884</b>	<b>17,054,098</b>

#### 2.13. Other Non Current Assets

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Unsecured - Considered good</b>		
Margin Money Deposits with Bank	616,574	6,625,144
Interest Accrued on Fixed Deposits	51,974	39,392
<b>TOTAL</b>	<b>668,548</b>	<b>6,664,536</b>

#### 2.14. Inventories

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Raw Materials</b>		
- In Stock	24,835,221	31,892,868
- In Transit	-	2,024,044
<b>Work in Progress</b>	10,469,792	12,719,705
<b>Stock in Trade</b>		
- In Stock	69,276,779	82,604,488
- In Transit	1,640,510	2,988,133
<b>Finished Goods</b>		
- In Stock	19,635,055	28,302,191
- In Transit	62,069	87,000
<b>Spares and Consumables</b>		
- In Stock	70,679,641	57,771,533
- In Transit	-	6,069,316
<b>TOTAL</b>	<b>196,599,067</b>	<b>224,459,278</b>

#### 2.15. Trade Receivables

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Unsecured</b>		
<b>Outstanding for a period exceeding six months from the due date</b>		
Considered good	7,786,010	6,067,334
Considered doubtful	66,040,234	64,661,168
Less: Provision for Doubtful debts	66,040,234	64,661,168
<b>Sub total</b>	<b>7,786,010</b>	<b>6,067,334</b>
<b>Other debts</b>		
Considered good	143,168,230	190,024,359
<b>TOTAL</b>	<b>150,954,240</b>	<b>196,091,693</b>

#### 2.16. Cash and Cash Equivalents

Particulars	As at March 31, 2016	As at March 31, 2015
<b>i) Balances with Banks</b>		
Current account	386,563	313,236
<b>ii) Cheques on Hand</b>	-	97,163
<b>iii) Other Bank Balances</b>		
Dividend Account	1,609,436	-
<b>iv) Cash on Hand</b>	39,173	8,652
<b>TOTAL</b>	<b>2,035,172</b>	<b>419,051</b>

### 2.17. Short Term Loans and Advances

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Unsecured - Considered good</b>		
a) Other Loans and Advances		
i) Advance Income Tax (net of provision)	37,658,423	22,644,440
ii) Balances with Excise, Customs, VAT and Service Tax input credit	2,634,897	5,486,013
iii) Deposits	1,157,600	1,870,500
iv) Others	4,846,192	8,470,652
<b>TOTAL</b>	<b>46,297,112</b>	<b>38,471,605</b>

### 2.18. Revenue From Operations

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Sale of Products	530,505,171	705,900,275
Sale of Services	394,339,065	372,924,205
Other Operating Revenue	868,963	237,071
	<b>925,713,199</b>	<b>1,079,061,551</b>
Less: Excise Duty	36,666,458	37,295,643
<b>TOTAL</b>	<b>889,046,741</b>	<b>1,041,765,908</b>

### 2.19. Other Income

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest on Deposits with banks	552,201	595,946
Rental Income	1,197,312	1,197,312
Other Interest	186,446	-
Miscellaneous Income	22,42,270	35,29,105
<b>TOTAL</b>	<b>41,78,229</b>	<b>53,22,363</b>

### 2.20. Cost of Material Consumed

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Opening Stocks	97,757,761	99,453,828
Add : Purchases during the year	322,173,795	327,177,049
<b>Opening Stocks + Purchases</b>	<b>419,931,556</b>	<b>426,630,877</b>
Less : Closing stocks	95,514,862	97,757,761
Sub Total	324,416,694	328,873,116
<b>Cost of material consumed</b>	<b>324,416,694</b>	<b>328,873,116</b>

### 2.21. Purchase of Stock in Trade

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Purchases of stock-in-trade	192,998,355	357,680,944
Less :- Capitalised during the year	71,541,717	67,065,334
<b>TOTAL</b>	<b>121,456,638</b>	<b>290,615,610</b>

### 2.22. Changes in Inventories of Work in Process, Finished Goods and Stock-in-trade

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Opening stock</b>		
Work in Process	12,719,705	6,811,267
Finished Goods	28,389,191	37,936,382
Stock in Trade	85,592,621	69,013,245
<b>Total</b>	<b>126,701,517</b>	<b>113,760,894</b>
<b>Closing Stock</b>		
Work in Process	10,469,792	12,719,705
Finished Goods	19,697,124	28,389,191
Stock in Trade	70,917,291	85,592,621
<b>Sub total</b>	<b>101,084,207</b>	<b>126,701,517</b>
	<b>25,617,310</b>	<b>(12,940,624)</b>

### 2.23. Employee Benefit Expenses

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries and Wages	79,137,982	78,960,092
Contribution to provident and other fund	3,564,712	3,525,022
Staff welfare expenses	9,458,723	8,880,696
<b>TOTAL</b>	<b>92,161,417</b>	<b>91,365,810</b>

### 2.24. Finance Cost

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest Expenses	16,556,020	16,326,562
Other Borrowing costs	982,673	1,343,710
<b>TOTAL</b>	<b>17,538,693</b>	<b>17,670,272</b>

## 2.25. Other Expenses

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Power and fuel	6,888,493	7,350,565
Insurance	799,041	944,675
Repairs & Maintenance	4,419,234	5,678,432
Rent	28,992,365	31,137,994
Rates and taxes	6,432,055	7,679,382
Warranty Expenses	7,983,466	3,505,505
Carriage and Freight outwards	28,731,613	33,533,846
Commission on sales	10,979,534	20,072,077
Support Charges	27,217,497	30,092,076
<b>Auditors' Remuneration</b>		
- for Audit fees	357,625	325,000
- for Taxation matters	50,000	50,000
- for Reimbursement of expenses	16,739	60,018
- for Other Services	-	40,000
Advertisement and sales promotion	9,836,403	10,324,502
Directors' Commission and Sitting fees	480,000	580,000
Loss on disposal of assets	1,978,724	820,559
Travelling and Conveyance	18,206,862	19,315,046
Communication Expenses	9,767,386	9,653,305
Legal and Professional charges	7,368,677	4,447,225
Manpower support service charges	50,242,100	42,676,463
Office Maintenance	4,881,540	4,759,442
Provision for Bad debts / advances	1,379,066	(373,671)
Bad Debts Write off	-	3,572,466
Exchange Differences (Net)	3,195,274	4,286,204
Recruitment Expenses	1,656,371	753,180
Miscellaneous expenses	2,608,122	2,803,033
<b>TOTAL</b>	<b>234,468,187</b>	<b>244,087,324</b>

## 2.26. Acquisition of a Company

During the current year, the company acquired M/s eRM Solutions Private Limited, a company specifically in the focus area of Document Management Solutions (DMS). It is a 100% subsidiary of WeP, which owns an in-house developed, unique technical solution for providing DMS to various verticals of the Corporate customers.

## 2.27. Details of Disclosure as Required by AS-29

Particulars	Warranty Provision
Opening Balance as on April 1, 2015	19,766,626
Additions during the year	18,972,475
Reversal	19,766,626
<b>Closing Balance as on March 31, 2016</b>	<b>18,972,475</b>

## 2.28 Contingent Liabilities in Respect of:

- Disputed demand for Excise, Customs, Income Tax, VAT and other matters ₹ 1,123,318 (March 2016), ₹ 5,091,761 (March 2015).



## 2.29. Segment Reporting

The company's operation predominantly relate to Printer Business and Managed Printing Solutions (MPS) Business. Accordingly the revenue from the said business comprise the primary basis of segment information set out in this financial statement. The accounting principles consistently used for the preparation of financial statements are also applied to record income and expenditure in individual segment. These are set out on the note on significant accounting policies. Fixed Assets used in companies business and liabilities contracted have been identified to the reportable segments.

### A. Primary Segment Information

Particulars	Printer Business		MPS Business		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Revenue</b>						
Net Sales / Income from Operations	505,077,178	671,528,624	383,969,563	370,237,284	889,046,741	1,041,765,908
Less: Intersegment Revenue	-	-	-	-	-	-
<b>Segment Revenue</b>	<b>505,077,178</b>	<b>671,528,624</b>	<b>383,969,563</b>	<b>370,237,284</b>	<b>889,046,741</b>	<b>1,041,765,908</b>
<b>Segment Result</b>						
Before Finance Cost and Tax	(27,523,921)	(6,965,026)	60,650,525	47,015,230	33,126,603	40,050,204
Less:- Finance Cost					17,538,693	17,670,272
<b>Profit Before tax</b>					<b>15,587,910</b>	<b>22,379,932</b>
Tax Expenses					5,057,495	6,570,465
<b>Profit After Tax</b>					<b>10,530,415</b>	<b>15,809,467</b>
<b>Other Information</b>						
Segment Assets	298,373,055	403,276,943	389,433,470	341,061,848	687,806,525	744,338,790
Segment Liabilities	159,601,730	204,806,893	95,679,884	126,218,696	255,281,614	331,025,588
<b>Capital Employed</b>	<b>138,771,325</b>	<b>198,470,050</b>	<b>293,753,586</b>	<b>214,843,152</b>	<b>432,524,911</b>	<b>413,313,202</b>
Capital Expenditure	5,099,666	5,120,826	73,416,395	68,329,310	78,516,061	73,450,136
Depreciation & Amortisation	5,210,069	6,300,644	56,768,052	58,736,186	61,978,121	65,036,830

Note: 1. There is no Secondary Segment reporting as the geographical segment has not been identified.

## 2.30 Related Party Transactions

### 2.30.1. List of Related Parties

Name of Related Party	Relationship
Mr. Ram Narayan Agarwal	Chairman & Managing Director
Mr. B R Ganesh	Small Shareholders & Independent Director
Mr. G H Visweswara	Non-Executive 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
eRM Solutions Private Limited	Subsidiary Company (100% owned)
WeP Solutions India Limited	Promoter Group
WeP Peripherals Limited	Promoter

\*Appointed as Additional Director on 18th May, 2015. Further, appointed as Non-Executive Director on 27th August, 2015

### 2.30.2. Transactions with Key Management Personnel

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Remuneration to Mr. P K Gopalakrishnan (Managing Director)*	-	5,127,508
Contribution to PF and other funds	-	108,000
Remuneration to Mr. Ram N Agarwal (Chairman & Managing Director)	579,286	132,608

\* Managing Director till 31st December 2014

### 2.30.3. Transaction with Other Related Parties

Particulars	WeP Peripherals Limited	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Sale of Goods and Services	1,367,014	1,345,296
Purchase of Goods and Services	9,158,372	11,068,540
	eRM Solutions Private Limited	
Purchase of Goods and Services	1,427,249	-
Interest received on Loan (Gross of TDS)	186,446	-

### 2.30.4. Amount Receivable from Related Parties

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Amount receivable from eRM Solutions Private Limited (inclusive of interest)	4,292,670	-

### 2.31. Employee Benefit Plans

The Company provides to its employees following retirement benefits:

- i) Gratuity
- ii) Leave Accrual

**Gratuity:** The Company provides gratuity benefit to the employees which is the defined benefit plan and the obligation of the company is calculated on the basis of actuarial valuation.

**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.

Disclosure envisaged in revised AS 15 in respect of gratuity are given below:

#### Principal Actuarial Assumptions

Particulars	As at March 31, 2016	As at March 31, 2015
Expected Rate of Return on Assets (p.a)	0.00%	0.00%
Salary Escalation	7.00%	7.00%
Discount Rate	8.00%	8.05%

Amount Recognized in the Balance Sheet are as follows

Particulars	As at March 31, 2016	As at March 31, 2015
Present value of Funded Obligations	5,089,352	-
Fair value of plan assets	(467,093)	-
Present value of unfunded obligations	-	4,398,423
<b>Net Liability</b>	<b>4,622,259</b>	<b>4,398,423</b>

Amount Reflected in the P&L account is as follows

Particulars	As at March 31, 2016	As at March 31, 2015
Current Service Cost	577,255	573,096
Interest on Defined Benefit Obligation	361,786	417,372
Expected Return on Plan Assets	-	-
Net Actuarial Losses / (Gains) Recognised in year	176,974	(35,606)
Benefits Paid	-	-
Total included in employee benefit	-	-
Expected Return on Plan assets	17,633	-
<b>Total</b>	<b>1,133,648</b>	<b>954,862</b>

Reconciliation of Benefit Obligation & Plan Assets for the Period

Particulars	As at March 31, 2016	As at March 31, 2015
<b><u>Change in Defined Benefit Obligation</u></b>		
Opening Defined Benefit Obligation	4,398,423	4,501,842
Current Service Cost	577,255	573,096
Interest Cost	361,786	417,372
Actuarial Losses / (Gain)	194,607	(35,606)
(Benefit Paid)	(442,719)	(1,058,281)
<b>Closing Defined Benefit Obligation</b>	<b>5,089,352</b>	<b>4,398,423</b>
<b>Expected Employers Contribution Next Year</b>	<b>1,000,000</b>	<b>962,888</b>

### 2.32. Employee Stock Option Plan [ESOP]

The Company had implemented Employee Stock Option Plans as detailed below:

Particulars	ESOP 2011
Options at the beginning of the period (1st April 2015)	305,000
Options granted during the period	240,000
Price per share	10
Pricing Policy	Face Value
Options vested	114,900
Options Lapsed	41,000
Options available for exercise	114,900
Options exercised	NIL
Total number of shares arising as a result of exercise of options	NIL
Variations of terms of options	NIL
Money realised by exercise of options	NIL
Total number of options in force	504,000

### 2.33. Disclosures of dues / payments to Micro, Small and Medium enterprises to the extent such enterprises are identified by the company:

The Company has not received any intimation from the suppliers regarding the status under the Micro, Small and Medium Enterprises development Act, 2006 (the Act), hence disclosure regarding:

- Amount due on account of suppliers as at the end of the accounting year
- Interest paid during the year;
- Interest payable at the end of the year;
- Interest accrued and unpaid at the end of the accounting year; has not been provided.

The Company is making efforts to get the confirmation from the suppliers regarding their status under the Act.

### 2.34. 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, 2016	For the year ended March 31, 2015
Raw Material, Stock-in-Trade and Spares & Consumables	213,143,480	297,990,549

#### b. Expenditure in Foreign Currency

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Travelling	186,762	141,702
Repair Charges	2,477,221	2,988,710

c. Material Consumption Details

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Indigenous-</b>		
Consumption during the year	180,710,989	175,708,721
% of total consumption	56%	53%
<b>Imported-</b>		
Consumption during the year	143,705,705	153,164,395
% of total consumption	44%	47%
<b>Total</b>	<b>324,416,694</b>	<b>328,873,116</b>

2.35. Earning Per Share (EPS) Computed in Accordance with Accounting Standard 20.

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Basic</b>		
Profit / (Loss) after tax as per accounts	10,530,415	15,809,468
Number of Shares issued (Weighted average no.)	23,003,472	23,003,472
<b>Earning Per Share (of nominal value of equity share of ₹ 10/- each)</b>	<b>0.46</b>	<b>0.69</b>
<b>Diluted</b>		
Profit / (Loss) after tax as per accounts	10,530,415	15,809,468
Number of Shares issued (Weighted average no.)	23,365,445	23,084,395
<b>Earning Per Share (of nominal value of equity share of ₹ 10/- each)</b>	<b>0.45</b>	<b>0.68</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: Mumbai  
Date: May 28, 2016

For and on behalf of the Board of Directors

**HV Gowthama**  
Director

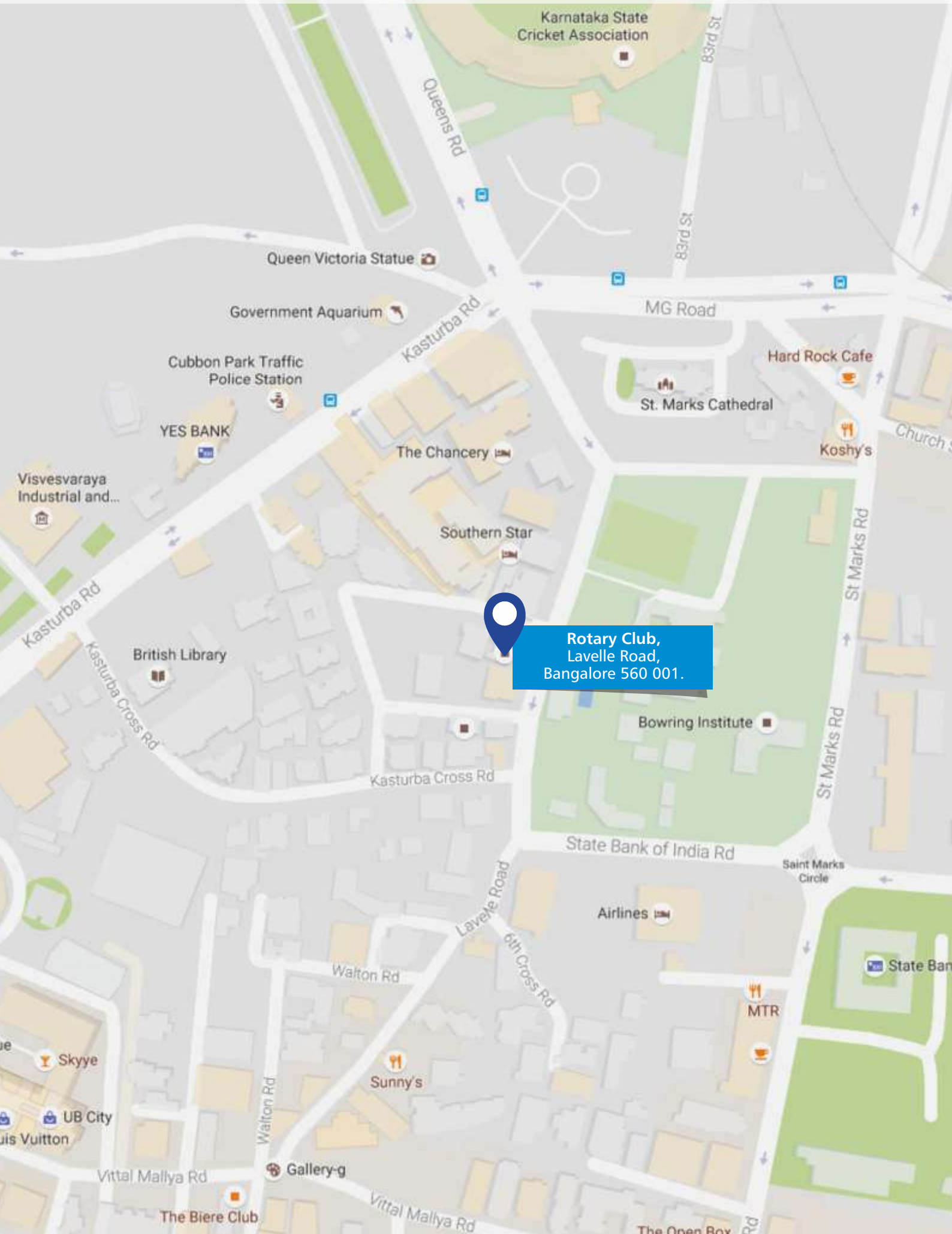
**Ram N Agarwal**  
Chairman & Managing Director

**Sandeep Goyal**  
Chief Financial Officer

**Sujata Lele**  
Company Secretary

Place: Bangalore  
Date: May 28, 2016

Route map of the venue of the AGM







## Our Promise

We promise to be *consistently proactive* and perform with *integrity and speed* at the *cutting edge* of technology and innovation to deliver the *consumer's tech fantasy*.

## Our Values



### Attitude

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



### Behaviour

As the water lily blossom like clockwork in any environment, we leverage the strengths of our varied businesses into a converging focus through consistency with integrity, upholding human values.



### Action

With the precision energy and speed of a laser beam, we innovate at the cutting-edge of technology to surprise customers with friendly products and services.



### Delivery

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



## WeP Solutions Limited

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