



## WeP Solutions Limited

ANNUAL REPORT 2019-20

## CORPORATE INFORMATION

### Board of Directors

Ram N Agarwal	- Chairman and Managing Director
H V Gowthama	- Independent Director
Sudhir Prakash	- Independent Director (Resigned w.e.f 21 <sup>st</sup> August 2019)
Shankar Jaganathan	- Independent Director
Mythily Ramesh	- Independent Director
G H Visweswara	- Independent Director
Dr. A L Rao	- Non – Executive Director
Sandeep Kumar Goyal	- Additional Director (w.e.f 1 <sup>st</sup> July 2020)
	Designated as Whole Time Director (Executive)

### Share Transfer Agent

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

### Bankers

Axis Bank  
Corporation Bank  
HDFC Bank

### Statutory Auditors

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

### Secretarial Auditor

S Kannan & Associates,  
Practicing Company Secretary, Bengaluru

### Internal Auditors

M/s. Gnanoba & Bhat,  
Chartered Accountants, Bengaluru

### Corporate Identity Number (CIN)

L72200KA1995PLC025617

### Listed on

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

### Website

www.wepsolutions.co.in

### Investor E-mail ID

investor@wepsol.in

### Registered Office

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

### Manufacturing Locations

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

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Dear Shareholders,

*In the last year's Annual Report, I had talked about financial challenges arising out of Aadhar decision from Hon'ble Supreme Court delaying GST implementation and Jet airways bankruptcy. We emerged from these challenges, but soon got engulfed in the global crisis created by Covid-19 pandemic.*

*The Covid-19 crisis affected us in two ways. First in February when China based supply chain got disrupted and, later by total lock down imposed in India However, there are many green shoots and bright spots in the performance of Financial year (FY) 19-20.*

- 1. Your company signed a distributor agreement with Ricoh Asia Pacific for all Ricoh branded Products and Services.*
- 2. WeP Digital Services business is now on firm foundation. This business includes GST services and Document Management Services (DMS) to enterprise customers. We received orders from very reputed and prestigious clients. Post Covid-19, we hope to accelerate the growth of this business further. In coming five years, this business should be a significant part of WeP's business portfolio.*
- 3. Your company has also launched Android based POS device for Retail and Food / Beverage (F&B) segment. Initial response is very positive.*
- 4. Your company continued to grow online sales and sales of WeP Products and Services.*
- 5. Though sales during the year is lower than previous year, EBITDA for your company increased from Rs 89 million to Rs. 134 million on consolidated basis.*

*Our confidence in assumptions relating to digitisation and formalisation of Indian economy remains strong. These assumptions are vindicated by the amount of funding received by companies in these businesses.*

*Retail customers are continuing to get enlightened about the benefits of Digital technology in their businesses. We also have been serving the neighbourhood kirana-stores for last 6 years and will now provide many state of art Wifi based Covid proof (contract less), POS product & services. We believe that the "Small" must not only survive, but also thrive in new India. We will continue to contribute to their development and will get motivated with their success based on our offerings.*

*The good news is that we have survived these life-threatening challenges and we hope that we will emerge relatively less affected. Financial impact of Covid-19 challenges will have to be absorbed in the coming year.*

*Indian business environment will get transformed post Covid-19 in a significant way. Office printing business segment of your company will have maximum adverse impact both on short term and long term basis. Your company is putting together a strategy in place whereby futuristic business will get added focus and resources. We will continue to provide WoW to our customers by providing innovative new age business solutions, which will benefit our customers to run their business better in post Covid-19 era.*

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

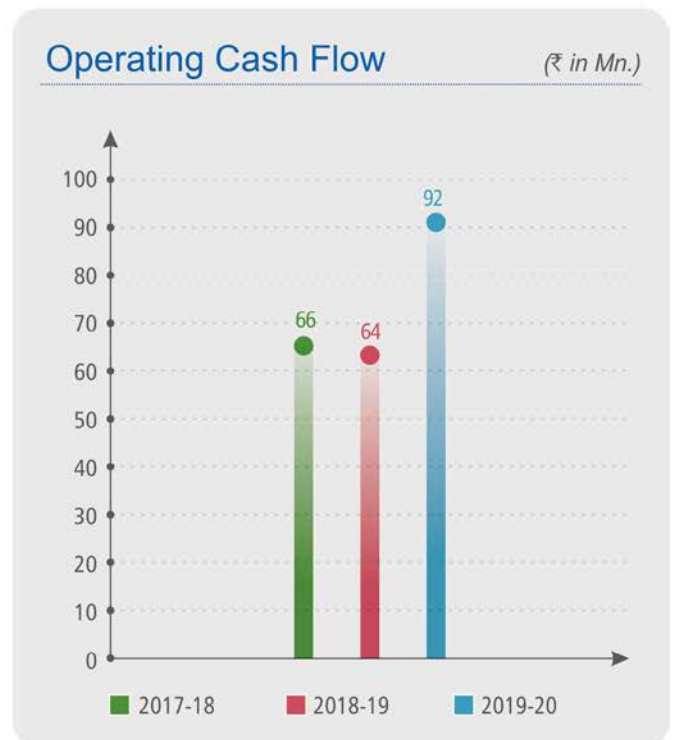
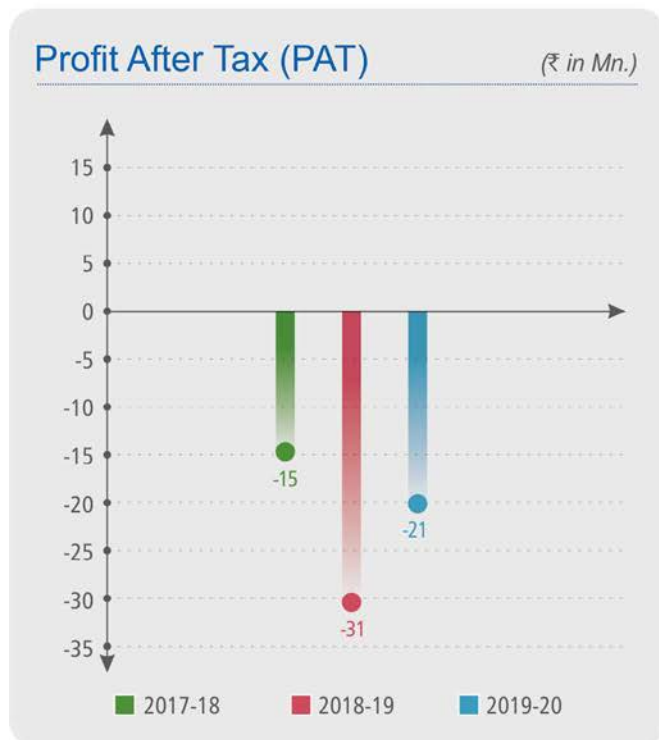
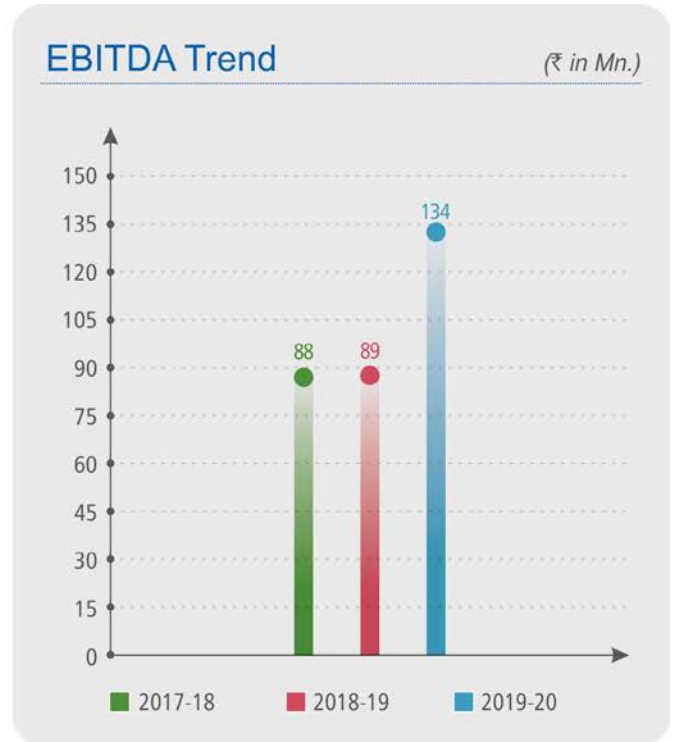
With Best Regards,



Ram N Agarwal

## Performance at a Glance

### Consolidated Highlights



## Business Overview

### Managed Print Services

Every organization value the benefit of cost reduction, corporate productivity, seamless operation, and greater secured infrastructure when it comes to their enterprise printing requirement. WeP MPS being an India's No 1 company for managed print services understands that printing is a complete ecosystem and negligence in any one area can result in a tremendous rise in both operational costs and security threats.

#### The key role of WeP MPS includes:

- Understanding the complete printing process of the organization and thereby catering to the needs by developing customized technological solutions.
- Catering to the needs of an organisation by providing customized solutions like specific types of printers, toners, management tools, security etc.
- Supplying printer spare consumables such as toners, standby printers and cartridges and ensuring no downtime in printing.
- Providing end-to-end support, print policies and services which includes providing onsite resource and support.
- Asset Management solutions wherein WeP manages printers of a customer without any initial investments.

#### Printers and Data Security:

When you think about your data security threat within your organization, you probably think immediately about your computers, Laptop, or maybe personal phones. However, your office printer is considered as the most vulnerable piece of equipment in the office. Anyone can walk near to the printer and see others documents or one can simply access the print data from the printer hard drives.



As an MPS leader we always follow the consultative approach and provide the best in class printers along with secure print solution which keeps the devices as secure as possible from security breaches and hacks.

#### How to manage your existing print infrastructure?

Managing the existing printer infrastructure is totally automated with WeP Device management solutions (DMS) one can easily check the comprehensive view of all the printer connected with a network on a single dashboard, which shows the live status of the printer, total pages printed in a month, the IP address of printers, etc . With the remote monitoring capabilities supply and service alerts are sent to the appropriate departments which helps in maintaining 100% printer uptime.

#### How WeP Device management tool is helping our customer:

- It Provide precise data of printer meter reading, consumable level, and other device attributes
- Provide secure and encrypted data transfer
- Helps in invoicing by providing the latest pages count
- Provide schedule reports to the assigned stakeholders
- Provides alerts at a defined threshold for the proactive forecast of supplies



## WeP Cloud Printing Solutions



WeP Cloud Printing Solution launched by WeP in 2018 keeping in mind the requirement of 24X7 availability of printing for college students, apartment residents, co working place users etc.

With more than 100000+ users signed up for our cloud-based application and using our WeP Cloud Printing Kiosk. WeP CPS is successfully running amongst the top-notch universities of India, to name a few WeP CPS is present in XLRI - Jamshedpur, JIMS – Delhi, RIM – Bengaluru and many more.

## WeP Customer care

For any business it is very important to understand the customer requirement and provide the customized solution for easing their day to day operations, keeping that in mind WeP has developed all new WeP Customer Portal.

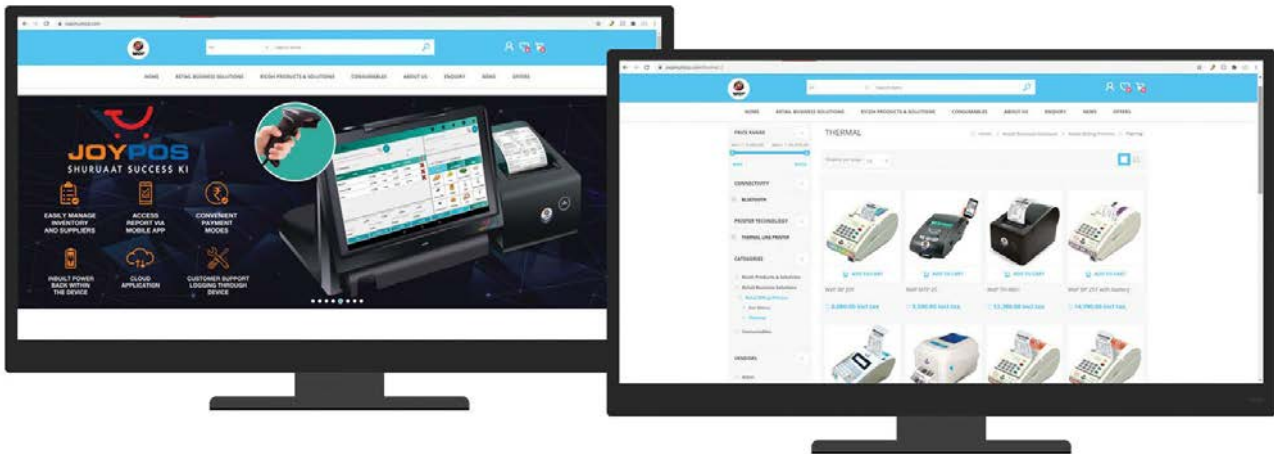
A private and secure website that provides access to our customer with complete and up to date information about their account. They can see their detailed invoices and the payment due date. It also provides multiple payment options like net banking, UPI, debit card etc. Our customer can download the detailed report of the payment transaction history and open / closed service request, they can also easily update their latest printer meter reading on the portal. They can also log the support call and raise a ticket with our email automation and call login through website.



- Access to all your detailed invoice on single dashboard
- Do hassle free and secure payment 24/7
- Multiple payment option like UPI, Net banking etc
- Download all the payment transaction history with one click
- Create the direct service request within a minute
- Improved visibility of all open and closed service call
- Reduce workload by simply updating the printer meter reading on portal

## Retail Services

We have our online portal [www.wepmyshop.com](http://www.wepmyshop.com) (WMS) where customers can login and purchase products for their retail store. This was initiated long back but it gained a substantial traction in 2019-20. Due to the increase usage of online shopping by our customers we were able to generate a sales of 1000 plus billing machines in last year through WMS.



We have an Inside Sales Team at Mysore who manages the sales through this portal. We generate leads from various digital platforms. We have around 14000 plus customers visiting our website monthly.

Seeing the popularity, we have extended this portal for our registered channel partners also where they will have a separate login to get their products. We have alike chat option available in the website to clarify their doubts on the product or usage of website. This portal helps us to get first-hand experience from the end user of the product which is helping us in many of our future projects and enhance the customer experience.

Apart from our own portal we are also available in all leading Ecommerce website. We are also present in government e-market place 'GeM' for any direct government purchases. We are ensuring our availability to all our customers in both online and offline channels.

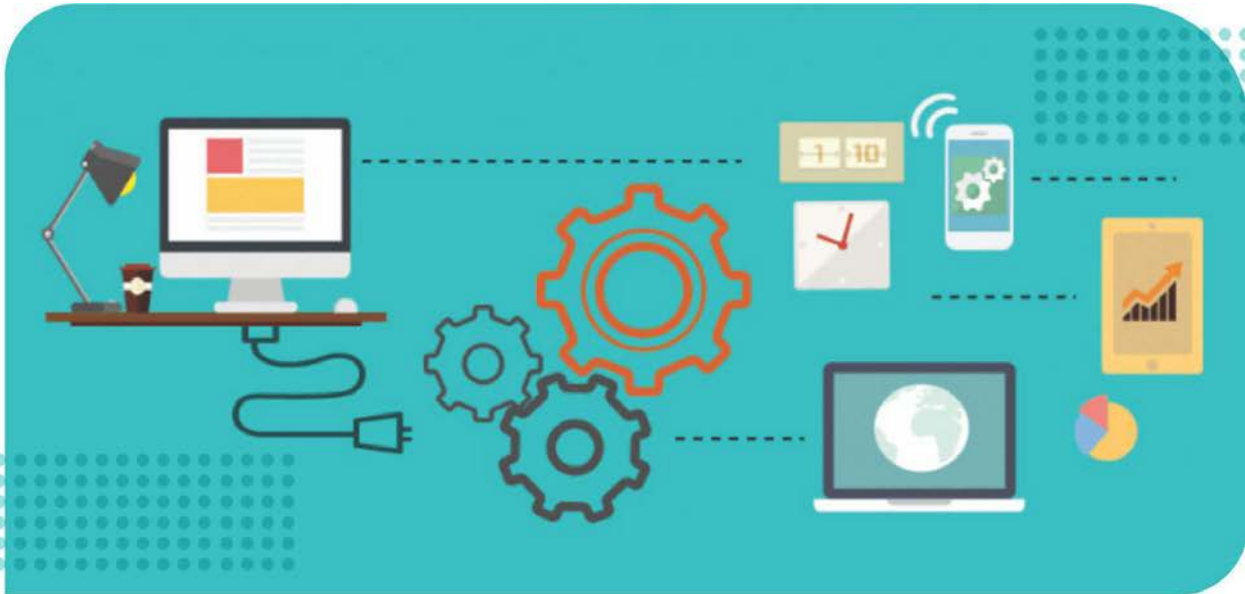
## Digital Services

WeP Digital is the digital services arm of WeP Solutions Limited (WeP). WeP Digital's aim is to help enterprises in Digital Transformation. This will help enterprises to remain relevant in this fast changing environment & be closer to their customers. In the first phase, WeP Digital has launched an array of different services which include **GST Solutions – Managed GST Filing, ASP+GSP, E-Invoicing & E-Way Bill Automation&Document Management Solutions.**

These solutions are aimed at enabling enterprises to manage their processes remotely from any place under their Business Continuity Plan (BCP) & minimize the disruptions caused by Covid-19. These solutions will help organizations to be better prepared for any unforeseen circumstances in the future.

WeP Digital empowers businesses with Digital Technology Solutions that helps them adapt to the country's changing technology landscape. Our cloud-based, secure Microsoft Azure platform streamlines transactions & simplify enterprise business processes.

Unique to India & globally in application, our innovative open API's facilitate paperless & innovative digital solutions across industries. We at WeP Digital have the capability to build industry specific solutions, devise tailored & scalable solutions to tackle problems of the future!



## Our Enterprise Services & Solutions

Empowering Businesses With Digital Technology Solutions

- GST / Taxation Solutions
- Document Management Solutions (DMS)

The implementation of Goods & Services Tax in the year 2017 broke new ground in the way indirect taxes were being administered in India.



While the year 2017 witnessed the pangs of birth, the second year saw the GST regime entering a phase of stabilisation & consolidation. Stabilisation meant significant changes both in the regulatory framework & implementation mechanism. Digitisation has been the abiding mantra & this in turn has led us to expanding opportunities for the ASP-GSP interface going forward.

Since then, we have been constantly thriving for the benefit of the taxpayers with our ASP-GSP solution serving as the pivotal frontal interface for the taxpayer.

WeP is a GSP appointed by the GSTN providing a host of services **from Managed GSTR Filing, GST Billing, Data Preparation & Data Validation, E-Way Bill & E-invoicing services.**

- **MANAGED GST FILING SERVICES**

Common GST worries are being handled end to end with GST filing including Data Preparation, Data Validation services & Data Upload for filing.

- **ASP+GSP SERVICES**

We have offered the best of both GST solutions & the flexibility along with it. Customers have the option of going ahead with our GST platform & our GSP APIs which comes along with the platform as a complete end to end solution.

- **GSP SERVICES**

For those who already have had an in-house developed tool which is being used, we've offered our GSP APIs which can be used with their tool to extract more out of it.



- **ASP SERVICES**

We've offered the ASP provision for file GST Returns, reconciliation, perform various top to bottom validations & to generate analytics & reports.

- **E-WAY BILL**

Our GST platform also has the e-Way Bill module that is inbuilt which helps generate e-Way Bills & carry out real-time functions. Many of our customers have opted for just the e-Way Bill tool as well.

## **E-INVOICING**

The years 2019-2020 also saw several new changes being added by the GST Network (GSTN) & we have committed to adopting to the changes & implement them.

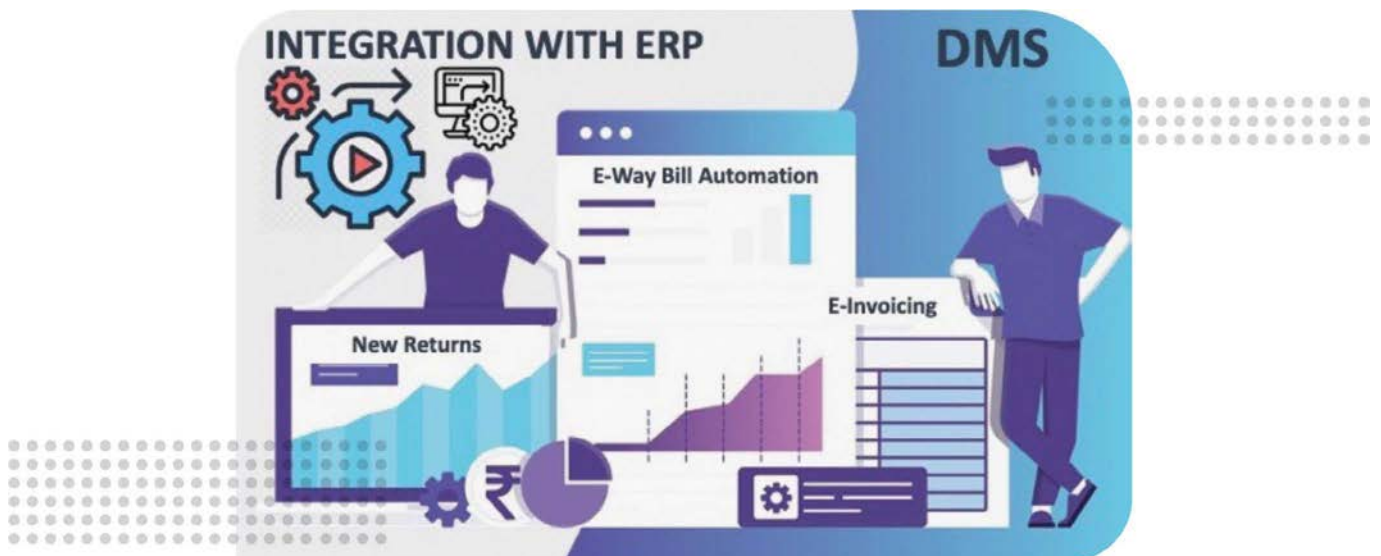
The GST Council in early 2020 had decided to bring in the concept of **e-Invoicing** into picture with which our tool implemented the solution for the same! WeP Digital is helping companies of various industry verticals in making this transition, absolutely seamless!

We offer integration of e-Invoice with any ERP - do the batch processing & get APIs to make the transition absolutely seamless. This would highly ensure generating invoices conforming to common standards.

Our solution complied with reporting of invoice data generated in a particular format which can be understood by government portal on a real time basis.

### **WeP e-Invoicing Features:**

1. **Dashboard** - Summary of all the e-Invoices generated & cancelled.
2. **Bulk data upload** - Upload invoices details for the generation of IRN.
3. **Generate IRN**



4. **Cancel IRN** - Provision to cancel IRN.
5. **View & print** - Take the output of e-Invoice as a print or soft copy.

Additionally, our WeP Digital **GST platform** has **rich features** to validate supplier compliance & GSTR3B.

Our objective is to ensure inter-operability across the GST landscape. Inter-operability implies that e-Invoices thrown by

one software can be readily understood or rather read by another software/tool.

Set aside e-Invoicing, we have constantly worked on feature updates to our platform.

As per the customer requirements, feedback & government regulation changes, we keep updating our GST Filing Platform. Many new features have been added in the last financial year.

- Error Free Reconciliation
- Improved reports for analytics
- Seamless third-party app integration
- ERP integration for e-Invoicing & much more!



### Document Management Solutions:

We at WeP Digital provide tailored & scalable solutions to facilitate **Smart Content Collaboration, Business Process Automation & Remote Working** for enterprises to simplify their business, improve organization productivity & control mechanism.

WeP has ready to deploy enterprise solutions built on the WeP DMS software. A few listed here are **Procure To Pay, Management Of Change (MOC), Employee Records Management, Employee Onboarding, Vendor Management, Import / Export Process**, etc.,

Access / collaborate your business related data securely & processes remotely, from wherever you are – be it, office / home!

- Collaboration within & between teams
- Vendor / Customer Collaboration
- Low code custom application
- Document repository & workflow
- Three level security
- Restfull APIs to integrate with mission critical applications
- Dashboard, analytics & Reports



- **EMPLOYEE RECORDS MANAGEMENT**

One-stop solution to store, retrieve & manage records / data in the cloud removing the need for physical paper forms & files.

- **PROCURE TO PAY PROCESS**

Manage buying, approvals, compliance, payments & suppliers to create greater efficiencies on an enterprise level.

- **WORKFLOW AUTOMATION**

Design, execute & automate processes between humans & systems to run.

- **MANAGEMENT OF CHANGE (MOC)**

Manage people side of change to achieve a business outcome, adhere to organizational change & statutory compliance.

- **THIRD PARTY INTEGRATED SOLUTIONS**

Integrate WeP DMS with your in-house ERP & third party software/tools for seamless flow of the data.

### Custom Application Layer:

#### MANAGEMENT OF CHANGE (MOC)

WeP DMS has always offered the flexibility to be built on a custom requirement. Here, with the custom application layer it is made even further possible!

During the ongoing pandemic, business continuity plan (BCP) should have an effective **Change Management Program** which would address all changes that could affect the safety of a facility or personnel, regardless of whether or not it is permanent.

More so, with many organizations slowly resuming their work in a staggered manner this would mean a **Management of Change (MOC) policy** is important to ensure new risks & hazards aren't introduced.

WeP DMS application layer offers solution for **Management of Change (MOC)**! Our workflow would ensure the process abides to required protocols right from requesting for change to implementing the change within a system.

#### KEY PROCESS POINTS:

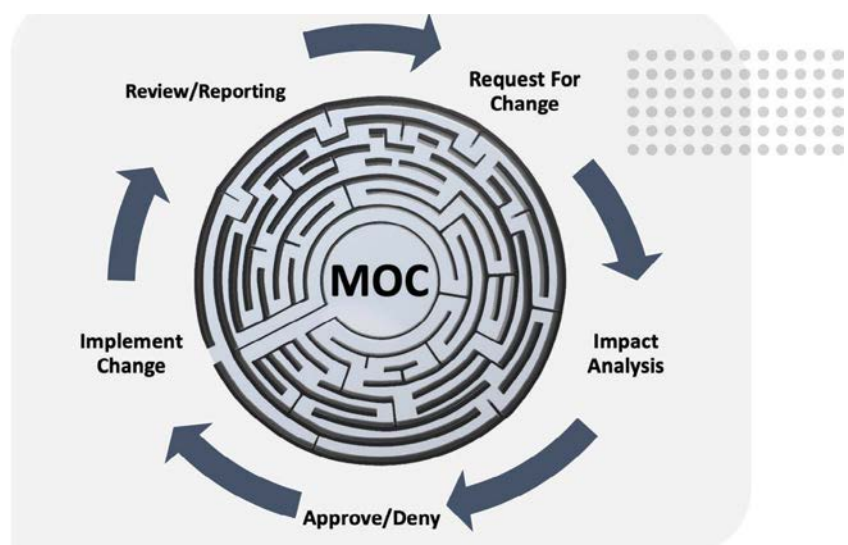
1. Remote Approvals
2. Tracking
3. Storage
4. Review & Evaluation
5. Process Matrix

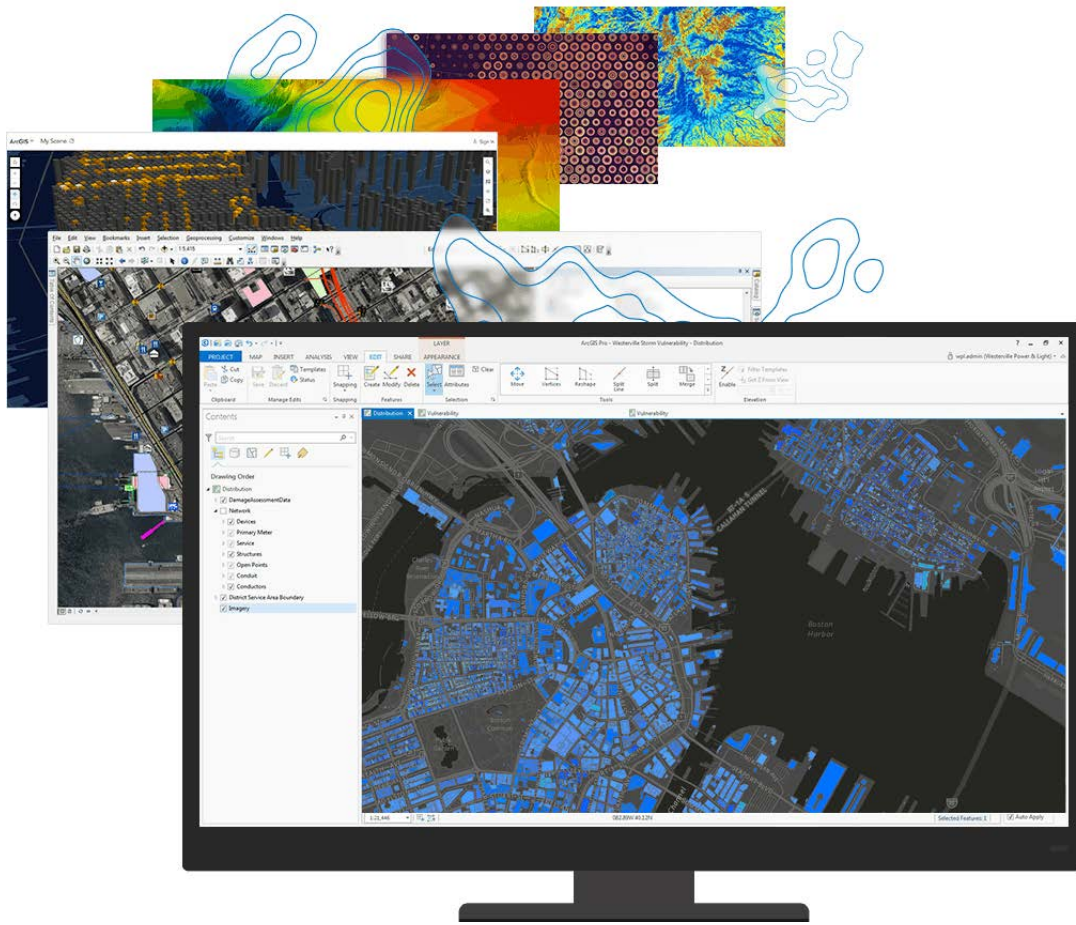
We have helped some of the leading enterprises from various industry verticals by deploying our MOC automation solution thus simplifying their approval process!

### Document Management Solutions:

The ideal benchmark of a company's performance can be measured by yearly revenue. But a more comprehensive way to understand the quality of service is through the client feedback. We are happy to say that due to our great customer support, our customers vouch for our services & this reflects in the testimonials given by them.

We have helped one of the leading retail chain firms in the country with our GST solution. Our tax filing service has helped the company reduce a major burden. This includes filing, preparation of GSTR & reconciliation data. We had built a custom connector for data transformation & to effectively handle large data processing of 1.5 crore+ line items.





With the harmonious & continued relationship - in the last financial year, we onboarded the same company for our DMS solution to solve their pain point. Our solution has been put in place to automate their buyer-seller-end customer chain of process & make it absolutely seamless.

We have continued our excellence in helping companies from various industry verticals by deploying our enterprise solutions thus helping them increase their efficiency & improved business process.

The last financial year was great for WeP Digital. We look forward to continue the same & scale heights over the coming years!

*“WeP has helped Herbalife get **GST compliant** and now we never miss any GST filing due date. The support & **work ethics** of WeP are commendable”*

**Sathish Kulkarni Ch. V. Narsimha Rao**  
(Manager – Indirect Taxation)  
Herbalife Nutrition

*“As a result of our association, its pleasure to share our **extreme satisfaction, appreciation** for WeP Digital Services Ltd for supporting to **file GSTR1** on time. These services included **preparation of GSTR3B & reconciliation data**”*

(Head – Taxation)  
Metro Cash & Carry

*“It gives me **immense pleasure** and satisfaction to put my appreciation for WeP for helping us with **GST filing, data preparation, data validation and reconciliation.**”*

**Rameshwar Galwa**  
(Indirect Taxation)  
Acer India

*“We have been using WeP’s services for our digitization/ scanning project & using the WeP DMS. We have always been completely satisfied with their performance. They do an excellent job & are always punctual. We are happy to recommend the services of WeP.”*

**Lalitha M Shetty**  
(Senior Director – Human Resources)  
Omega Healthcare



## Directors' Report

Dear Members,

Your Directors are pleased to present 25<sup>th</sup> Annual Report and the Company's Audited Financial Statements for the Financial Year ended March 31, 2020.

### Financial Performance

The Company's Financial Performance, both Standalone and Consolidated, for the year ended March 31, 2020 is summarised below:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from Operations	6,565.27	7,391.13	6,837.22	7,669.73
Other Income	98.62	91.32	89.61	85.80
<b>Total Revenue</b>	<b>6,663.89</b>	<b>7,482.45</b>	<b>6,926.83</b>	<b>7,755.53</b>
Profit / Loss Before Depreciation, Interest and Taxes	1,407.72	1,159.40	1,337.89	887.75
Finance Cost	129.21	103.23	133.51	103.64
Depreciation and Amortisation	1,272.02	1,075.19	1,290.31	1,106.47
<b>Profit / Loss Before Tax</b>	<b>6.48</b>	<b>(19.02)</b>	<b>(85.93)</b>	<b>(322.36)</b>
Provision for Tax	1.97	0.18	126.15	(8.58)
Other Comprehensive Income	0.78	(2.21)	0.10	(1.16)
<b>Profit / (Loss) for the Year</b>	<b>5.29</b>	<b>(21.41)</b>	<b>(211.98)</b>	<b>(314.94)</b>
Earnings Per Share (Equity share par value Rs. 10/- each) Basic / Diluted (Rs. per share)	0.02	(0.07)	(0.81)	(1.23)

### Consolidated Accounts

In accordance with the provisions of Companies Act, 2013 (hereinafter referred to as "the Act"), Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and applicable Accounting Standards, your Company announces its consolidated financial statements on a quarterly basis. The Audited Consolidated Financial Statements of the Company for the Financial Year 2019-20, together with the Auditors' Report form part of this Annual Report.

### Subsidiary Company

During Financial Year 2019-20, there has been no change in the Company's Subsidiary. During the year, the Board of Directors ('the Board') reviewed the affairs of the subsidiary. A statement containing the salient features of financial statements of subsidiaries / joint venture companies of the Company in the prescribed Form **AOC – 1** forms a part of Consolidated Financial Statements (CFS) in compliance with Section 129 (3) and other applicable provisions, if any, of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014 is included in this report as **Annexure – III**.

The Board of Directors ('the Board') of WeP Solutions Limited ('the Company'), at its meeting held on 13<sup>th</sup> February 2020 has, subject to the approval of the members and creditors of the Company and subject to the sanction of the jurisdictional Regional Director or such other competent authority, approved the Scheme of Amalgamation (the Scheme) between the Company and WeP Digital Services Limited and their respective members and creditors.



The Company has in accordance with the amendments to Listing Regulations revised the Policy for determining material subsidiaries. The said policy may be accessed on the website of the Company at [www.wepsolutions.co.in](http://www.wepsolutions.co.in). As on 31<sup>st</sup> March 2020 the Company has no material Subsidiary Company.

## **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 as amended 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 2019-20

## **Unpaid / Unclaimed Dividends**

In accordance with the applicable provisions of Companies Act, 2013 read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all unclaimed dividends are required to be transferred by the Company to the IEPF, after completion of seven (7) years.

Further, according to IEPF Rules, the shares on which dividend have not been claimed by the shareholders for seven (7) consecutive years or more shall be transferred to the Demat account of the IEPF Authority.

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

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

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

The details of the consolidated unclaimed/unpaid dividend details as required by the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, for all the unclaimed / unpaid dividend accounts outstanding as on 31<sup>st</sup> March 2020 in terms of the Ministry of Corporate Affairs Notification No.G.S.R 352(E) dated May 10, 2012 has been uploaded on the Company's website [www.wepsolutions.co.in](http://www.wepsolutions.co.in)

## **Share Capital**

During the year under review, the Company allotted 1,07,100 Equity shares of Rs. 10/- each pursuant to exercise of stock options under the Employees Stock Option Plan 2011 and the Employees Stock Option Plan 2016.

Consequently the Paid up Equity Share Capital of the Company stood at Rs. 263,163,720 consisting of 26,316,372 Equity Shares of Rs. 10/- each.

## **Public Deposit**

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

## Corporate Governance

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

Pursuant to the recommendation of Nomination and Compensation Committee and keeping in view that Sandeep Kumar Goyal has rich and varied experience in the industry and has been involved in the operations of the Company over a long period of time; it would be in the interest of the Company to appoint Sandeep Kumar Goyal as the Whole Time Director. Thus the Board of Directors of the Company passed a resolution on 15<sup>th</sup> June 2020 approving appointment of Sandeep Kumar Goyal as an Additional Director in the capacity of Executive Director of the Company designated as Whole Time Director for a period of five years with effect from 1<sup>st</sup> July 2020. This is subject to approval of the Shareholders at this Annual General Meeting.

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

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

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

Mythily Ramesh was re-appointed as an Independent Director for Second Term in the Annual General Meeting held on 26<sup>th</sup> September 2019 to hold office for a period of 2 consecutive years w.e.f. 26<sup>th</sup> September 2019.

H V Gowthama was appointed as an Independent Director for the Second Term in the Annual General Meeting held on 26<sup>th</sup> September 2019 to hold office for a period of 5 consecutive years w.e.f. 14<sup>th</sup> November 2018.

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

### C. Re-appointment

Pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, Shankar Jaganathan was appointed as an Independent Director in the Annual General Meeting held on 27<sup>th</sup> August 2015 to hold office for a term of 5 years.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto 5 (five) consecutive years on the Board of a Company but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto 5 (five) consecutive years on the Board of a Company.

Based on their performance evaluation and recommendation of Nomination and Compensation Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Act and the Listing Regulations, and as per the Articles of Association of the Company, Shankar Jaganathan is eligible for re-appointment as Independent Directors and has offered himself for re-appointment. The Board of Directors recommends the proposal to re-appoint Shankar Jaganathan as Independent Directors for a term as mentioned in the respective special resolution.

The Company has received notice under Section 160 of the Companies Act, 2013 from Shankar Jaganathan signifying her candidature as an Independent Director of the Company. The Company has also received a declaration of Independence from him.

#### **D. Resignation of Director**

In absence of a resolution proposing his continuation / re-appointment for the second term as an Independent Director, Sudhir Prakash has expressed his desire to step down as an Independent Director of the Company with effect from 21<sup>st</sup> August 2019.

The Board placed on record its appreciation for the services rendered by Sudhir Prakash during his tenure as Director of the Company.

#### **E. Performance Evaluation of Director**

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

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

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

#### **F. Committees of the Board**

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

#### **G. Independent Directors' Declaration**

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

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

#### **H. Familiarization Program for Independent Directors**

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

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

## **I. Statutory Disclosures**

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 disclosure as required under various provisions of section of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## **Directors' Responsibility Statement**

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

- a) In the preparation of the annual accounts for the Financial Year 2019-20, 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 statements to which this financial statements relate on 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 2019-20, 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

The details forming part of the extract of the Annual Return in **Form No. MGT-9** as per Sections 92(3) and 134(3) of the Act read with the Rules framed thereunder are given as **Annexure II**, which forms part of this Report. The Annual Return for Financial Year 2019-20 is also available on the Company's website at [www.wepsolutions.co.in](http://www.wepsolutions.co.in).

## Credit Rating

During the year under review the Company has sustained its Long Term Credit Rating of BWR BBB Minus (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

The 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 21<sup>st</sup> Annual General Meeting of the Company until the conclusion of 26<sup>th</sup> Annual General Meeting.

M/s. N M Raiji & Co, Chartered Accountants, Mumbai has furnished a certificate of their eligibility and consent under Sections 139(1) and 141 of the Act and the Rules framed thereunder for their continuance as Statutory Auditors of the Company for Financial Year 2020-21. In accordance with the Companies Amendment Act, 2017, enforced on 7<sup>th</sup> May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

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

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

## Secretarial Auditor

Pursuant to the provisions of the Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed S Kannan and Associates, Practicing Company Secretary, Bengaluru (Firm Registration No.: S2017KR473100) to undertake the Secretarial Audit of your Company for the Financial Year 2019-20. The Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March 2020 in **Form MR 3** is presented in **Annexure IV** attached to this report. The Report does not contain any qualifications, reservation or adverse remarks or disclaimers.

## Related Party Transactions

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



During the year under review, the Company has not entered into any Contract / arrangement / transactions with related parties will qualify as material in accordance with the policy of the Company on materiality of related party transactions.

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

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

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

## **Risk Management**

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

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

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

## **Internal Financial Control System and Adequacy**

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

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

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

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

## **Significant and Material Orders Passed by the Regulators or Courts**

During the year under review, no significant material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and your Company's operations.

## Employee Stock Option Plan

The Company has Employee Stock Option Plan 2011 and Employees Stock Option Plan 2016 which is administered by the Nomination and Compensation Committee for the benefit of employees. During the Financial Year 2019-20, there has been no change in the Employee Stock Option Plan 2011 and Employees Stock Option Plan 2016 of the Company.

During the Financial Year 2019-20; 107,100 Equity Shares Options were exercised by the employees after vesting. Accordingly the Company has made the allotment 29,500 Equity Shares on 10<sup>th</sup> August 2019, 60,000 Equity Shares on 9<sup>th</sup> November 2019 and 17,600 Equity Shares on 13<sup>th</sup> February 2020.

The Company, from time to time, provides share based payments to its employees. These payments are provided in the form of stock options that can be exercised once the employee has completed specified service term with the Company. All share based employee payments will be settled in Equity Shares. Pursuant to Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and as required under the Securities and Exchange Board of India Guidelines, the applicable disclosures as on 31<sup>st</sup> March 2020 is as tabulated below:

Particulars	ESOP Plan 2011	ESOP Plan 2016
Date of Shareholders' Approval	27 <sup>th</sup> September 2011	22 <sup>nd</sup> September 2016
Total number of Options approved under the scheme	6,00,000	6,00,000
Vesting Schedule		
On Completion of 12 months from the date of Grant of Options	30%	30%
On Completion of 24 months from the date of Grant of Options	30%	30%
On Completion of 36 months from the date of Grant of Options	40%	40%
Exercise Price	Rs. 10 per share	Rs. 10 per share
Exercise Period	5 Years from the date of vesting	5 Years from the date of vesting
Option movements during the year		
Options outstanding at the beginning of the year	2,87,400	1,24,500
Options granted during the year	-	1,85,000
Options Lapsed and forfeited during the year	72,700	19,500
Options vested and available for exercise	1,23,500	33,000
Options exercised during the year	77,100	30,000
Variations of terms of Options	None	None
Money realised by exercise of Options (Rs.)	7,71,000	3,00,000
<b>Total number of Options in force as at the end of the year</b>	<b>1,37,600</b>	<b>2,60,000</b>
Vested and available for exercise	1,23,500	33,000
Unvested	14,100	2,27,000

## Vigil Mechanism / Whistle Blower Policy

Your Company's Vigil Mechanism provides a formal mechanism to the Directors and Employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of Directors and Employees who avail of the mechanism and also have provided them direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

During the year under review, no employee was denied access to the Audit Committee. During the Financial Year 2019-20, Company has received NIL complaint. Complaint received, if any has been disposed off after taking appropriate action and no complaint remain pending as on 31<sup>st</sup> March 2020. The Whistle Blower Policy as approved by the Board of Directors is available on the Company's website [www.wepsolutions.co.in](http://www.wepsolutions.co.in).

### **Prevention of Sexual Harassment of Women at Workplace**

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment of woman at workplace and to provide a platform for redressal of complaints and grievances against sexual harassment. During the Financial Year 2019-20, Company has not received any complaint on sexual harassment.

### **Research and Development**

WeP has dedicated Research & Development team focused on Retail, Printer and Application Specific Printer products solutions. WeP R&D has complete in-house facility for executing projects from concept to product involving various engineering domains like Electro Magnetics, Power Electronics, Thermal and Vibration. WeP with rich experience in design and development of mechatronics products has delivered 320 varieties of products. WeP design team has delivered products that deal 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'.

- a) Code of Conduct for Directors and Senior Management Personnel.
- b) Whistle Blower's Policy.
- c) Prevention of Sexual Harassment Policy.
- d) Related Party Transaction Policy.
- e) Compensation Policy.
- f) Risk Management Policy.
- g) Internal Code for Prevention of Insider Trading.
- h) Policy for Determining Material Subsidiaries.
- i) Policy for Determining Materiality of Event or Information.
- j) Policy for Preservation of Documents.
- k) Familiarization Program for Independent Director.

### **Particulars of Employees**

The information required pursuant to Section 197 of Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, shall be provided on request. The Company is not having any employee drawing remuneration exceeding the limits as specified under the Companies Act, 2013. The applicable disclosures as on 31<sup>st</sup> March 2020 pursuant to the provisions of Companies Act, 2013 is furnished in **Annexure VI** and is attached to this report.

## Depository System

The Company's shares are tradable compulsorily in electronic mode. In India there are two depositories i.e. National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL). To facilitate trading in DEMAT form; Company has established connectivity with both the depositories. Currently about 96.47% 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 2020-21 to the Bombay Stock Exchange Limited (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, and competency based training and development and talent management to support the current and future need of the organization. Your Directors take this opportunity to record their appreciation for the contribution of all employees of your company during the year.

## Industrial Relations

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

## Inspection of Document

Documents for inspection will be available from the circulation of the Notice of AGM upto the date of AGM. Members seeking to inspect such documents can send an email to [compliance.officer@wepsol.in](mailto:compliance.officer@wepsol.in). Members seeking any information with regard to the accounts or any matters to be placed at the AGM, are requested to write to the Company on or before 30<sup>th</sup> October 2020 through email at [compliance.officer@wepsol.in](mailto:compliance.officer@wepsol.in). The same will be replied by the Company suitably.

## Impact of Covid-19 Pandemic on Business:

Our operations were impacted during the lockdown period. The manufacturing operations were closed and the services operations were suspended. The company is facing a slowdown in the production and demand for its products and services which is expected to continue for another quarter. Except in the business of Managed printing services, there is no significant reduction in demand anticipated in the longer run.

The Manufacturing and services operations were non-operational for the period between 27<sup>th</sup> March 2020 till 6<sup>th</sup> May 2020. However, the company supported its customers providing essential services after obtaining necessary approvals. All our office staff have been able to connect and operate remotely.

The temporary closure of our manufacturing units, disruptions in supply chain and current operations at reduced capacity are likely to have financial impact for the FY 2020-21, the extent of which is not readily quantifiable now. The revenue of the company for the Q1 FY 21 is estimated to drop by approximately 50% vis a vis previous year. The Company is making every effort to mitigate this impact.

The Company does not foresee any significant impact in respect of its existing contracts and agreements where the non-fulfillment of obligations by any party would lead to any material financial claim.

## Impact of CoVID-19 on the Company's capital and financial resources:

- a. Capital and financial resources and other assets- Based on our current assessment, there is no significant impact on the Company's capital and financial resources and other assets of the Company.
- b. Liquidity - The Company is confident of managing its working capital requirement and ensuring adequate liquidity.

- c. Ability to service debt - Our Company has the ability to service its debts and financing obligations on time.
- d. Internal Financial Controls - The Company has robust ERP system in place and all its locations are well networked. Accordingly, all Internal Financial Controls and reporting systems are working seamlessly without disruption.
- e. Supply chain - Disruption of supply chain in respect of mobilizing the workforce and dispatch of orders was constrained. However, we expect improvement as the states and countries are continuously announcing relaxations and taking steps to improve trade and commerce.
- f. Demand - The demand for company's printing services may be impacted. For our other products and services, the demand is not expected to have any significant adverse impact in the longer term.

### **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 2019-20 and the Notice of 25<sup>th</sup> Annual General Meeting are sent to the members whose e-mail addresses are registered with Company / Depository Participant(s).

Ministry of Corporate Affairs ("MCA") vide General Circular No. 20/2020 dated 5<sup>th</sup> May 2020 provided Clarification on holding annual general meeting through Video Conferencing (VC) or other audio visual means (OAVM). Further it was mentioned that in view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Board's report, Auditor's report or other documents required to be attached therewith), such statements shall be sent only by email to the members and to all other persons so entitled.

### **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: 14<sup>th</sup> September, 2020**

**Place: Bengaluru**

**Ram N Agarwal**  
**Chairman and Managing Director**



## Annexure I

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

The statement giving the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required in terms of Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is given below and forms part of the Directors' Report.

Disclosure of Particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, as prescribed under Rule 8(3) of the Companies (Accounts) Rules, 2014.

#### 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:

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

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

- a) Cloud design patterns for asynchronous messaging, availability, resiliency and data consistency.
- b) Database design patterns Elastic pools, Partitioning and Data warehouse for large data processing.
- c) Design and development of custom pipeline for multi system integration.
- d) Design for dynamic scaling and highly available Infrastructure.
- e) Security Design for Application, Network, Storage, Compute and identity.
- f) Identity Management.
- g) Networking Topologies.
- h) Cloud Infrastructure Monitoring and Automation.
- i) Machine learning and Cognitive services API.
- j) Mobile Device Management.
- k) Android POS Application development.
- l) Mobile Application for Retail
- m) Design & Development of Printers and Retail Billing Solutions.
- n) Product Engineering Services for Application specific printers and electromechanical systems.
- o) Wi-Fi, Ethernet, GSM / GPRS for remote management of billing devices.
- p) Design & Development of ASIC / FPGA / SOC based systems.
- q) Design compliance for EMI-EMC, ROHS & Energy Star.

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

- a) API gateway platform release for enterprise application integration.
- b) Digital Platform release for GST Tax Compliance, Ewaybill and Document Management Solutions.
- c) Asynchronous Messaging platform for large data processing.
- d) Infrastructure Monitoring and Automation integration for dynamic scaling and security.
- e) First in India to launch POS connected device for GST compliance.
- f) POS product release with UPI, Wallets and Card payment modes.
- g) Retail Central Server and Client product solutions for multiple location chain shops
- h) Retail and F&B software release for Android OS
- i) Retail product variants design and development based on thermal and impact platform.
- j) Retail Solutions for Application specific requirements like Dairy society, Pharmacy and F&B.
- k) Application specific printers design and manufacturing for voting machine and Petrol dispenser Retail automation.
- l) Self-reliance in print head design and development for Dot Matrix Printers. All in-house captive requirements are met with our own Print Heads.
- m) High Speed printer release with Ethernet, Parallel and USB interfaces.

**c. Future Plan of action:**

- a) Expansion of digital products portfolio for tax compliance, E-way bill, E-invoicing, Document Management and payment solutions.
- b) Mobile device management platform applications.
- c) Enterprise and mobile application for connected devices.
- d) Expansion of Retail Products range and solutions with augmentation of features.
- e) Expansion of GPRS, Ethernet connectivity application devices.
- f) Retail Solutions for Billing machine and Smart phone connectivity.
- g) Retail Smart solutions for service application model.
- h) POS System development for Micro ATM and UID applications

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

- i. Efforts in brief made towards technology absorption, adaptation and innovation technology demonstrations in the following areas were made towards absorption, adoption and innovation.
  - a) Cloud design patterns for big data processing, Asynchronous messaging and data management.
  - b) API Gateway Platform.
  - c) Payment Solutions integration.
  - d) Applications for Connected device.
  - e) Ethernet, GSM / GPRS Communication for remote management of printers.
  - f) Thermal Printer technology absorption for retail applications.
  - g) Retail Product Solutions for F&B, Wholesale, Pharmacy and Dairy Societies
  - h) Embedded system optimization for easy configurability and usability of retail products.
    - i) Adoption of variability and tolerance analysis for high precision parts design.
    - ii) Benefit derived as a result of above efforts.

- ii. Inspired by trends and the consumers' latent desires, we are proactively re-fashioning our R&D outlook to deliver consumer sensitivity in our product design and development. We have a dedicated Research & development team focusing on Digital Platform for tax compliance, Document Management, E-way bill, Invoicing and Payment solutions, Retail product solutions and Application Specific Printers. R&D team is equipped to meet the challenging demands, dynamic change requirements for developing customer centric technical solutions to deliver our customer promise of "TECH FANTASY".
- iii. In case of imported technology (imported during the last five years reckoned from the beginning of the Financial year) following information be furnished: NA

### 3. Foreign Exchange Earnings and Outgo:

The Foreign Exchange earned in terms 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 2020	Year ended 31 <sup>st</sup> March 2019
Foreign Exchange Earnings	3,421.14	2,964.48
Foreign Exchange Outgo	1,46,665.40	1,01,773.20

## Annexure II

### Form MGT – 9

Extract of Annual Return as on the Financial Year ended on 31<sup>st</sup> March 2020

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

#### I. REGISTRATION AND OTHER DETAILS:

1	CIN	L72200KA1995PLC025617
2	Registration Date	1 <sup>st</sup> March 1995
3	Name of the Company	WeP Solutions Limited
4	Category/Sub – Category of the Company	<b>Category:</b> Company Limited by Shares <b>Sub-Category:</b> Indian Non – Government Company.
5	Address of the Registered Office and Contact details	<b>Address:</b> 40/1 – A, Basappa Complex, Lavelle Road, Bengaluru 560 001. Karnataka <b>Contact Details:</b> <b>a) Telephone:</b> 080 6611 2000 <b>b) Email:</b> <a href="mailto:investor@wepsol.in">investor@wepsol.in</a>
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 <b>Contact Details:</b> <b>a) Telephone:</b> 044 2846 0390 <b>b) Email:</b> <a href="mailto:investor@cameoindia.com">investor@cameoindia.com</a>

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

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

Sr. 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	30.55
2	Managed Printing and Document Services	3670	68.36

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

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

**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 (01.04.2019)				No of Shares held at the end of the year (31.03.2020)				% Change during the year
		DEMAT	Physical	Total	% of Total Shares	DEMAT	Physical	Total	% of Total Shares	
A	<b>Promoters</b>									
	<b>1 Indian</b>									
	a) Individual / HUF	3,467,149	0	3,467,149	13.54	2,435,107	0	2,435,107	9.25	-4.29
	b) Central Government	0	0	0		0	0	0		
	c) State Government(s)	0	0	0		0	0	0		
	d) Bodies Corporate	6,769,186	0	6,769,186	26.43	8,401,228	0	8,401,228	31.92	5.49
	e) Banks/FI	0	0	0		0	0	0		
	f) Others (specify)	0	0	0		0	0	0		
	<b>Sub-total (A) (1)</b>	<b>10,236,335</b>	<b>0</b>	<b>10,236,335</b>	<b>39.97</b>	<b>10,836,335</b>	<b>0</b>	<b>10,836,335</b>	<b>41.18</b>	<b>1.21</b>
	<b>2 Foreign</b>									
	a) NRI- Individuals	0	0	0	0	0	0	0	0	0.00
	b) Other - Individuals	0	0	0	0	0	0	0	0	0.00
	c) Bodies Corporates	0	0	0	0	0	0	0	0	0.00
	d) Banks/FI	0	0	0	0	0	0	0	0	0.00
	e) Any Other	0	0	0	0	0	0	0	0	0.00
	<b>Sub-total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter (A)= (A) (1)+(A)(2)</b>									
B	<b>Public Shareholding</b>									
	<b>1 Institutions</b>									
	a) Mutual Funds	0	0	0	0	0	0	0	0	0.00
	b) Banks/FI	0	0	0	0	0	0	0	0	0.00
	c) Central Government	0	0	0	0	0	0	0	0	0.00
	d) State Government(s)	0	0	0	0	0	0	0	0	0.00
	e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
	f) Insurance Companies	0	0	0	0	0	0	0	0	0.00
	g) FIs	0	0	0	0	0	0	0	0	0.00
	h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
	i) Others (specify)	0	0	0		0	0	0		
	<b>Sub-total (B) (1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>

Category of Shareholders	No of Shares held at the beginning of the year (01.04.2019)				No of Shares held at the end of the year (31.03.2020)				% Change during the year
	DEMAT	Physical	Total	% of Total Shares	DEMAT	Physical	Total	% of Total Shares	
<b>2 Non - Institutions</b>									
a) Bodies Corporate									
(i) Indian	2,553,857	40,000	2,593,857	10.13	2,448,663	40,000	2,488,663	9.46	-0.67
(ii) Overseas	0	0	0	0	0	0	0	0	0.00
b) Individuals									
(i) Individual Shareholders holding nominal share capital upto Rs. 1 Lakh	3,205,662	628,895	3,834,557	14.97	3,128,896	626,474	3,755,370	14.27	-0.70
(ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh	7,762,114	142,292	7,904,406	30.86	8,139,890	142,292	8,282,182	31.47	0.61
c) Others (specify)									
(i) Clearing Members	226	0	226	0.00	8,090	0	8,090	0.03	0.03
(ii) Hindu Undivided Families	267,522	100	267,622	1.05	261,360	100	261,460	0.99	-0.06
(iii) Non Resident Indians	652,086	120,082	772,168	3.02	564,089	120,082	684,171	2.60	-0.42
(iv) Trusts	0	101	101	0.00	0	101	101	0.00	0.00
<b>Sub-total (B) (2)</b>	<b>14,441,467</b>	<b>931,470</b>	<b>15,372,937</b>	<b>60.03</b>	<b>14,550,988</b>	<b>929,049</b>	<b>15,480,037</b>	<b>58.82</b>	<b>-1.21</b>
<b>Total Public Shareholding (B)= (B) (1)+(B)(2)</b>	<b>14,441,467</b>	<b>931,470</b>	<b>15,372,937</b>	<b>60.03</b>	<b>14,550,988</b>	<b>929,049</b>	<b>15,480,037</b>	<b>58.82</b>	<b>-1.21</b>
C 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>24,677,802</b>	<b>931,470</b>	<b>25,609,272</b>	<b>100.00</b>	<b>25,387,333</b>	<b>929,049</b>	<b>26,316,372</b>	<b>100.00</b>	<b>0.00</b>

**(ii) Promoters Shareholding:**

Sr. No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2019)			Shareholding at the end of the year (31.03.2020)			% Change in Shareholding during the year
		Number of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	Number of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	
1	RNAWEP Investments Private Limited	3,260,403	12.73	0.00	3,260,403	12.39	0.00	-0.34
2	WeP Peripherals Limited	2,458,319	9.60	0.00	4,090,361	15.54	0.00	5.94
3	wep solutions india limited	1,050,464	4.10	0.00	1,050,464	3.99	0.00	-0.11
4	Ram N Agarwal	3,005,056	11.73	0.00	1,973,014	7.50	0.00	-4.23
5	Sarita Agarwal	121,568	0.48	0.00	121,568	0.46	0.00	-0.02
6	Suman Jain	340,525	1.33	0.00	340,525	1.29	0.00	-0.04
	<b>Total</b>	<b>10,236,335</b>	<b>39.97</b>	<b>0.00</b>	<b>10,836,335</b>	<b>41.18</b>	<b>0.00</b>	<b>1.21</b>

\*Note: % of total shares of the Company under \*Shareholding at the end of the year is based on the Paid Up Capital as on 31<sup>st</sup> March 2020 i.e. 26,316,372



**(iii) Change in Promoters' Shareholding:**

Sr. No.	Particulars	Shareholding at the beginning of the year (01.04.2019)		Cumulative Shareholding during the year	
		Number of Shares	% of Total Shares of the Company	Number of Shares	% of Total Shares of the Company*
1	<b>RNAWEP Investments Private Limited</b>				
	At the beginning of the year	3,260,403	12.73	3,260,403	12.39
	<b>At the end of the year</b>			<b>3,260,403</b>	<b>12.39</b>
2	<b>WeP Peripherals Limited</b>				
	At the beginning of the year	2,458,319	9.60	2,458,319	9.60
	Conversion of Warrants to Equity - May 2019	600,000	2.08	3,058,319	11.68
	Purchased on 19 <sup>th</sup> March 2020	1,032,042	3.86	4,090,361	15.54
	<b>At the end of the year</b>			<b>4,090,361</b>	<b>15.54</b>
3	<b>wep solutions india limited</b>				
	At the beginning of the year	1,050,464	4.10	1,050,464	3.99
	<b>At the end of the year</b>			<b>1,050,464</b>	<b>3.99</b>
4	<b>Ram N Agarwal</b>				
	At the beginning of the year	3,005,056	11.73	3,005,056	11.73
	Sold on 19 <sup>th</sup> March 2020	-1,032,042	-4.23	1,973,014	7.50
	<b>At the end of the year</b>			<b>1,973,014</b>	<b>7.50</b>
5	<b>Sarita Agarwal</b>				
	At the beginning of the year	121,568	0.48	121,568	0.46
	<b>At the end of the year</b>			<b>121,568</b>	<b>0.46</b>
6	<b>Suman Jain</b>				
	At the beginning of the year	340,525	1.33	340,525	1.29
	<b>At the end of the year</b>			<b>340,525</b>	<b>1.29</b>

\*Note: % of total shares of the Company under Shareholding at the end of the year is based on the Paid Up Capital as on 31<sup>st</sup> March 2020 i.e. 26,316,372

**(iv) Shareholding Pattern of top ten Shareholders:**

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

Sr. No.	Particulars	Shareholding at the beginning of the year (01.04.2019)		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	7.17	1,836,000	6.98
	<b>At the end of the year</b>			<b>1,836,000</b>	<b>6.98</b>
2	<b>Sharad Kanayalal Shah</b>				
	At the beginning of the year	1,433,285	5.60	1,433,285	5.60
	Purchased 30-Aug-2019	7,110	0.03	1,440,395	5.63

Sr. No.	Particulars	Shareholding at the beginning of the year (01.04.2019)		Cumulative Shareholding during the year	
		Number of Shares	% of Total Shares of the Company	Number of Shares	% of Total Shares of the Company*
	Purchased 06-Sep-2019	901	0.00	1,441,296	5.48
	Purchased 20-Sep-2019	2,565	0.01	1,443,861	5.49
	Purchased 08-Nov-2019	1,367	0.01	1,445,228	5.49
	Purchased 27-Dec-2019	53,081	0.20	1,498,309	5.69
	Purchased 31-Dec-2019	4,050	0.02	1,502,359	5.71
	<b>At the end of the year</b>			<b>1,502,359</b>	<b>5.71</b>
3	<b>Dipak Kanayalal Shah</b>	1,017,250	3.97	1,017,250	3.97
	Purchased 12-Jul-2019	14,916	0.057	1,032,666	3.92
	Purchased 26-Jul-2019	2,000	0.01	1,034,666	3.93
	Purchased 09-Aug-2019	7,175	0.03	1,041,841	3.96
	Purchased 27-Sep-2019	159	0.00	1,042,000	3.96
	Sale 18-Oct-2019	-142,000	0.54	900,000	3.42
	Purchased 01-Nov-2019	26,800	0.10	926,800	3.52
	Purchased 22-Nov-2019	746	0.0	927,546	3.52
	Purchased 29-Nov-2019	1,200	0.00	928,746	3.52
	Purchased 06-Dec-2019	18,500	0.07	947,246	3.60
	Purchased 13-Dec-2019	1,800	0.00	949,046	3.61
	Purchased 20-Dec-2019	1,000	0.00	950,046	3.61
	Purchased 27-Dec-2019	10,954	0.04	961,000	3.65
	Purchased 31-Jan-2020	51,908	0.20	1,012,908	3.84
	Purchased 14-Feb-2020	92	0.00	1,013,000	3.84
	Purchased 28-Feb-2020	7	0.00	1,013,007	3.84
	Purchased 13-Mar-2020	1,500	0.00	1,014,507	3.85
	Purchased 20-Mar-2020	3,410	0.01	1,017,917	3.86
	<b>At the end of the year</b>			<b>1,017,917</b>	<b>3.87</b>
4	<b>Rakesh M Bohra</b>				
	At the beginning of the year	337,305	1.32	337,305	1.28
	<b>At the end of the year</b>			<b>337,305</b>	<b>1.28</b>
5	<b>Deepak A Chari</b>				
	At the beginning of the year	292,898	1.14	292,898	1.11
	<b>At the end of the year</b>			<b>292,898</b>	<b>1.11</b>
6	<b>Jigna Kanayalal Shah</b>				
	At the beginning of the year	284,540	1.11	284,540	1.08
	<b>At the end of the year</b>			<b>284,540</b>	<b>1.08</b>
7	<b>Sattva Developers Pvt Ltd</b>				
	At the beginning of the year	221,774	0.87	221,774	0.84
	<b>At the end of the year</b>			<b>221,774</b>	<b>0.84</b>

Sr. No.	Particulars	Shareholding at the beginning of the year (01.04.2019)		Cumulative Shareholding during the year	
		Number of Shares	% of Total Shares of the Company	Number of Shares	% of Total Shares of the Company*
8	<b>Kewal Kumar Vohra</b>				
	At the beginning of the year	215,426	0.84	215,426	0.84
	Purchase 07-Jun-2019	2,750	0.01	218,176	0.85
	<b>At the end of the year</b>			<b>218,176</b>	<b>0.85</b>
9	<b>P K Gopalkrishnan</b>				
	At the beginning of the year	189,260	0.74	189,260	0.72
	<b>At the end of the year</b>			<b>189,260</b>	<b>0.72</b>
10	<b>Sridhar Mitta</b>				
	At the beginning of the year	158,897	0.62	158,897	0.61
	<b>At the end of the year</b>			<b>158,897</b>	<b>0.61</b>

## (v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Particulars	Shareholding at the beginning of the year (01.04.2019)		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>Ram N Agarwal - Chairman and Managing Director</b>				
	At the beginning of the year	3,005,056	11.73	3,005,056	11.73
	Sold on 19 <sup>th</sup> March 2020	-1,032,042	-4.23	1,973,014	7.50
	<b>At the end of the year</b>			<b>1,973,014</b>	<b>7.50</b>
2	<b>Shankar Jaganathan - Independent Director</b>				
	At the beginning of the year	2,228	0.01	2,228	0.01
	<b>At the end of the year</b>			<b>2,228</b>	<b>0.01</b>
3	<b>Mythily Ramesh - Independent Director</b>				
	At the beginning of the year	14,040	0.06	14,040	0.05
	<b>At the end of the year</b>			<b>14,040</b>	<b>0.05</b>
4	<b>Dr. A L Rao - Non Executive Director</b>				
	At the beginning of the year	385,542	1.53	385,542	1.53
	<b>At the end of the year</b>			<b>385,542</b>	<b>1.47</b>
5	<b>Sandeep Kumar Goyal - Chief Financial Officer (KMP)</b>				
	At the beginning of the year	74,028	0.29	74,028	0.29
	ESOP Allotment on 9 <sup>th</sup> November 2019	22,500	0.09	96,528	0.38
	<b>At the end of the year</b>			<b>96,528</b>	<b>0.38</b>

Sr. No.	Particulars	Shareholding at the beginning of the year (01.04.2019)		Cumulative Shareholding during the year	
		Number of Shares	% of Total Shares of the Company	Number of Shares	% of Total Shares of the Company*
6	<b>Sujata Pratik Shaha – Company Secretary (KMP)</b>				
	At the beginning of the year	4,200	0.02	4,200	0.02
	<b>At the end of the year</b>			<b>4,200</b>	<b>0.02</b>

Note:

- \*% of total shares of the Company under Shareholding at the end of the year is based on the Paid Up Capital as on 31<sup>st</sup> March 2020 i.e. 26,316,372
- The following Directors / Key Managerial Personnel (KMP) did not hold any Share during the Financial Year 2019-20.  
*H V Gowthama - Independent Director*  
*Sudhir Prakash - Independent Director (Resigned w.e.f 21<sup>st</sup> August 2019)*

**(vi) Indebtness:**

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial Year</b>				
i) Principal Amount	88,941,114	Nil	Nil	88,941,114
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>88,941,114</b>	<b>Nil</b>	<b>Nil</b>	<b>88,941,114</b>
Change in indebtedness during the Financial Year				
Addition	23,914,006	Nil	Nil	23,914,006
Reduction	Nil	Nil	Nil	Nil
<b>Net Change</b>	<b>23,914,006</b>	<b>Nil</b>	<b>Nil</b>	<b>23,914,006</b>
<b>Indebtedness at the end of the Financial Year</b>				
i) Principal Amount	112,855,120	Nil	Nil	112,855,120
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil

**(vii) 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 Rs.)*

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

**B. Remuneration to Other Director**

Sr. No.	Particulars of Remuneration	H V Gowthama	Sudhir Prakash@	Shankar Jaganathan	Mythily Ramesh	G H Visweswara	Dr. A L Rao	Total Amount (Rs.)
1	Fees for attending Board / Committee Meetings	1,30,000	-	1,40,000	1,20,000	1,60,000	1,20,000	6,70,000
2	Commission	-	-	-	-	-	-	-
3	Others (specify)	-	-	-	-	-	-	-
	<b>Total</b>	<b>1,30,000</b>	<b>-</b>	<b>1,40,000</b>	<b>1,20,000</b>	<b>1,60,000</b>	<b>1,20,000</b>	<b>6,70,000</b>

*Note: @ Cessation w.e.f 21<sup>st</sup> August 2019***C. Remuneration to Key Managerial Personnel other than Managing Director / Manager / Whole Time Director***(in Lacs.)*

Sr. No.	Particulars of Remuneration		Key Managerial Personnel	
			Sandeep Kumar Goyal	Sujata Pratik Shaha
			Chief Financial Officer	Company Secretary
1		Gross Salary		
	a	Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	48.22	7.89
	b	Value of perquisites u/s 17(2) of the Income - Tax Act, 1961	1.30	-
	c	Profit in lieu of Salary u/s 17(3) of the Income - Tax Act, 1961	-	-



Sr. No.	Particulars of Remuneration		Key Managerial Personnel	
			Sandeep Kumar Goyal	Sujata Pratik Shaha
			Chief Financial Officer	Company Secretary
2		Stock Option (Granted during the year)	50,000 Equity Shares	-
3		Sweat Equity	-	-
4		Commission		
	a	As a % of Profit	-	-
	b	Others, specify	-	-
5		Others, specify	-	-

**(viii) Penalties/Punishment/Compounding of Offences:**

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

**Annexure III****FORM AOC – 1**

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

Statement containing salient features of the financial statement of Subsidiaries / Associate Companies / Joint ventures

**Part “A”: Subsidiaries**

1	Name of the Subsidiary	WeP Digital Services Limited (Formerly known as M/s. eRM Solutions Private Limited)
2	Reporting period for the Subsidiary concerned, if different from the holding Company's reporting period	1 <sup>st</sup> April to 31 <sup>st</sup> March
3	Reporting Currency and Exchange rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries	INR
4	Share Capital	78,100,000
5	Reserves & Surplus	(85,650,975)
6	Total Assets	12,207,340
7	Total Liabilities	12,207,340
8	Investments	Nil
9	Turnover	28,155,451
10	Profit / Loss before Taxation	(9,241,012)
11	Provision for taxation	(12,418,233)
12	Profit / Loss after Taxation	(21,727,117)
13	Proposed Dividend	Nil
14	% of shareholding	100%

**Part “B”: Associates and Joint Ventures**

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

1	Name of Associates / Joint Ventures	Not Applicable
2	Latest audited Balance Sheet Date	Not Applicable
3	Shares of Associate / Joint Ventures held by the company on the year end	Not Applicable
	Number of Shares	Not Applicable
	Amount of Investment in Associates/Joint Venture	Not Applicable
	Extend of Holding %	Not Applicable
4	Description of how there is significant influence	Not Applicable
5	Reason why the associate/joint venture is not consolidated	Not Applicable
6	Net worth 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

**Sandeep Kumar Goyal**  
Chief Financial Officer

**Sujata Pratik Shaha**  
Company Secretary

Place: Bengaluru  
Date: 14<sup>th</sup> September 2020

## Annexure IV

### Secretarial Audit Report

#### Form MR 3

For the financial year ended 31<sup>st</sup> March 2020

[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") for the period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020. 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.

It is pertinent to note here that in view of the Covid-19 situation and prevailing lockdown, it was not possible for the undersigned to visit the office of **WeP Solutions Limited** for physical verification of the documents, records, registers, minutes and such other related testimonials. In most of the cases, the Company officials had made arrangements to provide scanned copies of the desired documents and records. Hence, the Secretarial Audit could be conducted only based on the scanned documents provided and on the oral / verbal and electronic exchange of information by the officials of the Company. We were also largely dependent on the documents filed on line with BSE Limited, the Stock Exchange with which the shares of the company are listed and also the filings made with the Ministry of Corporate Affairs and the Registrar of Companies, Karnataka.

Based on my verification of the documents provided by the company as stated above and also the information provided by the Company and its officers during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the scanned documents and other records provided by the Company for the financial year ended on 31<sup>st</sup> March 2020 according to the provisions of:

1. The Companies Act, 2013, (the Act) and the Rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) as amended up to the date of audit:
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2018;
  - 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, 2018;
  - 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, 2018;
6. The Company has identified the following laws as applicable to them:
- i. Employees Provident Fund and Miscellaneous Provisions Act, 1952
  - ii. Employees State Insurance Act, 1948
  - iii. Environment Protection Act, 1986 and other applicable environmental laws
  - iv. Indian Contract Act, 1872
  - v. Income Tax Act, 1961 and other related laws
  - vi. Payment of Bonus Act, 1965
  - vii. Payment of Gratuity Act, 1972 and such other applicable labour laws.
  - viii. The Information Technology Act, 2000
  - ix. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
  - x. The Central Goods and Service Tax Act, 2017, IGST and relevant State GST Acts

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

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

The company has listed its securities with Bombay Stock Exchange (BSE) and the shares of the company are traded regularly.

During the period under the review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as 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, if any.
- 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 period under review, The Board of Directors of the Company had approved the Merger of the wholly owned subsidiary company i.e., WeP Digital Services Limited with the Company. Subsequent to the period under review, an application is filed before the Regional Director, Hyderabad for approval of the Scheme of Merger. The same is pending for disposal.
- vii) During the audit period there were no Public / Rights issue of shares / debentures / sweat equity by the Company.
- viii) During the audit period the Company has issued 1,07,100 Equity Sharesequity shares under the ESOP Scheme and the same are listed in BSE.

- ix) During the audit period, there were no instances of:
- Redemption buy back of securities
  - Merger / amalgamation / reconstruction etc.,
  - Foreign technical collaborations.

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

**For S KANNAN AND ASSOCIATES**

**S Kannan**  
**Company Secretary**  
**FCS No. 6261 / C P No.: 13016**  
**Firm No. S2017KR473100**  
**UDIN No. F006261B000624001**

**Place: Bengaluru**

**Date: 27<sup>th</sup> August, 2020**

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#### **Annexure A**

**To,**  
**The Members,**  
**WeP Solutions Limited,**  
**40/1A, Basappa Complex, Lavelle Road, Bangalore 560 001**

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

- Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on our audit.
- We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
- We further report that, based on the information provided by the Company its officers, authorised representatives during the conduct of the audit, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like Labour laws & Environment Laws and Data Protection policy.
- We further report that the Compliance by the Company of applicable financial laws like Direct & Indirect Tax Laws, the correctness and appropriateness of financial records and Books of Accounts of the Company have not been reviewed in this audit since the same has been subject to review by the Statutory Financial Audit and other designated professionals.

**For S KANNAN AND ASSOCIATES**

**S Kannan**  
**Company Secretary**  
**FCS No. 6261 / C P No.: 13016**  
**Firm No. S2017KR473100**  
**UDIN No. F006261B000624001**

**Place: Bengaluru**

**Date: 27<sup>th</sup> August, 2020**



**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	<b>WeP Peripherals Limited</b>	<b>WeP Digital Services Limited</b> (Formerly known as eRM Solutions Private Limited)
2	Nature of Relationship	Promoter Company	Subsidiary Company
3	Nature of contract /arrangements / transactions	Purchase and Sale of Goods and Services.	1. Purchase and Sale of Goods. 2. Interest received on Loan
4	Duration of the contracts / arrangements / transactions	1 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2020	1 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2020
5	Salient terms of the contracts / arrangement / transactions including the value, if any	a. Purchase of Goods and Services (excluding taxes) – Rs. 29,38,840/-	a. Purchase of Goods and Services – Nil b. Sale of Goods and Services – Rs. 1,590,860/- c. Interest received on Loan (Gross of TDS) - Rs. 458,731/- d. Investment made - Rs. 11,250,747/-
6	Justification for entering into such contracts or arrangements or transactions	Sale and Purchases of Goods and Services.	1. Purchase and Sale of Goods. 2. Interest received on Loan
7	Date of approval by the Board, if any	25 <sup>th</sup> May 2019	25 <sup>th</sup> May 2019
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**

Date: 14<sup>th</sup> September 2020  
Place: Bengaluru

**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 2019-20**

Name of Director	Title	Ratio of Median Remuneration
Ram N Agarwal	Chairman and Managing Director	Nil
H V Gowthama	Independent Director	0.29
Sudhir Prakash*	Independent Director	Nil
Shankar Jaganathan	Independent Director	0.31
Mythily Ramesh	Independent Director	0.27
G H Visweswara	Independent Director	0.36
Dr. A L Rao	Non – Executive Director	0.27

\*Resigned w.e.f. 21<sup>st</sup> August 2019

**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 2019-20:**

Name of Director	Title	Ratio of Median 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
G H Visweswara	Independent Director	Not Applicable
Dr. A L Rao	Non – Executive Director	Not Applicable
Sandeep Kumar Goyal	Chief Financial Officer	5%
Sujata Pratik Shaha	Company Secretary	21%

\*Resigned w.e.f. 21<sup>st</sup> August 2019

**c. The percentage increase in the median remuneration of employees in the Financial Year 2019-20: 8.4%**

**d. The number of permanent employees on the rolls of company in the Financial Year 2019-20: 133.**

**e. The explanation on the relationship between average increase in remuneration and company performance:**

On an average, employees received an increase of 9.1%. The average increase was low keeping inline the performance of the Company.

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 2019-20 (aggregated)	64.11
Revenue from Operations	6,565.27
Remuneration (as % of Revenue)	0.98
Profit Before Tax (PBT)	6.48
Remuneration (as % of PBT)	989.14

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

Particulars	Unit	As on 31 <sup>st</sup> March 2020	As on 31 <sup>st</sup> March 2019	Variation
Closing rate of Shares at Bombay Stock Exchange (BSE)	Rs.	14.90	21.70	-31.34
EPS (Consolidated)	Rs.	-0.81	-1.23	-34.44
Market Capitalization	Rs.	3,921.14	5,557.21	-29.44
Price Earning Ratio	Ratio	NA	NA	NA

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

The average increase in Salaries of employees other than Managerial Personnel in 2019-20 was 9.1%. There was no increase in the Managerial Remuneration during the year.

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

(₹ in lakhs)

Particulars	Managing Director	Chief Financial Officer	Company Secretary
Remuneration	Nil	49.52	7.89
Revenue	6,565.27	6,565.27	6,565.27
Remuneration (as % of revenue)	Nil	0.75	0.12
Profit Before Tax (PBT)	6.48	6.48	6.48
Remuneration (as % of PBT)	Nil	764.15	121.76

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

During 2019-20 Indian economy witnessed its lowest ever growth rate of 4.2% in a decade as against 6.1% in FY 2018-19. While the full year growth rate was 4.2%, it is noteworthy that the growth rate in Q4 FY 20 was just 3.1%, showing significant drop in growth rate sequentially. Manufacturing sector was again an area of concern with a contraction of 1.4%.

#### Outlook

The bad news on economic activity front in FY 20 got worse with the Covid-19 pandemic striking both India and across world in March 2020. Already the Investment activity and exports were in weak zone in addition to the fall in consumption driven demand. With private expenditure dwindling due to the lockdowns and labour migration issues, investment impacted negatively due to fall in consumption demand and worsening of the already stressed corporate balance sheets, there is high amount of uncertainty. There are estimates that Indian economy might for the first time in decades, see a GDP contraction for the full year. Banks are staring at record NPA's making them risk averse and thereby restricting the flow of credit to the industry and particularly the MSME sector.

### 2. Business & Industry Overview

WeP is primarily a Enterprise Services provider coupled with strong manufacturing capability of retail products and solutions. It has a strong Enterprise customer base, ranging from the MSME sector to the very large enterprise groups in the country. It also has a strong channel network for its products and services. As part of its Enterprise Services it provides Digital Services and Managed Printing Services to its customers. During the FY 2019-20, WeP has also signed up as a Distributor for Ricoh Products and Solutions in the Indian Market.

#### Managed Printing Solutions

The Office printing landscape has been evolving over the past several years. Corporates are looking for efficiency in every aspect of their operations and activity and printing is no exception to this. There is a need for corporates to both reduce costs and streamline the printing activity which consumes a significant part of their IT support maintenance efforts. Corporates no longer want a printing partner but a total printing solution expert for their offices. There is also a conscious effort in the last few years by the corporates to "reduce" printing and opt for digitizing processes.

WeP MPS helps enterprises to optimize their print infrastructure and with the latest technological tools also help them to reduce wastage thereby reducing printing. Over the last few years there is an increased adoption of MPS services by corporates, both large and small, given the significant benefits it offers. The trend is far more encouraging in public sector enterprises which is one of the largest printing segment but have adopted MPS very late.



### **Digital Services**

WeP digital is focused on providing enterprise customers a whole set of services which can provide efficiency in every aspect of their operations. It is working with customers to digitize their every internal and external process. While the customer has standalone options for each process, WeP Digital is focused on being a one stop shop as a Total Digital Solutions provider. The space provides enough scope for a Digital Services provider right from the digitization of records, record management, Process workflow automation, integration of processes, payment solutions, compliance management solution, tax filing etc. The list of opportunities is endless and there is an urgent need for a comprehensive digital solutions provider and WeP Digital is poised to fill in this void.

### **Retail Solutions & Printers business**

The traditional retail business model in India has been the local kirana and general store, small restaurants, bakery etc. This “unorganized” retail network is the bloodline of the Indian Retail. Their reach and personal direct contact factor is irreplaceable. Technology is only making them more efficient and it is imperative that sooner than later, the entire network will adopt technology. WeP’s endeavor has been to become a partner of these unorganized players by digitizing their supply chain, billing, payments through its retail products and services. This sector not only generates employment in both rural and urban areas, but also creates self-employment opportunities. Once they adopt technology, the vast network and deep penetration this segment has, will be a game changer for last mile delivery of services of any nature both for public and private enterprises. WeP has products and services perfectly suited for making this happen.

In addition to the retail products, WeP in FY 20, signed up as a distributor for Ricoh Products and Solutions in India. Ricoh is a global enterprise with USD 18 Billion in revenues and has a strong customer base in India. This relationship is bound to add to WeP’s revenues and profitability in the coming years.

## **3. Financial Performance**

### **Revenue**

Your company has three revenue streams; Managed Printing Solutions (MPS) Service business, Digital Services business and the Manufacturing, Design and Distribution of Computer Peripherals business (Printers business).

The MPS services revenue dipped from Rs. 438 Mn. in FY 19 to Rs. 422 Mn. in FY 20. Revenue in the Printers business dipped to Rs. 201 mn. in FY 20 from Rs. 276 Mn. in FY 19. The Printers business has the Retail Billing Printers and the traditional Dot Matrix printer business. The Digital services revenue for FY 20 was Rs. 34 Mn. as against Rs. 32 Mn. in FY 19. Though the revenues from Digital business were not in line with expectations, WeP Digital now has a strong base of customers. The business is focused on providing GST services and Document management solutions enterprise customers. A major portion of the business is operated through the wholly owned subsidiary WeP Digital Services Limited. The GST business was impacted due to continued relaxations in the tax regime and frequent changes due to which the customers have postponed their decision to opt for a technology-based compliance solution.

### **Operating Profit**

During the year the Consolidated Earnings before Interest, Depreciation and Tax (EBITDA) of the company significantly improved from Rs. 89 Mn. in FY 19 to Rs. 134 Mn. in FY 20. The EBIT also substantially improved from Rs. (21.5) Mn. in FY 19 to Rs. 4.8 Mn. in FY 20. The Digital business was the main reason for the drastic improvement in the profitability for the FY 20. It reduced its losses from Rs. 43 Mn. in FY 19 to Rs. 11 Mn. in FY 20. MPS business continued to be profitable with Rs. 20 Mn. EBIT while the Printers business losses were increased slightly on account of dip in revenue. The cost structure alignment initiatives taken by the company ensured that the dip in revenues did not impact significantly on the profitability of the business. Its EBIT for FY 20 was Rs. (4.5) Mn. vs Rs. (0.1) Mn in FY 19.

With the improved profitability of the Digital business and the cost realignment initiatives undertaken, the company is confident that the investments made will result in much improved performance in the coming years.

### Net Working Capital

The MPS operations are working capital intensive as it has to maintain supplies of spare parts and consumables across India for meeting customer service commitments. Further, since the customers are usually large corporates, public sector banks etc, there are receivables for the products supplied and services rendered. The company signed up for Ricoh products in Q4 FY 20 and has procured finished goods for sale in Indian market. This has resulted in an increase in Inventory as at the year end. The overall working capital cycle slightly increased from 106 days in FY 19 to 132 days in FY 20. While the receivables days increased from 61 days to 73 days, there was an increase in yearend inventory for devices which increased the inventory days from 151 days in FY 19 to 182 days in FY 20. The Net Operating Cash flows in FY 20 improved to Rs. 91.8 Mn. as against Rs. 64.4 Mn. in FY 19.

	FY 2019-20	FY 2019-19
Debtors Turnover Ratio	5.10	5.93
Inventory Turnover Ratio (On cost of goods sold)	2.04	3.05
Interest Coverage Ratio	0.38	(2.21)
Current Ratio	1.32	1.23
Debt Equity Ratio	0.28	0.21
Operating Margin Ratio	0.7%	-2.8%
Net Profit Margin Ratio	-3.1%	-4.1%
Return on new worth	-5.1%	-7.2%

#### Notes:

- Interest Coverage ratio has improved due to better profitability during the year*
- The Profit related ratios viz, Operating Margin, Net Profit Margin and Return on Networth have improved due to reduction in loss during the year*
- The Current Ratio improved on account of higher inventory and receivables and better operating cash flows for the year.*

#### 4. COVID-19 Impact

COVID-19 started spreading world wide and in India during the period Jan to March 2020. On March 11, 2020, the World Health Organisation (WHO) characterized Covid-19 it as a pandemic.

Effective March 24, 2020, a country wide lockdown was enforced by the Government as its response to curtail the spread of Covid-19 in India. WeP as a company immediately activated its business continuity plan and took measures to both safeguard the interests of the company, employees and customers. Most of our employees were quickly asked to work from home. We continued to support our customers who are in the business of providing essential services during this period of lockdown to the extent permissible and possible. We also reached out to our customers and informed them about the measures that we have taken.

However, the impact on the industry and economy overall in India could be massive. The continued spread of the Covid-19 could adversely affect workforces, supply chain, customers, economies and financial markets globally, potentially leading to a heavy economic slowdown.

The impact of this could be that the customers spend on IT and IT related services can see a potential drop and every enterprise will be under pressure to reduce investments in capex and reduce operating expenses. The increased adoption of Work from Home for employees, can significantly impact the printing demand in the short run if not also in long run. The increased travel restrictions, supply chain constraints, pricing pressures, cash flow cycle disruptions can cause financial difficulties for our customers.

The potential impact to our results going forward will depend to a large extent on future developments regarding Covid-19 that cannot be accurately predicted at this time. While the company focusses on ensuring that our customers are serviced on time and regularly and safety of its employees is paramount, one thing is certain and it is that during this time, the company has to realign the strategy of each of its business lines and optimize/review every cost element.

#### **5. 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 IFC framework devised by the company have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, safeguarding Company's assets, promoting operational efficiencies and ensuring compliance with various statutory provisions.

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

#### **6. Human resource development / Industrial relations**

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

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

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

#### **SWOT ANALYSIS**

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

##### **Strengths:**

1. Large base on Enterprise Customers using the Managed Printing Solutions and services.
2. Direct relationship with major OEM like Ricoh, a global enterprise, that can add to its MPS and Digital services and solutions offerings.
3. Comprehensive Digital Services Provider with variety of Digital Solutions like GST Services, Document Management Solutionsetc
4. Ability to develop customized printing and billing solutions for various applications both on device and non-device based platforms.
5. Scalable infrastructure with pan India presence, wide geographical reach and strong operational expertise.
6. Long standing relationships with Customers and Technology partners.

##### **Weaknesses:**

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

**Opportunities:**

1. Cross selling of Digital services in large base of Enterprise Customers of MPS.
2. Established customers and market for Ricoh products and solutions in India.
3. Uniquely positioned to provide one stop source of Digital Services.
4. Changes in regulatory and economic environment fuelling the need for printing and document management solutions.
5. Increasing number of customers looking for expert partners to manage their non-core needs vis a vis their core business.

**Threats**

1. Increased adoption of Work from Home for offices due to the current pandemic situation can impact office printing.
2. Constant regulatory changes in the GST landscape can impact the potential of the Digital business.
3. Assets under deployment in MPS business are reaching their cycle of replacement, thereby creating a pressure on the Investment plans of the company.
4. Significant revenues of the company are from the Banking, Financial Service and Insurance(BFSI) Segments. Any direct or indirect impact on the BFSI industry can impact the revenues of the company.
5. As the company is largely dependent on imports for its supply of printers, consumables and spares, rupee depreciation impacts the margin of the company significantly.

**Risk Management Process**

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

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

**Revenue Concentration**

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

**Mitigants**

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

**Inventory Obsolescence Risk**

The company needs to maintain printers for a period of more than 48 months. These models are constantly upgraded by the principal suppliers. However the company needs to maintain adequate stocks of spares and toners at all its

customer locations in order to meet the customer requirements. These spares may or may not be used. This leads to a risk of us maintaining obsolete stocks. At times we are required to maintain inventory for demo equipments, replacement for repairs and normal distribution stocks. Your company faces the risk of obsolescence in the event of not being able to sell or deploy the above stocks.

**Mitigants:**

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

**Industry Risk:**

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

**Mitigants:**

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

**Foreign Exchange Risks:**

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

**Mitigants:**

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

**System Risks**

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

**Mitigants:**

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

## Report On Corporate Governance

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

### Company's Philosophy on Corporate Governance

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

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

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

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

### Board of Directors

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

### Composition of the Board as on 31<sup>st</sup> March 2020

As on 31<sup>st</sup> March 2020 the Board consists of Six Directors. Besides the Chairman and Managing Director, the Board comprises of four Independent Directors including one Woman Independent Director, one Non-Executive Director. The composition of the Board as on 31<sup>st</sup> March 2020 is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended as well as the Companies Act, 2013 read with the Rules issued thereunder. This appropriate composition of the Board of Directors enables in maintaining the Independence of the Board and separates its functions of governance and management. Detailed profile of each Director is available on the website of the Company at [www.wepsolutions.co.in](http://www.wepsolutions.co.in) in the 'Investor Corner' section.

### Composition of the Committees as on 31<sup>st</sup> March 2020

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 as amended. These committees hold meetings at such frequency as is deemed necessary by them to effectively undertake and deliver upon the responsibilities and tasks assigned to them.

As on 31<sup>st</sup> March 2020, the Company has four Board Level Committees viz., Audit Committee, Nomination and Compensation Committee, Risk Management Committee, and Shareholders / Investors' Grievance cum Share Transfer Committee.

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



## Number of Meetings

### a. Board Meeting:

During the Financial Year 2019-20, Four Meetings of the Board of Directors were held on 25<sup>th</sup> May 2019, 10<sup>th</sup> August 2019, 9<sup>th</sup> November 2019 and 13<sup>th</sup> February 2020 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 as amended. 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. The agenda papers along with notes and other supporting(s) were circulated in advance of the Board Meeting with sufficient information.

### b. Annual General Meeting:

The last Annual General Meeting (AGM) of the Company was held on 26<sup>th</sup> September 2019, Six Directors including the Chairman of the Audit Committee and Statutory Auditor - Vinay D Balse attended the 24<sup>th</sup> Annual General Meeting held on 26<sup>th</sup> September 2019,

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

As mandated by Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, none of the Director is a member of more than ten Board level committees or Chairman of more than five committees across all companies in which he is a Director. Composition of the Board of Directors of the Company and other Directorship(s) / Committee Membership(s) / Chairmanship(s) as on 31<sup>st</sup> March 2020 and number of meetings held during their tenure and attended by them is as mentioned below:

**The attendance of Directors at the Board Meetings held during the year ended March 31, 2020 and at the last Annual General Meeting and the Directorship, Chairmanship and Membership in Committees of the Directors in other companies as on March 31, 2020:**

Name of the Director	Category	No of Board Meetings during the year		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	3	0	5
H V Gowthama	Independent Director	4	4	Yes	-	1	1
Sudhir Prakash*	Independent Director	1	0	Not Applicable	1	-	9
Shankar Jaganathan	Independent Director	4	4	Yes	1	1	3
Mythily Ramesh	Independent Director	4	4	Yes	1	1	2
Dr. A L Rao	Non-Executive Director	4	4	Yes	2	-	7
G H Visweswara	Independent Director	4	4	Yes	2	1	1

Note: 1. Video / Tele-conferencing facilities are used for the Board Meetings.  
2. Sudhir Prakash Independent Director resigned from the Board w.e.f 21<sup>st</sup> August 2019.

Every Director has personally attended at least one Board / Committee of Directors' Meeting in the Financial Year 2019-20.

Certificates have also been obtained from the Independent Directors confirming their position as Independent Directors on the Board of the Company in accordance with Section 149 of the Companies Act, 2013 read with Regulations 16(1)(b) and 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

### **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 as amended 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 as amended and on the recommendations of the Nomination and Compensation Committee, the Board of Directors have put in place a process to formally evaluate the effectiveness of the Board, its Committees along with the performance evaluation of each Director to be carried out on an annual basis. Accordingly, the Annual Performance Evaluation of the Board, its Committee and each Director was carried out for the Financial Year 2019-20.

### **Selection / Appointment of Directors**

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

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

### **Independent Directors**

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

### **Tenure of Independent Director**

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

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

In line with requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended, 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 as amended, 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 as amended, following matters were, inter-alia, discussed in the meeting:

- a) Performance Evaluation of Non-Independent Directors and Board as a whole against a set of pre-defined norms.
- b) Performance Evaluation of the Chairperson of the Company against the objectives set at the beginning of the year.
- c) 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 as amended, 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).

### **Materially significant Related Party Transaction:**

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

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

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

### **Committees of the Board**

As on 31<sup>st</sup> March 2020, 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 as amended, 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:

The Board committees are set up to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. Minutes of proceedings of committee meetings are circulated to the directors and placed before Board meetings for noting. The Board has currently established the following Committees:

#### **A. 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 as amended.

#### **Composition of the Committee**

As on 31<sup>st</sup> March 2020, the Audit Committee comprises of Four Directors. Chairman of the Audit Committee is an Independent Director. During the Financial Year 2019-20, the Audit Committee meetings were held on 25<sup>th</sup> May 2019, 10<sup>th</sup> August 2019, 9<sup>th</sup> November 2019 and 13<sup>th</sup> February 2020. 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 2019-20 is as mentioned below:

Name of the Member	Category	No. of Meetings	
		Held	Attended
H V Gowthama – Chairperson	Independent Director	4	4
Sudhir Prakash – Member*	Independent Director	1	0
Shankar Jaganathan – Member	Independent Director	4	4
G H Visweswara – Member	Independent Director	4	4

\*Resigned from the Committees of the Board w.e.f 21<sup>st</sup> August 2019.

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 24<sup>th</sup> Annual General Meeting (AGM) held on 26<sup>th</sup> September 2019 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.

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 Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. 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;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments, if any;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. 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;
16. 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;
17. 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;
18. To review the functioning of the Whistle Blower mechanism;

19. 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;
20. Reviewing the utilization of loans and/or advances from / investment by the holding company in the subsidiary exceeding Rs.100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision; and carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. 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.
22. Such other terms as may be prescribed under the Companies Act, 2013 or The SEBI (LODR) Regulations, 2015 as amended.

### 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 as amended.

### Composition of the Committee

As on 31<sup>st</sup> March 2020, Nomination and Compensation Committee comprises of Four Directors. During the Financial Year 2019-20, the Nomination and Compensation Committee meetings were held on 10<sup>th</sup> August 2019 and 9<sup>th</sup> November 2019. 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 2019-20 is as mentioned below:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mythily Ramesh - Chairperson	Independent Director	2	2
Ram N Agarwal - Member	Chairman and Managing Director	2	2
G H Visweswara - Member	Independent Director	2	2
Dr. A L Rao - Member	Non-Executive Director	2	2

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

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

1. To formulate the criteria for determining qualifications, positive attributes and Independence of a Director, and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees.



2. Deciding the terms and conditions of Employees Stock Option Plan (ESOP) which inter-alia, include the following:
- Quantum of options to be granted under the Scheme per employee and in aggregate;
  - Vesting Period;
  - Conditions under which options vested in employees may lapse in case of termination of employment for misconduct;
  - Exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
  - Specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
  - The right of an employee to exercise all options vested in him at one time or various points within the exercise period;
  - Forfeiture / Cancellation of options granted;
  - All other issues incidental to the implementation of Employees Stock Option Plan.
    - To issue grant letters
    - To allot shares upon exercise of vested options.

#### Compensation Policy:

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

- Non Executive Directors (including Independent Directors)**

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

- Executive Director**

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

#### Compensation paid to Directors

During the Financial Year 2019-20 your Company has paid Rs. 670,000/- as Sitting Fees for attending the Board and Committee Meetings to the Non-Executive Directors of your Company.

**a. Details of Compensation paid to Directors for the Financial Year 2019-20 are as under:**

(in ₹)

Name of the Director	Sitting Fees	Salary and Perquisites	Commission	Total	No of Equity Shares held as on 31.3.2020
<b>Chairman and Managing Director</b>					
Ram N Agarwal	0	0	0	0	1,973,014
<b>Independent Directors</b>					
H V Gowthama	1,30,000	0	0	1,30,000	-
Sudhir Prakash*	0	0	0	0	-
Shankar Jaganathan	1,40,000	0	0	1,40,000	2,228
Mythily Ramesh	1,20,000	0	0	1,20,000	14,040

Name of the Director	Sitting Fees	Salary and Perquisites	Commission	Total	No of Equity Shares held as on 31.3.2020
G H Visweswara	1,60,000	0	0	1,60,000	-
<b>Non – Executive Director</b>					
Dr. A L Rao	1,20,000	0	0	1,20,000	385,542

**Notes:**

1. None of the above directors is eligible for any severance pay, and none of them hold any stock option as on 31<sup>st</sup> March 2020.
2. The notice period for Directors is such period as is mutually agreed between Director and the Board.
3. During the Financial Year 2019-20, the Company did not advance any loan to any of its Directors.
4. \* Resigned w.e.f 21<sup>st</sup> August 2019.

**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 as amended.

**Composition of the Committee**

The Company has a comprehensive Risk Management Framework and the same is periodically reviewed by the Board of Directors of the Company. A Risk Management Committee has been constituted by the Board to monitor and review the Risk Management Framework of the Company.

As on 31<sup>st</sup> March 2020, Risk Management Committee comprises of three Directors. The composition of the Risk Management Committee of the Board of Directors of your Company is as mentioned below:

Name of the Member	Status	No. of Meetings	
		Held	Attended
Shankar Jaganathan - Chairperson	Independent Director	1	1
Mythily Ramesh - Member	Independent Director	1	1
Ram N Agarwal - Member	Chairman and Managing Director	1	1

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

**Shareholders / Investors' Grievance cum Share Transfer Committee**

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

**Terms of Reference**

In accordance with the provisions of the Companies Act, 2013 and Listing Regulations, the terms of reference for the Shareholders / Investors' Grievance cum Share Transfer Committee of Directors are as under:

- i. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;

- ii. Review of measures taken for effective exercise of voting rights by shareholders;
- iii. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- iv. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and
- v. Such other terms as may be required under the Companies Act, 2013 or Listing Regulations.

### Composition of the Committee

As on 31<sup>st</sup> March 2020, the 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 Member	Category	Status
G H Visweswara	Chairperson	Independent Director
Dr. A L Rao	Member	Independent Director
Ram N Agarwal	Member	Chairman and Managing Director

### Investor Grievance

Continuous efforts are being made to ensure that investor's grievances are expeditiously redressed to the satisfaction of the investors. The Company and Cameo Corporate Services Limited (Registrar and Share Transfer Agent) attend to all the grievances of the investors promptly on their receipt, whether received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs etc.

- a. Details pertaining to the number of Complaints received and responded and the status thereof during the Financial Year 2019-20 are given below:

Number of Investors Complaints pending at the beginning of the Financial Year i.e. 1 <sup>st</sup> April 2019	Number of Investors Complaint received during the year	Number of Complaints disposed off during the year	Number of Investors Complaints remaining unresolved at the end of the Financial Year i.e 31 <sup>st</sup> March 2020
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 2019-20	Disposed of during the Financial Year 2019-20	Pending as on 31 <sup>st</sup> March 2020
Non-Receipt of Annual Report	5	5	0
Non-Receipt of Dividend Warrant	3	3	0
Dematerialization / Rematerialization of shares	5	5	0
Others (Change in correspondence address, mailing id, contact details etc)	6	6	0

The Committee meets as and when required. The Company obtains Certificate from Share Transfer Agent on quarterly basis about the pending complaints against the company. As on 31<sup>st</sup> March 2020 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 as amended 'Material Subsidiary' shall mean a subsidiary, whose income or net worth exceeds 10% of the Consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

As on 31<sup>st</sup> March 2020 there is no material unlisted subsidiary of the Company. M/s. WeP Digital Services Limited (Formerly known as eRM Solutions Private Limited) – 100% Subsidiary is managed by its separate Board of Directors, who are empowered to exercise all the duties and rights for efficient monitoring and management of the Company. The Company monitors performance of its subsidiary company, inter-alia, by the following means:

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

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

### **Related Party Transactions**

All transactions entered into by the Company with related parties as defined under the Companies Act, 2013 and the Listing Regulations, during the Financial Year 2019-20 were in the ordinary course of business and on arm's length pricing basis. There were no materially significant transactions with the related parties during the Financial Year which were in conflict with the interest of Company.

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.

Necessary disclosures as required under the Accounting Standards have been made in the Financial Statements. The Board has approved a policy on materiality of related party transactions and on dealing with related party transactions and the same is disclosed on the website of the Company at the link [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, as amended the CFO Certification for the Financial Year 2019-20 was placed before the Board of Directors at their meeting held on 15<sup>th</sup> June 2020. The CFO Certification on the financial statements and the cash flow statement for the year is placed at the end of Corporate Governance Report.

### **Certificate from Company Secretary in Practice**

The following certificates from S Kannan, Practicing Company Secretary, Bangalore, are enclosed to this Report:

- a) Compliance Certificate regarding compliance of conditions of Corporate Governance; and
- b) Certificate that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI / Ministry of Corporate Affairs or any such statutory authority.

## Shareholder's Meeting

### a) 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
2018-19	Annual General Meeting	Rotary Club, Lavelle Road, Bangalore 560001	26 <sup>th</sup> September 2019	3.00 PM	<ol style="list-style-type: none"> <li>1. Appointment of H V Gowthama (DIN: 00250122) as an Independent Director of the Company for a Second term of 5 consecutive years.</li> <li>2. Re-appointment of Mythily Ramesh (DIN: 06959991) as an Independent Director of the Company for a second term of 2 consecutive years.</li> </ol>
2017-18	Annual General Meeting	Rotary Club, Lavelle Road, Bangalore 560001	22 <sup>nd</sup> September 2018	3.00 PM	Appointment of Ram N Agarwal as Managing Director for a period of three years w.e.f 16 <sup>th</sup> February 2018.
2016-17	Annual General Meeting	Rotary Club, Lavelle Road, Bangalore 560001	3 <sup>rd</sup> August 2017	3.00PM	To Approve ESOP-2016 for Subsidiary Company

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.

### b) Extra Ordinary General Meeting

The location, date and time of the Annual General Meeting held during the last three years and special resolutions passed

Financial Year	Category	Location of the meeting	Date	Time	Special Resolution
2019-20	Annual General Meeting	Rotary Club, Lavelle Road, Bangalore 560001	15 <sup>th</sup> April 2020	3.00 PM	To consider and approve the Scheme of Amalgamation between the WeP Solutions Limited (the Company / Transferee Company) and WeP Digital Services Limited (Transferor Company) and their respective members and creditors under Section 233 of the Companies Act, 2013.

The Board of Directors of the Transferee Company and Transferor Company at their respective meeting(s) held on 13<sup>th</sup> February 2020, unanimously approved the Scheme, subject to the approval by the requisite majority of the shareholders of the respective companies and creditors, as may be required, and subject to the sanction of the Regional Director, South East Region and of such other authorities as may be necessary.

The Extraordinary General Meeting (EGM) of the Company scheduled on 15<sup>th</sup> April, 2020 ("EGM") was postponed considering the severity of the pandemic situation of COVID-19 and in the light of notification issued by the Central Government. It had become imperative to postpone the EGM to a future date on account of force majeure circumstances. Accordingly, the sub-committee of the Board of Directors of the Company had approved postponement of the EGM scheduled on 15<sup>th</sup> April, 2020.

Further, in light of extension of nationwide lockdown till 3<sup>rd</sup> May 2020 and pursuant to the circulars issued by the Ministry of Corporate Affairs in the matter of conduct of general meetings in the current situation, the sub-committee of the Board of Directors of the Company vide resolution passed by circulation had cancelled the Extra Ordinary General Meeting on 30<sup>th</sup> April 2020.

### c) Postal Ballot

Company had issued Notice dated 16<sup>th</sup> March 2020 for convening an extra ordinary general meeting of the shareholders of the Company on 15<sup>th</sup> April 2020. The meeting was postponed in view of the pandemic situation of COVID-19 and pursuant to the guidelines and notification issued by the Government, on account of extension of nationwide lockdown till 3<sup>rd</sup> May 2020 and in light of circulars issued by the Ministry of Corporate Affairs, Government of India (the "MCA") vide its General Circular No.14/2020 dated 8<sup>th</sup> April 2020 and General Circular No.17/2020 dated 13<sup>th</sup> April 2020 (the "MCA Circulars") providing for specific manner in which extra ordinary general meeting be held in the current situation, the calling of extra ordinary general meeting of the shareholders of the Company was cancelled on 30<sup>th</sup> April 2020.

In terms of the MCA Circulars, in view of the current extraordinary circumstances due to COVID-19 pandemic requiring social distancing, companies are advised to take all decisions requiring members' approval, other than items of ordinary business or business where any person has a right to be heard, through the mechanism of postal ballot / e-voting in accordance with the provisions of the Companies Act and rules made thereunder, without holding a general meeting that requires physical presence of members at a common venue.

The MCA had clarified that for companies that are required to provide e-voting facility under the Companies Act, while they are transacting any business only by postal ballot upto 30<sup>th</sup> June 2020 or till further orders, whichever is earlier, the requirements provided in Rule 20 of the Rules as well as the framework provided in the MCA Circulars will be applicable mutatis mutandis.

Thus a Postal Ballot Event was accordingly initiated in compliance with the MCA Circulars.

Financial Year	Category	Special Resolution
2019-20	Postal Ballot	<p><b>To consider and approve the Scheme of Amalgamation between the WeP Solutions Limited (the Company / Transferee Company) and WeP Digital Services Limited (Transferor Company) and their respective members and creditors under Section 233 of the Companies Act, 2013.</b></p> <p>The Board of Directors ('the Board') of WeP Solutions Limited ('the Company'), at its meeting held on 13<sup>th</sup> February 2020 has, subject to the approval of the members and creditors of the Company and subject to the sanction of the jurisdictional Regional Director or such other competent authority, approved the Scheme of Amalgamation (the Scheme) between the Company and WeP Digital Services Limited and their respective members and creditors to be passed by the members through Postal Ballot / electronic voting (e- voting).</p>

The Special Resolution set out in the notice of the Postal Ballot was passed by the Shareholders with requisite majority.

### Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Particulars	Status of Complaints
Number of complaints filed during the Financial Year 2019-20	0
Number of complaints disposed off during the Financial Year 2019-20	0
Number of complaints pending as at the end of the Financial Year 2019-20	0



## **Disclosures: IND-AS Applicability**

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 w.e.f. 1<sup>st</sup> April 2017. The Financial Statements as on 31<sup>st</sup> March 2020 have been prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

## **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 including actual or suspected leak of unpublished price sensitive information. The Company has established a vigil mechanism for Directors and employees to report concern about unethical behavior, actual or suspected fraud or violation of the Company’s code of conduct or ethics policy and also actual or suspected leak of unpublished price sensitive information. The Whistle Blower Policy is placed on the website of the Company [www.wepsolutions.co.in](http://www.wepsolutions.co.in).

## **Prevention of Sexual Harassment at Workplace (POSH)**

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

## **Code of Prevention of Insider Trading Practices**

In Compliance with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and Companies Act, 2013 as amended, the Company has in place a comprehensive ‘Internal Code for Prevention of Insider Trading’ for the Company’s Directors and designated employees. 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.

## **Code of Conduct**

The Company has framed and adopted a Code of Conduct for the members of the Board and the Senior Management (“the Code”) in terms of requirements of the Listing Regulations. The Code has been circulated to all the members of the Board and Senior Management and the same is also posted on the Company’s website at [www.wepsolutions.co.in](http://www.wepsolutions.co.in). The Code lays the general principles designed to guide all Directors and members of the Senior Management for ethical conduct of business and compliance of laws. All Directors and Members of the Senior Management have affirmed their adherence to the provisions of the Code as on 31<sup>st</sup> March 2020.

## **Means of Communication with Shareholders:**

### **Financial Results:**

The company’s quarterly and annual financial results in the proforma prescribed by the stock exchanges are approved and taken on record by the Board within the prescribed time frame and sent forthwith to Bombay Stock Exchange on which the company’s shares are listed. The quarterly results of the Company are published in the newspaper immediately on the approval by the Board and also uploaded on the Company’s website [www.wepsolutions.co.in](http://www.wepsolutions.co.in). The financial results are published in “Business Standard” and “Hosa Digantha” in vernacular (Kannada) newspaper. The results are not sent to the shareholders individually. Information about the company in general, its financial results and other information including official press releases can be accessed at the company’s website [www.wepsolutions.co.in](http://www.wepsolutions.co.in).

## Annual Report

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

Members who have not yet registered their e-mail (including those who wish to change their already registered e-mail id) may get the same registered / updated with the Share Transfer Agent of the Company. 25<sup>th</sup> Annual Report for the Financial Year 2019-20 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 as amended 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.

## Details of Non-Compliance

The following are the details of actions taken against the listed entity / its promoters / directors / material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts / Regulations and circulars / guidelines issued thereunder during the last three years.

Sr. No	Action Taken By	Details of Violation	Details of action taken e.g. fines, warning letter, debarment etc.
1	Bombay Stock Exchange (BSE)	Delay in compliance with Reg 108(2) of SEBI-ICDR Regulations, 2009 i.e. Delay in approaching the Stock Exchange for Listing of Equity Shares.	Fine Amount: Rs. 237,600/- paid to Bombay Stock Exchange on 14 <sup>th</sup> September 2018
2	Bombay Stock Exchange (BSE)	Delay in Compliance with Regulation 108(3) of SEBI (ICDR) Regulations, 2009	The Company has paid penal interest to WeP Peripherals Limited amounting to Rs. 217,000/-

## The Management Discussion and Analysis forms part of the Annual Report.

### Dividend Payment

In order to conserve the available resources for future, the Board of Directors of the Company have not recommended any Dividend for the Financial Year 2019-20.

### Fees paid to Statutory Auditor and network firm or entity

Details relating to fees paid to the Statutory Auditor is given in notes to the Financial Statements.

### Dates of Transfer of Unclaimed Dividend

In terms of the provisions of Section 124 and other applicable provisions of the Companies Act, 2013 as amended, the amount of Dividend remaining unpaid / unclaimed for the period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company shall be required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. Given below is the date of declaration of Dividend and corresponding date when unpaid / unclaimed dividend are due for transfer to the IEPF. The details of the Dividend declared and paid by the Company in past are as mentioned below:

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

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

### Employees Stock Option Plan

The Company has Employee Stock Option Plan 2011 and Employees Stock Option Plan 2016 which is administered by the Nomination and Compensation Committee for the benefit of employees. During the Financial Year 2019-20, there has been no change in the Employee Stock Option Plan 2011 and Employees Stock Option Plan 2016 of the Company.

During the Financial Year 2019-20; 107,100 Equity Shares Options were exercised by the employees after vesting. Accordingly the Company has made the allotment 29,500 Equity Shares on 10<sup>th</sup> August 2019, 60,000 Equity Shares on 9<sup>th</sup> November 2019 and 17,600 Equity Shares on 13<sup>th</sup> February 2020.

The Company, from time to time, provides share based payments to its employees. These payments are provided in the form of stock options that can be exercised once the employee has completed specified service term with the Company. All share based employee payments will be settled in Equity Shares. Pursuant to Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and as required under the Securities and Exchange Board of India Guidelines, the applicable disclosures as on 31<sup>st</sup> March 2020 is as tabulated below:

Particulars	ESOP Plan 2011	ESOP Plan 2016
Date of Shareholders' Approval	27 <sup>th</sup> September 2011	22 <sup>nd</sup> September 2016
Total number of Options approved under the scheme	6,00,000	6,00,000
Vesting Schedule		
On Completion of 12 months from the date of Grant of Options	30%	30%
On Completion of 24 months from the date of Grant of Options	30%	30%
On Completion of 36 months from the date of Grant of Options	40%	40%

Particulars	ESOP Plan 2011	ESOP Plan 2016
Exercise Price	Rs. 10 per share	Rs. 10 per share
Exercise Period	5 Years from the date of vesting	5 Years from the date of vesting
Option movements during the year		
Options outstanding at the beginning of the year	2,87,400	1,24,500
Options granted during the year	-	1,85,000
Options Lapsed during the year	72,700	19,500
Options vested and available for exercise	1,23,500	33,000
Options exercised during the year	77,100	30,000
Variations of terms of Options	None	None
Money realised by exercise of Options (Rs.)	7,71,000	3,00,000
Total number of Options in force as at the end of the year	137,600	2,60,000
Vested and available for exercise	1,23,500	33,000
Unvested	14,100	2,27,000

## Listing

At present, the Equity Shares of the Company are listed at Bombay Stock Exchange (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001. In Compliance with Regulation 14 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended the Annual Listing Fees for the Financial Year 2020-21 has been paid to Bombay Stock Exchange Limited (BSE).

## General Shareholder Information:

<b>Annual General Meeting</b>	6 <sup>th</sup> November 2020
<b>Time and Venue</b>	3.00 PM (Mode: Video Conferencing)
<b>Book Closure Dates</b>	31 <sup>st</sup> October 2020 to 6 <sup>th</sup> November 2020 (both days inclusive)
<b>Listing Details</b>	Company's shares are listed at Bombay Stock Exchange (BSE). <b>Scrip Code:</b> 532373 <b>Scrip Name:</b> WEPSOLN <b>ISIN Code:</b> INE434B01029
<b>Corporate Identity Number (CIN) of the Company</b>	L72200KA1995PLC025617

## Market Price Data

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

Month	Open	High	Low	Close	No. of Shares
Apr 19	22.00	23.05	19.10	20.00	23,583
May 19	20.00	23.45	16.60	21.15	55,337
Jun 19	19.45	22.90	16.35	19.40	28,489
Jul 19	19.60	21.20	14.60	18.40	111,487
Aug 19	18.00	18.00	12.00	16.00	58,735

Month	Open	High	Low	Close	No. of Shares
Sep 19	18.40	19.00	14.50	16.75	33,694
Oct 19	16.00	22.60	14.10	22.60	63,591
Nov 19	23.50	33.40	23.50	28.85	231,488
Dec 19	29.80	30.25	20.85	23.10	101,636
Jan 20	23.40	26.00	18.20	21.00	181,943
Feb 20	21.80	22.05	16.60	19.30	89,389
Mar 20	18.10	20.40	12.75	14.90	1,123,450

#### Distribution of Shareholding according to number of shares held as on 31<sup>st</sup> March 2020.

Values of Shares held (Rs.)	No. of Shareholders	% of Shareholders	Values of Shares held	% to the total paid up capital
0 - 5,000	2,182	55.58	295,283	1.12
5,001 - 10,000	353	8.99	285,390	1.08
10,001 - 20,000	595	15.16	797,222	3.03
20,001 - 30,000	278	7.08	629,418	2.39
30,001 - 40,000	75	1.91	260,158	0.99
40,001 - 50,000	76	1.94	344,066	1.32
50,001 - 100,000	186	4.74	1,313,996	4.99
100,001 - And Above	180	4.60	22,390,839	85.08
<b>TOTAL</b>	<b>3,925</b>	<b>100.00</b>	<b>26,316,372</b>	<b>100.00</b>

#### Shareholding Pattern as at March 31, 2020

Category of Shareholder	Number of Shareholders	Total Number of Shares	Total Shareholding as a percentage of total number of shares
<b>Shareholding of Promoter and Promoter Group</b>			
1. Individuals*	3	2,435,107	9.25
2. Bodies Corporate	3	8,401,228	31.92
<b>Total Promoters' Holding (A)</b>	<b>6</b>	<b>10,836,335</b>	<b>41.18</b>
<b>Public Shareholding</b>			
1. Bodies Corporate	44	2,488,663	9.46
2. Individuals			
a. Individuals Shareholders Holding Nominal Share Capital upto Rs. 2 lakh	3,629	4,645,059	17.65
b. Individual Shareholders Holding Nominal Share Capital in excess of Rs. 2 lakh	74	7,392,493	28.09

Category of Shareholder	Number of Shareholders	Total Number of Shares	Total Shareholding as a percentage of total number of shares
3. Clearing Members	9	8,090	0.03
4. Hindu Undivided Families	101	261,460	0.99
5. Non Residents Indians NRI – Non- Repat NRI – Repat	60	684,171	2.60
6. Trusts	2	101	0.00
<b>Total Public Shareholding (B)</b>	<b>3,919</b>	<b>15,480,037</b>	<b>58.82</b>
<b>Total (A)+(B)</b>	<b>3,925</b>	<b>26,316,372</b>	<b>100.00</b>

Note:

- a) \*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.
- b) Total number of shares and percentage shareholding by Non- Resident Shareholders is 684,171 and 2.60% 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 Agents. All shares transfer is completed within statutory time limit from the date of receipt provided the documents meet the stipulated requirements of statutory provisions in all respects. The Company obtains from a Practicing Company Secretary half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 as amended, 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 have established connectivity with both the depositories. Shareholders can open their accounts with any of the Depository Participant registered with these depositories. The International Securities Identification Number (ISIN) allotted to our shares under the Depository System is INE434B01029.

## Break up of Shares in Physical and DEMAT form as on 31<sup>st</sup> March 2020:

Mode of Holding	Number of Shareholders	No of Shares	% to total equity
<b>DEMAT Segment</b>			
a. NSDL	2,199	23,549,118	89.48
b. CDSL	1,085	1,838,205	6.99
c. Physical Segment	740	929,049	3.53
<b>Grand Total</b>	<b>4,024</b>	<b>26,316,372</b>	<b>100.00</b>

Note: \*Total Shareholders as on 31<sup>st</sup> March 2020 are 3,925 after Merging of First Holder PAN.

## Consolidation of Folios and avoidance of multiple mailing

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

## Outstanding GDRs / ADRs / Warrants / Options

The Company has no outstanding Warrants or Options as on 31<sup>st</sup> March 2020. Further the Company has no outstanding GDRs, ADRs or Options as on 31<sup>st</sup> March 2020.

## Plant Locations:

Himachal Pradesh: Plot 87, EPIP, Phase I, Jharmarjri, Dist: Solan, Himachal Pradesh – 174103.

## Address for Investor's Correspondence

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

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

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

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

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(s) to Report on Corporate Governance for the Financial Year ended 31st March 2020.**

**A. Corporate Governance Compliance Certificate**

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

**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

Corporate Identity No: L72200KA1995PLC025617

Nominal Capital: Rs. 30,00,00,000.00

I, S Kannan, Company Secretary, have examined all the relevant records of WeP Solutions Limited for the purpose of certifying compliance of the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020.

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

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company. In my opinion and to the best of my information and according to the explanations and information furnished to me, I certify that the Company has complied with all the mandatory conditions of Corporate Governance as applicable under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**For S KANNAN AND ASSOCIATES**

**S Kannan**  
**Company Secretary**  
**FCS No. 6261 / C P No.: 13016**  
**Firm No. S2017KR473100**  
**UDIN No. F006261B000627464**

**Place: Bengaluru**  
**Date: 28<sup>th</sup> August, 2020**

## B. Certificate of Non-Disqualification of Directors

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,  
**The Members,**  
**WeP Solutions Limited,**  
**40/1A, Basappa Complex, Lavelle Road, Bangalore 560 001**

I, S Kannan, Company Secretary, have examined the relevant registers, records, forms, returns and disclosures received from the Directors of WeP Solutions Limited having CIN L72200KA1999PLC025617 and having registered office at 40/1A, Basappa Complex, Lavelle Road, BANGALORE – 560 001 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the MCA portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company and its officers, I, hereby certify that none of the Directors on the Board of the Company as stated below as on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	DIN No.	Name of the Director
1	00006399	Ram Narayan Agarwal
2	00250122	Hangalore Venkatachala Gowthama
3	00662212	Grama Hiriyannaiah Visweswara
4	02121024	Shankar Jaganathan
5	02919040	Ayyagari Lakshmana Rao
6	06959991	Mythily Ramesh

As on the date of issue of this certificate, it is observed that Mr. Sandeep Kumar Goyal, DIN 03023842 was appointed as a Director of the company with effect from 1<sup>st</sup> July 2020 and I certificate that as per the information available he is not debarred or disqualified from being appointed as Director of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility for appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these, based on our verification. 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.

**For S KANNAN AND ASSOCIATES**

**S Kannan**  
**Company Secretary**  
**FCS No. 6261 / C P No.: 13016**

**Firm No. S2017KR473100**  
**UDIN No. F006261B000627585**

**Place: Bengaluru**  
**Date: 28<sup>th</sup> August, 2020**

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

This is to certify that pursuant to Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 as amended the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31<sup>st</sup> March, 2020.

**For and on behalf of the Board of Directors**

**Place: Bengaluru**

**Date: 14<sup>th</sup> September 2020**

**Ram N Agarwal**

**Chairman and Managing Director**

**D. Chief Financial Officer Compliance Certificate**

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

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

- A. I have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
- 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2) 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 their 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:
- 1) Significant changes in internal control over financial reporting during the year;
  - 2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - 3) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

**Place: Bengaluru**

**Date: 14<sup>th</sup> September 2020**

**Sandeep Kumar Goyal**

**Chief Financial Officer**

## Independent Auditor's Report

To  
The Members  
WeP Solutions Limited.

### Report on the Audit of the Consolidated Ind AS Financial Statements

#### Opinion

1. We have audited the consolidated Ind AS financial statements of **WeP Solutions Limited**. (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31<sup>st</sup> March 2020, and the consolidated statement of Profit and Loss, consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act, in the manner so required, and give a true and fair view, in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, of consolidated loss, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Recognition, Measurement, Presentation and Disclosure of Leases in view of adoption of Ind AS 116 "Leases".</p> <p>The Group has applied Ind AS 116 to all contracts existing and entered into on or after April 1, 2019.</p> <p>Ind As 116 requires the Company to recognise Right of Use asset (ROU) and lease liability at the inception of Lease. The lease liability is measured at present value of future lease payments payable under lease arrangement discounted at Company's incremental borrowing rate.</p> <p>Refer note 1.A.18 to Consolidated financial statements.</p>	<p><b><u>Principal audit procedures</u></b></p> <p>1. We have assessed Group's policy for:</p> <ul style="list-style-type: none"> <li>• Identification of lease arrangement/contract</li> <li>• Assessment of lease term</li> <li>• Arriving discount rate to discount future lease payments payable as per lease arrangement.</li> </ul> <p>2. The Group's lease assets primarily consist of buildings. In addition to the above we have performed the following:</p> <ul style="list-style-type: none"> <li>• Gone through the arrangements with landlords to identify whether particular arrangement would be classified as lease or not and to identify lease term.</li> <li>• Verified mathematical accuracy of workings provided by management to calculate lease liability and cost of ROU asset.</li> <li>• Upon transition (i.e. as on 1<sup>st</sup> April, 2019) verified the transition process and related adjustments.</li> <li>• Verified that all disclosures required as per Ind AS 116 is made in financial statements.</li> </ul>
2	<p>Adequacy of Provision for bad &amp; doubtful debts / Adequacy of allowance for Credit losses against Trade Receivables. In calculating the expected credit losses the Company has calculated the probability of default by also taking into account the estimated effect of COVID-19.</p> <p>As at March 31, 2020, carrying amount of allowance for credit losses is Rs. 8.74 crores against total dues of Rs. 22.15 crores from Trade receivables.</p>	<p><b><u>Principal Audit Procedures</u></b></p> <p>We obtained the Group's process / policy / basis of:</p> <ul style="list-style-type: none"> <li>- identifying and classifying Trade receivables into following categories <ul style="list-style-type: none"> <li>a. Trade Receivables considered good</li> <li>b. Trade Receivables which have significant increase in credit risk</li> <li>c. Trade Receivables credit impaired</li> </ul> </li> <li>- calculating amount of allowance thereon.</li> </ul> <p>Our audit approach consisted of following procedure:</p> <ul style="list-style-type: none"> <li>• Assessing reasonableness of basis of identifying and classifying into different categories as mentioned above.</li> <li>• Verification of basis of calculating amount of allowance thereon.</li> <li>• Selected sample of parties and verified the identification and classification of parties based on Group's policy into different categories as mentioned above.</li> <li>• Recalculated the amount of allowance by redefining the % of credit allowance based on past 1.5 yrs. data and satisfied ourselves that allowance provided is sufficient to indicate credit risk.</li> </ul>

Sr. No.	Key Audit Matter	Auditor's Response
3	<p>Reversal of Deferred Tax Asset</p> <p>During the year ended March 31, 2020, Deferred Tax Asset amounting to Rs. 12,559,095/- in respect of carry forward losses has been reversed by the Management as in view of the additional uncertainty caused by COVID 19 situation on forecasted profits and on the return to normalcy, it would be prudent not to continue to recognize the Deferred Tax Asset.</p>	<p><u>Principal Audit Procedures</u></p> <p>Verified the circumstances in which the Company operates and it is observed that there is an additional uncertainty caused by COVID 19 on realisation of forecasted profits used by management to calculate Deferred Tax Assets and satisfied ourselves that the stand taken by the management is prudent and in line with the Ind AS 12 – Income Taxes</p>

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

5. The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity 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. This responsibility also includes maintenance of adequate accounting records, in accordance with the provisions of the Act, for safeguarding of the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
7. The respective Board of Directors of the companies included in the Group are responsible for overseeing the Group's financial reporting process.

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

8. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is



sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company and its subsidiary company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention, in our auditor's report, to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.
10. We communicate with those charged with governance of the Holding company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

13. 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 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 by the Company, so far as it appears from our examination of those books.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the 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 31<sup>st</sup> March, 2020 taken on record by the Board of Directors of the Company and its subsidiary incorporated in India and the reports of the statutory auditors of its subsidiary company, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Group 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 the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, The Company has not paid any Managerial remuneration to its directors under the provisions of section 197 of the Act during the year.

- h. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in 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 – Refer Note 29 to the consolidated financial statements.
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the holding company and its subsidiary company.

**For N.M. Raiji & Co.**  
**Chartered Accountants**  
**Firm Registration No.: 108296W**

**CA S.N. Shivakumar**  
**Partner**  
**Membership No.: 088113**  
**UDIN: 20088113AAAAAJ3706**

**Place: New Delhi**  
**Date: June 15, 2020.**

## **Annexure - A**

### **To the Independent Auditor's Report of even date on the Consolidated Financial Statements of WeP Solutions Limited**

**(Referred to in Paragraph 13 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, 2020, we have audited the internal financial controls over financial reporting of **WeP Solutions Limited** ("the Company") and its subsidiary company, which are companies incorporated in India, as of that date.

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

The respective Boards of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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. Auditors' Responsibility**

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

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

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

#### **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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, to the best of our information and according to explanation given to us, the Company and its subsidiary company, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For N.M. Raiji & Co.**  
**Chartered Accountants**  
**Firm Registration No.: 108296W**

**CA S.N. Shivakumar**  
**Partner**  
**Membership No.: 088113**

**Place: New Delhi**  
**Date: June 15, 2020.**

**WeP Solutions Limited**  
Consolidated Balance Sheet as at March 31, 2020

PART I – BALANCE SHEET			(in Rs)	
	Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>1</b>	<b>ASSETS</b>			
	<b>Non-current assets</b>			
	a) Property, Plant and Equipment	2	310,414,765	297,629,226
	b) Capital work-in-progress	2 & 3	21,701,340	25,644,968
	c) Other Intangible assets	3	10,678,974	16,571,695
	d) Financial Assets			
	i. Other financial assets	4(c)	9,779,066	4,830,961
	e) Deferred tax assets (net)	5	37,171,888	48,449,706
	f) Other non-current assets	6	35,936,888	41,624,221
			<b>425,682,921</b>	<b>434,750,777</b>
<b>2</b>	<b>Current assets</b>			
	a) Inventories	7	124,445,281	101,463,402
	b) Financial Assets			
	i. Trade receivables	4(a)	134,100,543	129,386,440
	ii. Cash and cash equivalents	4(b)	1,124,998	562,092
	iii. Bank balances other than (ii) above	4(d)	1,464,258	1,500,916
	iv. Other financial assets	4(c)	3,902,509	8,535,033
	c) Other current assets	8	40,369,874	28,089,945
			<b>305,407,463</b>	<b>269,537,828</b>
	<b>Total Assets</b>		<b>731,090,384</b>	<b>704,288,605</b>
<b>3</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	a) Equity Share capital	9(a)	263,169,545	262,098,545
	b) Other Equity			
	i. Reserves & Surplus	9(b)	152,386,648	171,683,335
			<b>415,556,193</b>	<b>433,781,880</b>
<b>4</b>	<b>LIABILITIES</b>			
	<b>Non-Current Liabilities</b>			
	a) Financial Liabilities			
	i. Borrowings	10(a)	57,556,970	37,632,030
	ii. Other financial liabilities	10(c)	12,319,777	-
	b) Provisions	11	12,512,428	11,947,013
	c) Other non-current liabilities	12	1,514,148	1,654,913
			<b>83,903,323</b>	<b>51,233,956</b>
<b>5</b>	<b>Current Liabilities</b>			
	a) Financial Liabilities			
	i. Borrowings	10(a)	42,001,370	36,494,284
	ii. Trade payables	10(b)		
	A) Total outstanding dues of Micro and small enterprises		4,215,188	309,498
	B) Total outstanding dues of creditors other than micro and small enterprises		47,114,097	37,059,938
	iii. Other financial liabilities	10(c)	86,355,378	90,311,335
	b) Other current liabilities	12	50,446,425	52,898,175
	c) Provisions	11	1,498,410	2,199,539
			<b>231,630,868</b>	<b>219,272,769</b>
	<b>Total Equity and Liabilities</b>		<b>731,090,384</b>	<b>704,288,605</b>

(See Accompanying Notes to the Financial Statements)  
As per our report attached

**For N M Raiji & Co**  
Chartered Accountants  
Firm Reg. No.: 108296W  
**S. N. Shivakumar**

Partner  
Membership No. : 88113

Place: New Delhi  
Date: June 15, 2020

**For and on behalf of the Board of Directors**

**H V Gowthama**  
Director  
DIN: 00250122

**Sandeep Goyal**  
Chief Financial Officer

Place: Bengaluru  
Date: June 15, 2020

**Ram N Agarwal**  
Chairman & Managing Director  
DIN: 00006399

**Sujata Pratik Shaha**  
Company Secretary

## WeP Solutions Limited

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

PART II – STATEMENT OF PROFIT AND LOSS		(in Rs)		
Particulars		Note No.	For the Year ended March 31, 2020	For the Year ended March 31, 2019
I	Revenue From Operations	13	683,721,909	766,972,565
II	Other Income	14	8,961,093	8,580,381
III	<b>Total Income (I+II)</b>		<b>692,683,002</b>	<b>775,552,946</b>
	<b>EXPENSES</b>			
a	Cost of materials consumed	15	190,105,177	229,013,233
b	Purchases of Stock-in-Trade	16	86,069,430	78,959,312
c	Changes in Inventories of Work-in-Progress, Stock-in-Trade and Finished Goods	17	(22,626,176)	1,337,991
d	Employee benefits expense	18	121,034,877	150,156,709
e	Other expenses	19	184,311,011	227,460,562
f	Depreciation and amortization expense	21	129,031,029	110,646,604
g	Finished goods capitalised		-	(150,449)
IV	<b>Total Expenses</b>		<b>687,925,348</b>	<b>797,423,962</b>
	<b>Profit / (loss) Before Depreciation, Interest, Exceptional Items and Tax (III-IV)</b>		<b>4,757,654</b>	<b>(21,871,016)</b>
h	Finance Costs	20	13,350,502	10,363,953
V	<b>Profit / (loss) Before Exceptional Items and Tax</b>		<b>(8,592,848)</b>	<b>(32,234,970)</b>
VI	Exceptional Items		-	-
VII	<b>Profit / (loss) Before Tax (V-VI)</b>		<b>(8,592,848)</b>	<b>(32,234,970)</b>
	<b>Tax Expense:</b>			
VIII	1) Current tax		5,666,355	1,480,156
	2) Tax Adjustments Pertaining to Previous Year		16,452	(1,119,396)
	3) Deferred tax	33	6,932,196	(1,218,323)
IX	<b>Profit / (Loss) for the year from Continuing Operations (VII-VIII)</b>		<b>(21,207,851)</b>	<b>(31,377,407)</b>
X	Profit / (loss) from discontinued operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Profit / (loss) from Discontinued operations (after tax) (X-XI)		-	-
XIII	<b>Profit/(loss) for the year (IX+XII)</b>		<b>(21,207,851)</b>	<b>(31,377,407)</b>
XIV	<b>Other Comprehensive Income</b>			
	A (i) Items that will not be reclassified to profit or loss		16,014	(164,645)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(6,125)	48,381
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XV	<b>Total Comprehensive Income for the year (XIII+XIV)</b> (Comprising Profit / (Loss) and Other Comprehensive Income for the year)		<b>(21,197,962)</b>	<b>(31,493,671)</b>
XVI	<b>Earnings per equity share:</b>			
	1) Basic	27	(0.81)	(1.23)
	2) Diluted	27	(0.80)	(1.21)

(See Accompanying Notes to the Financial Statements)  
As per our report attached

**For N M Raiji & Co**  
Chartered Accountants  
Firm Reg. No.: 108296W  
**S. N. Shivakumar**

Partner  
Membership No. : 88113

Place: New Delhi  
Date: June 15, 2020

**For and on behalf of the Board of Directors**

**H V Gowthama**  
Director  
DIN: 00250122

**Sandeep Goyal**  
Chief Financial Officer

Place: Bengaluru  
Date: June 15, 2020

**Ram N Agarwal**  
Chairman & Managing Director  
DIN: 00006399

**Sujata Pratik Shaha**  
Company Secretary

## WeP Solutions Limited

Consolidated Statement of Cash Flows for the year ended March 31, 2020

(in Rs)

Particulars		March 31, 2020	March 31, 2019
<b>A</b>	<b>Cash Flow From Operating Activities</b>		
	Profit / (Loss) before Income tax from Continuing Operations	(8,592,848)	(32,234,970)
	<b>Profit before Income tax</b>	<b>(8,592,848)</b>	<b>(32,234,970)</b>
	<b>Adjustment for:</b>		
	Depreciation & Amortisation	129,031,029	110,646,604
	Provision for doubtful debts	6,140,059	10,146,435
	Employee share based payment expense	1,911,274	6,723,067
	Actuarial Gains/Losses recognised in Other Comprehensive Income	16,014	(164,645)
	Loss / (Profit) on Sale of Fixed Assets	1,727,928	1,986,162
	Net Exchange differences	959,994	258,243
	Interest Income	(41,789)	(21,643)
	Interest Expense	13,350,502	10,721,939
	<b>Changes in Operating assets and liabilities</b>		
	(Increase) / Decrease in Inventories	(22,944,639)	15,396,707
	(Increase) / Decrease in Trade Receivables	(10,594,909)	(21,210,296)
	(Increase) / Decrease in Other Current Assets	(12,279,929)	(9,009,577)
	(Increase) / Decrease in Other Bank Balances	36,659	16,624
	(Increase) / Decrease in Other Current Financial Assets	4,573,356	(760,336)
	(Increase) / Decrease in Other Non Current Financial Assets	(4,918,937)	1,725,195
	(Increase) / Decrease in Other Non Current Assets	15,382,551	796,671
	Increase / (Decrease) in Provisions	(135,714)	(457,961)
	Increase / (Decrease) in Trade Payables	12,996,226	(41,385,594)
	Increase / (Decrease) in Other Current Liabilities	(4,116,744)	1,043,597
	Increase / (Decrease) in Other Non Current Liabilities	(140,764)	(728,144)
	Increase / (Decrease) in Other Current Financial Liabilities	(19,444,366)	24,053,796
	<b>Cash Generated from Operations</b>	<b>102,914,953</b>	<b>77,541,873</b>
	Income taxes paid	11,038,529	13,123,354
	<b>Net Cash From Operating Activities</b>	<b>91,876,424</b>	<b>64,418,519</b>
<b>B</b>	<b>Cash Flow From Investing Activities</b>		
	Purchase of Property, Plant & Equipment (including CWIP)	(94,805,340)	(97,465,011)
	Purchase of Intangible Assets	(630,500)	(14,836,116)
	Proceeds from Sale of Fixed Assets	13,260	948,881
	Interest Income	41,789	21,643
	<b>Net Cash Used In Investing Activities</b>	<b>(95,380,791)</b>	<b>(111,330,602)</b>
<b>C</b>	<b>Cash Flow From Financing Activities</b>		
	Proceeds from Issue of Shares	1,071,000	45,867,000
	Share issue expenses	(10,000)	(445,000)
	Interest paid	(13,350,502)	(10,721,938)
	Proceeds / (Repayment) of Borrowings	10,507,087	(40,089,189)
	Repayment of Lease obligations	(12,557,232)	-
	Proceeds of Term Loan	18,406,920	52,446,830
	<b>Net Cash From / (Used for) Financing Activities</b>	<b>4,067,273</b>	<b>47,057,703</b>
	<b>Net Increase / (Decrease) In Cash And Cash Equivalents - (A+B+C)</b>	<b>562,906</b>	<b>145,620</b>
	Cash and Cash Equivalents at the beginning of the year / period	562,092	416,472
	<b>Cash and Cash Equivalents at the end of the year / period</b>	<b>1,124,998</b>	<b>562,092</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  
**S. N. Shivakumar**

Partner  
Membership No. : 88113

Place: New Delhi  
Date: June 15, 2020

**H V Gowthama**  
Director  
DIN: 00250122

**Sandeep Goyal**  
Chief Financial Officer

Place: Bengaluru  
Date: June 15, 2020

**Ram N Agarwal**  
Chairman & Managing Director  
DIN: 00006399

**Sujata Pratik Shaha**  
Company Secretary



## WeP Solutions Limited

Consolidated Statement of Changes in Equity for the year ended March 31, 2020

### STATEMENT OF CHANGES IN EQUITY

#### A. Equity Share Capital

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the reporting year	262,098,545	251,231,545
Changes in equity share capital during the year / period	1,071,000	10,867,000
<b>Balance at the end of the reporting year/period</b>	<b>263,169,545</b>	<b>262,098,545</b>

#### B. Other Equity

Particulars	Reserves and Surplus					Total
	Capital Reserve	General Reserve	Securities Premium	Stock Options Outstanding	Retained Earnings	
<b>Opening Balance at April 1, 2018</b>	<b>31,327,459</b>	<b>1,017,105</b>	<b>87,604,068</b>	<b>8,732,183</b>	<b>26,081,147</b>	<b>154,761,962</b>
Share Issue Expenses					(445,000)	(445,000)
Impact due to adoption of Ind AS115 under cumulative catch-up method					(7,863,023)	(7,863,023)
Profit for the year					(31,377,407)	(31,377,407)
Other Comprehensive Income for the year					(116,264)	(116,264)
Premium on Conversion of Warrants			50,000,000			50,000,000
Transfer to General Reserve		547,774		(547,774)		-
Transfer from Stock Options Outstanding a/c			2,388,117	(2,388,117)		-
Employee stock options expense				6,723,067		6,723,067
<b>Closing Balance as at March 31, 2019</b>	<b>31,327,459</b>	<b>1,564,879</b>	<b>139,992,185</b>	<b>12,519,359</b>	<b>(13,720,547)</b>	<b>171,683,335</b>
<b>Opening Balance at April 1, 2019</b>	<b>31,327,459</b>	<b>1,564,879</b>	<b>139,992,185</b>	<b>12,519,359</b>	<b>(13,720,547)</b>	<b>171,683,335</b>
Share Issue Expenses					(10,000)	(10,000)
Profit for the year					(21,207,851)	(21,207,851)
Other Comprehensive Income for the year net of taxes					9,890	9,890
Transfer to General Reserve		936,169		(936,169)		-
Transfer from Stock Options Outstanding a/c			4,360,323	(4,360,323)		-
Employee stock options expense				1,911,274		1,911,274
<b>Closing Balance as at March 31, 2020</b>	<b>31,327,459</b>	<b>2,501,048</b>	<b>144,352,508</b>	<b>9,134,141</b>	<b>(34,928,508)</b>	<b>152,386,648</b>

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

(See Accompanying Notes to the Financial Statements)  
As per our report attached

**For N M Raiji & Co**  
Chartered Accountants  
Firm Reg. No.: 108296W  
**S. N. Shivakumar**

Partner  
Membership No. : 88113

Place: New Delhi  
Date: June 15, 2020

**For and on behalf of the Board of Directors**

**H V Gowthama**  
Director  
DIN: 00250122

**Sandeep Goyal**  
Chief Financial Officer

Place: Bengaluru  
Date: June 15, 2020

**Ram N Agarwal**  
Chairman & Managing Director  
DIN: 00006399

**Sujata Pratik Shaha**  
Company Secretary

## Corporate Information

The consolidated financial statements comprise financial statements of WeP Solutions Limited (the Group) and its 100% subsidiary, WeP Digital Services Limited (formerly known as eRM solutions private limited) (collectively, the Group) for the year ended March 31, 2020. The Group is a public Group domiciled in India and is incorporated under the provisions of the Companies Act. Its shares are listed on Bombay Stock Exchange and the registered office of the Group is located at 40/1A, Basappa complex, Lavelle Road, Bangalore 560 001.

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

### 1. Significant Accounting Policies and Other explanatory information to the Consolidated Financial Statements for the year ended March 31, 2020

#### A. Significant accounting policies

The significant accounting policies applied by the Group in the preparation of its Consolidated financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these Consolidated financial statements, unless otherwise indicated.

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

These Consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

##### A.2. Basis of preparation

###### a) Basis of preparation

These Consolidated financial statements have been prepared in Indian Rupees (₹) which is the functional currency of the Group.

These Consolidated financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods or services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Parent Group's normal operating cycle.

###### b) Principles of Consolidation

- i) The Consolidated Financial statements of the Group and its subsidiary have been consolidated on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating the intra-group balances and transactions resulting in unrealised profits and losses.
- ii) The Consolidated Cash Flow Statement have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to in the same manner as the Group's separate financial statements.
- iii) The Consolidated Financial Statements include the financial statements of WeP Solutions Limited and its wholly-owned subsidiary, WeP Digital Services Limited.

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

The preparation of these consolidated financial statements is in conformity with the recognition and measurement principles of Ind AS which requires the management of the Group to make estimates and

assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

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

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

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

The Group earns revenue primarily from Managed Printing Solutions and Services, Manufacturing and Distribution of Retail Billing Products and providing Digital Services like GST etc. to both enterprise and retail customers, pan India.

Effective April 1, 2018, the group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Group has adopted Ind AS 115 using the cumulative catch-up method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

- Contracts with customers are considered for revenue recognition only if (a) the contract having commercial substance is approved and the parties have committed to perform their respective obligations; (b) respective rights of the parties with respect to goods or services to be transferred are identified; (c) the payment terms for goods or services to be transferred are clear and (d) it is probable that consideration would be collected in exchange for the goods or services that would be transferred to the customer. At the inception of the contract, either a transfer of distinct good or service to the customer or a series of distinct goods and services that are substantially the same and that have the same pattern of transfer to the customer are identified as performance obligation. Revenue is recognised when the performance obligation is satisfied by transferring the promised good or service to a customer and the customer obtains controls over it.
- Revenue from sale of devices is recognised at the point in time when the physical possession is transferred and the right to receive payment is established.

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

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

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

Obsolete, slow moving and defective inventories are identified from time to time and where necessary, a provision is made for such inventories.

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

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

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

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

**A.7. Intangible assets**

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

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

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

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

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

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

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

Assets	Useful Life applied (In Years)
Computers	3.00
Furniture and Fixtures - Owned Premises	10.00
Furniture and Fixtures - Leased Premises	5.00
Office Equipment	5.00
Plant and Equipments including Electrical installations	4.00

Assets	Useful Life applied (In Years)
Computer Peripherals - on Use and Pay	4.00
Vehicles	8.00
Air Conditioners	4.00
Moulds, Dies & Patterns	5.00
Building	30.00

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

Assets	Amortization in Yrs
Computer Software – ERP Systems	4.00
Computer Software	2.00
Technical Know-how	5.00

#### A.9. Impairment of Assets

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

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

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

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

#### A.10. Foreign Currency Transactions

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

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

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

#### A.11. Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other

than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss, are immediately recognised in the Statement of Profit and Loss.

**Effective interest method:**

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

**a) Financial assets**

**Financial assets at amortised cost:**

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

Investment in subsidiaries / associates are accounted at cost.

**Financial assets measured at fair value:**

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

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

**Impairment of financial assets:**

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

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

**Derecognition of financial assets:**

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

**b) Financial liabilities and equity instruments**

**Classification as debt or equity:**

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

**Equity instruments:**

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

### **Financial Liabilities:**

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

Interest-bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

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

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

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

### **i) Short Term Employee Benefits:**

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

### **ii) Other long-term employee benefit obligations:**

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

### **iii) Post Employment Benefits:**

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

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

### **iv) Employee Stock Options:**

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

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



**A.13. Borrowing Costs**

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

**A.14. Earning Per Share**

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

**A.15. Taxation**

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

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from net profit, as reported in the Statement of Profit and Loss, because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

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

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

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

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

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

**A.16. Warranty Cost**

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

**A.17. Provisions**

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

to settle the present obligation at the balance sheet date. When appropriate, provisions are measured on a discounted basis.

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

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

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

The Group's lease asset classes primarily consist of leases for land and buildings. The Group, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2019.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's long term borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (assets of less than INR 5,000 in value). The Group recognises the lease payments associated with these leases as an expense over the lease term.

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

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

**WeP Solutions Limited**  
**Note 2: Property, Plant and Equipment**

Particulars	Leasehold - Land	Building - Factory	Plant & Equipment	Moulds, Dies & Patterns	Computers	Computer Peripherals - On Use and Pay	Furniture & Fixture	Right of Use Asset - Leased Building	Vehicles	Total	Capital work in progress
<b>Year ended March 31, 2019</b>											
<b>Gross carrying amount</b>											
Opening gross carrying amount	66,856,988	38,282,641	5,511,687	9,696,428	11,631,145	349,529,323	4,413,465	-	586,258	486,507,935	8,301,410
Additions	-	-	1,146,124	445,720	3,068,413	75,009,647	456,282	-	-	80,126,186	-
Disposals	-	-	220,131	-	696,772	10,747,559	400,764	-	-	12,065,226	-
Adjustments	-	-	-	-	-	4,733	-	-	-	4,733	-
<b>Closing gross carrying amount</b>	<b>66,856,988</b>	<b>38,282,641</b>	<b>6,437,680</b>	<b>10,142,148</b>	<b>14,002,786</b>	<b>413,786,678</b>	<b>4,468,983</b>	<b>-</b>	<b>586,258</b>	<b>554,564,162</b>	<b>25,644,968</b>
<b>Accumulated Depreciation</b>											
Opening accumulated depreciation	1,611,012	2,758,677	3,450,211	1,501,236	5,256,732	146,970,595	1,340,165	-	219,154	163,107,782	-
Depreciation charge during the year	805,506	1,414,005	1,311,944	2,012,494	3,791,193	92,866,151	646,467	-	109,576	102,957,336	-
Disposals	-	-	56,935	-	373,818	8,590,614	108,815	-	-	9,130,182	-
Adjustments	-	-	-	-	-	-	-	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>2,416,518</b>	<b>4,172,682</b>	<b>4,705,220</b>	<b>3,513,730</b>	<b>8,674,106</b>	<b>231,246,132</b>	<b>1,877,816</b>	<b>-</b>	<b>328,731</b>	<b>256,934,936</b>	<b>-</b>
<b>Net carrying amount</b>	<b>64,440,470</b>	<b>34,109,959</b>	<b>1,732,460</b>	<b>6,628,418</b>	<b>5,328,680</b>	<b>182,540,546</b>	<b>2,591,167</b>	<b>-</b>	<b>257,527</b>	<b>297,629,226</b>	<b>25,644,968</b>
<b>Year ended March 31, 2020</b>											
<b>Gross carrying amount</b>											
Opening gross carrying amount	66,856,988	38,282,641	6,437,680	10,142,148	14,002,786	413,786,678	4,468,983	-	586,258	554,564,162	25,644,968
Additions	-	-	282,742	725,000	891,038	96,677,924	172,264	38,322,806	-	137,071,774	-
Disposals	-	-	-	-	-	18,853,283	294,876	-	-	19,148,160	-
Adjustments	-	-	-	-	-	-	-	-	-	-	-
<b>Closing gross carrying amount</b>	<b>66,856,988</b>	<b>38,282,641</b>	<b>6,720,422</b>	<b>10,867,148</b>	<b>14,893,824</b>	<b>491,611,319</b>	<b>4,346,371</b>	<b>38,322,806</b>	<b>586,258</b>	<b>672,487,776</b>	<b>21,701,340</b>
<b>Accumulated Depreciation</b>											
Opening accumulated depreciation	2,416,518	4,172,682	4,705,220	3,513,730	8,674,106	231,246,132	1,877,816	-	328,731	256,934,936	-
Additions	805,506	1,414,005	1,085,244	2,091,448	3,455,555	99,239,280	543,318	13,774,046	99,405	122,507,806	-
Disposals	-	-	-	-	-	17,249,949	119,780	-	-	17,369,731	-
Adjustments	-	-	-	-	-	-	-	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>3,222,024</b>	<b>5,586,687</b>	<b>5,790,464</b>	<b>5,605,178</b>	<b>12,129,661</b>	<b>313,235,463</b>	<b>2,301,354</b>	<b>13,774,046</b>	<b>428,136</b>	<b>362,073,011</b>	<b>-</b>
<b>Net carrying amount</b>	<b>63,634,964</b>	<b>32,695,954</b>	<b>929,958</b>	<b>5,261,970</b>	<b>2,764,163</b>	<b>178,375,856</b>	<b>2,045,018</b>	<b>24,548,760</b>	<b>158,122</b>	<b>310,414,765</b>	<b>21,701,340</b>

**Note:**

- a) Details of assets offered as security is provided in Note 10
- b) Leasehold Land is the land situated at Baddi, Himachal Pradesh, which has been obtained under a 85 years lease from the Department of Industries, Himachal Pradesh.

### Note 3: Intangible Assets

Particulars	Computer Software	Computer Software - ERP System	Total	Capital work in progress
<b>Year ended March 31, 2019</b>				
<b>Gross carrying amount</b>				
Opening gross carrying amount	11,783,364	4,393,222	16,176,586	-
Additions	2,793,860	12,042,256	14,836,116	
Disposals	-	-	-	
Adjustments	-	-	-	
<b>Closing gross carrying amount</b>	<b>14,577,224</b>	<b>16,435,478</b>	<b>31,012,702</b>	<b>-</b>
<b>Accumulated Depreciation</b>				
Opening accumulated depreciation	6,237,840	513,899	6,751,739	
Depreciation charge during the year	4,176,634	3,512,634	7,689,268	
Disposals	-	-	-	
Adjustments	-	-	-	
<b>Closing accumulated depreciation</b>	<b>10,414,474</b>	<b>4,026,533</b>	<b>14,441,007</b>	
<b>Net carrying amount</b>	<b>4,162,750</b>	<b>12,408,945</b>	<b>16,571,695</b>	<b>-</b>
<b>Year ended March 31, 2020</b>				
<b>Gross carrying amount</b>				
Opening gross carrying amount	14,577,224	16,435,478	31,012,702	-
Additions	630,500	-	630,500	
Disposals	-	-	-	
Adjustments	-	-	-	
<b>Closing gross carrying amount</b>	<b>15,207,724</b>	<b>16,435,478</b>	<b>31,643,202</b>	<b>-</b>
<b>Accumulated Depreciation</b>				
Opening accumulated depreciation	10,414,474	4,026,533	14,441,007	
Additions	2,454,660	4,068,561	6,523,221	
Disposals	-	-	-	
Adjustments	-	-	-	
<b>Closing accumulated depreciation</b>	<b>12,869,134</b>	<b>8,095,094</b>	<b>20,964,228</b>	
<b>Net carrying amount</b>	<b>2,338,590</b>	<b>8,340,384</b>	<b>10,678,974</b>	<b>-</b>

**Note:**

a) Computer Software includes capitalised development costs being an internally generated intangible asset.

### Note 4: Financial Assets

#### 4 (a) Trade Receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivables	221,502,647	210,678,487
Allowances for Credit Losses	(87,402,104)	(81,292,047)
<b>Total Receivables</b>	<b>134,100,543</b>	<b>129,386,440</b>
Current portion	134,100,543	129,386,440
<b>Non-current portion</b>	<b>-</b>	<b>-</b>

**Break-Up of Security details**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Outstanding for more than six months from the due date</b>		
Secured, considered good	-	-
Unsecured, considered good	11,743,656	7,675,733
Receivables which have significant Credit Risk	86,127,811	74,020,284
	<b>97,871,467</b>	<b>81,696,017</b>
Allowances for Credit Losses	(86,127,808)	(74,020,286)
<b>Sub total</b>	<b>11,743,659</b>	<b>7,675,731</b>
<b>Other receivables</b>		
Secured, considered good	-	-
Unsecured, considered good	122,356,884	121,710,709
Receivables which have significant Credit Risk	1,274,296	7,271,761
	123,631,180	128,982,470
Allowances for Credit Losses	(1,274,296)	(7,271,761)
<b>Sub total</b>	<b>122,356,884</b>	<b>121,710,709</b>
<b>Total Trade Receivables</b>	<b>134,100,543</b>	<b>129,386,440</b>

**4 (b) Cash and Cash Equivalents**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Balances with Banks</b>		
- in current accounts	1,124,998	562,092
<b>Total cash and cash equivalents</b>	<b>1,124,998</b>	<b>562,092</b>

**4 (c) Other Financial Assets**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non current</b>		
Security Deposits	7,887,974	2,698,903
Other Deposits	1,240,519	1,269,919
Margin money deposits with bank	650,573	774,672
Interest accrued on margin money deposits with bank	-	87,467
<b>Total other financial assets - non current</b>	<b>9,779,066</b>	<b>4,830,961</b>
<b>Current</b>		
Security Deposits	3,479,888	7,708,144
Other Deposits	317,980	722,480
Margin money deposits with bank	100,000	100,000
Interest accrued on margin money deposits with bank	4,641	4,409
<b>Total other financial assets - current</b>	<b>3,902,509</b>	<b>8,535,033</b>

#### 4 (d) Other Bank Balances

Particulars	As at March 31, 2020	As at March 31, 2019
Balance in Unclaimed Dividend Accounts with Banks	1,464,258	1,500,916
<b>Total other Bank balances</b>	<b>1,464,258</b>	<b>1,500,916</b>

#### Note 5: Deferred Tax Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Tax losses	-	12,559,095
Defined Benefit obligations & allowance on payment basis	4,643,417	4,330,049
Allowance for doubtful debts - trade receivables	24,295,467	22,593,785
Others	1,212,285	1,121,576
<b>Total deferred tax assets</b>	<b>30,151,169</b>	<b>40,604,505</b>
Depreciation on Property, plant and equipment	5,124,595	8,669,582
<b>Total deferred tax liability</b>	<b>5,124,595</b>	<b>8,669,582</b>
<b>Net deferred tax assets</b>	<b>25,026,574</b>	<b>31,934,923</b>
MAT Credit Receivable	12,145,314	16,514,783
<b>Net deferred tax assets</b>	<b>37,171,888</b>	<b>48,449,706</b>

#### Note 6: Other Non Current Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Prepayments	763,139	860,953
Taxes / Refunds recoverable	35,173,749	40,763,268
<b>Total other non-current assets</b>	<b>35,936,888</b>	<b>41,624,221</b>

#### Note 7: Inventories

Particulars	As at March 31, 2020	As at March 31, 2019
(At lower of cost and net realisable value)		
Raw Materials		
- In Stock	21,251,206	22,758,081
- In Transit	-	-
Work-in-progress	1,792,100	1,833,535
Finished goods		
- In Stock	3,515,284	2,106,124
- In Transit	3,238,441	606,101
Traded goods		
- In Stock	36,458,779	17,834,512
- In Transit	1,845	-
Spares and Consumables		
- In Stock	57,814,231	56,208,950
- In Transit	373,395	116,099
<b>Total Inventories</b>	<b>124,445,281</b>	<b>101,463,402</b>

**Note 8: Other Current Assets**

Particulars	As at March 31, 2020	As at March 31, 2019
Prepayments	6,140,339	6,953,977
Balance with Excise/Customs/GST input credit	33,323,143	18,793,887
Claims Receivable	906,392	2,342,081
<b>Total other current assets</b>	<b>40,369,874</b>	<b>28,089,945</b>

**Note 9(a): Equity Share Capital****i) Authorised Equity Share Capital**

Particulars	As at March 31, 2020	As at March 31, 2019
3,00,00,000 Equity Shares of Rs 10 each	300,000,000	300,000,000
<b>Total other current assets</b>	<b>300,000,000</b>	<b>300,000,000</b>

**ii) Issued, Subscribed and paid up capital**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>2,63,16,372 Equity Shares of Rs 10 each fully paid up (2019 - 2,62,09,272)</b>	26,31,69,545	26,20,98,545
<b>Total</b>	<b>26,31,69,545</b>	<b>26,20,98,545</b>

**iii) Movements in Equity Share Capital**

Particulars	Number of shares	Amount
<b>As at April 1, 2018</b>	25,122,572	251,231,545
Exercise of options - proceeds received	86,700	867,000
Issue of Equity on Conversion of Warrants	1,000,000	10,000,000
<b>As at March 31, 2019</b>	<b>26,209,272</b>	<b>262,098,545</b>
Exercise of options - proceeds received	107,100	1,071,000
<b>As at March 31, 2020</b>	<b>26,316,372</b>	<b>263,169,545</b>

*Terms and rights attached to equity shares*

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

Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote per share

*Shares reserved for issue under options*

Information relating to ESOP plans of the Group companies, including details of the options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in Note 25.



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

Particulars	As at March 31, 2020	As at March 31, 2019
<b>RNAWEP Investments Private Limited</b>		
No of Shares	3,260,403	3,260,403
% Holding	12.39%	12.44%
<b>Ram N Agarwal</b>		
No of Shares	1,973,014	3,005,056
% Holding	7.50%	11.47%
<b>WeP Peripherals Limited</b>		
No of Shares	4,090,361	3,058,319
% Holding	15.54%	11.67%
<b>Wipro Limited</b>		
No of Shares	1,836,000	1,836,000
% Holding	6.98%	7.01%
<b>Sharad Kanayalal Shah</b>		
No of Shares	1,502,359	1,433,285
% Holding	5.71%	5.47%

v) Aggregate Number of Shares Issued for Consideration other than Cash

Particulars	As at March 31, 2020	As at March 31, 2019
Shares issued as consideration for acquisition of business	22,213,645	22,213,645

Note 9(b): Reserves and Surplus

Particulars	As at March 31, 2020	As at March 31, 2019
Securities Premium	144,352,508	139,992,185
Share options outstanding account	9,134,141	12,519,359
Capital Reserve	31,327,459	31,327,459
General Reserve	2,501,048	1,564,879
Retained earnings	(34,928,508)	(13,720,547)
<b>Total reserves and surplus</b>	<b>152,386,648</b>	<b>171,683,335</b>

i) Securities Premium

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	139,992,185	87,604,068
Preferential Issue	-	50,000,000
Exercise of Options	4,360,323	2,388,117
<b>Closing Balance</b>	<b>144,352,508</b>	<b>139,992,185</b>

**ii) Share Options Outstanding Account**

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	12,519,359	8,732,183
Employee stock options expense	1,911,274	6,723,067
Transfer to Securities Premium on exercise of options	(4,360,323)	(2,388,117)
Transfer to General Reserve	(936,169)	(547,774)
<b>Closing Balance</b>	<b>9,134,141</b>	<b>12,519,359</b>

**iii) Capital Reserve**

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	31,327,459	31,327,459
<b>Closing Balance</b>	<b>31,327,459</b>	<b>31,327,459</b>

**iv) General Reserve**

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	1,564,879	1,017,105
Transfer from Stock options outstanding	936,169	547,774
<b>Closing Balance</b>	<b>2,501,048</b>	<b>1,564,879</b>

**v) Retained earnings**

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	(13,720,547)	26,081,147
Adjustment for Ind AS 115 Impact under cumulative catch-up method	-	(7,863,023)
Net profit for the period	(21,207,851)	(31,377,407)
Share Issue expenses	(10,000)	(445,000)
<b>Items of other comprehensive income</b>		
Actuarial Gains / (Losses) net of taxes	9,890	(116,264)
<b>Closing Balance</b>	<b>(34,928,508)</b>	<b>(13,720,547)</b>

**Note 9(c): Others**

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	-	15,000,000
Upper Front Consideration received on Issue of Warrants pending conversion	-	-
Utilised on Conversion of Warrants to Equity Shares	-	15,000,000
<b>Closing Balance</b>	<b>-</b>	<b>-</b>

## Note 10: Financial Liabilities

### 10(a) Borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non Current</b>		
<b>Secured</b>		
<i>From Banks</i>		
Term Loan	52,556,970	37,632,030
<b>Unsecured</b>		
<i>From Other Parties</i>		
Term Loan	5,000,000	-
<b>Total Non Current Borrowings</b>	<b>57,556,970</b>	<b>37,632,030</b>
<b>Current</b>		
<b>Loans Repayable on Demand</b>		
<b>Secured</b>		
<i>From Banks</i>		
Cash Credit Account	42,001,370	36,494,284
<b>Total Current Borrowings</b>	<b>42,001,370</b>	<b>36,494,284</b>

- i) Cash Credit facilities are secured by hypothecation of Inventories & book debts of the company.
- ii) Term Loan amounting to Rs. 8.19 Crores is repayable in 60 installments. It carries an interest rate of 10 % p.a. and is secured by -
  - a) Primary Security: Hypothecation of Devices (Computers Peripherals - on Use and Pay) purchased using the term loan.
  - b) Collateral Security: Equitable Mortgage of Leashold land situated at Baddi, Himachal Pradesh
- iii) There is no breach of Loan Agreement.
- iv) Term Loan from Others include the amount of unsecured loan taken from WeP Peripherals Limited by the subsidiary

### 10(b) Trade Payables

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Current</b>		
Trade payables	47,114,097	37,059,938
Trade payables to MSME	4,215,188	309,498
<b>Total trade payables</b>	<b>51,329,285</b>	<b>37,369,436</b>

### 10(c) Other Financial Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non Current</b>		
Lease Liability	12,319,777	-
<b>Total Non Current Financial Liabilities</b>	<b>12,319,777</b>	<b>-</b>
<b>Current</b>		
Customer, Dealer and Other Deposits	18,338,071	20,139,560
Current maturities of Long Term Borrowings**	18,296,780	14,814,800
Capital Creditors	34,810,472	53,856,059
Unclaimed Dividend	1,464,258	1,500,916
Lease Liability	13,445,797	-
<b>Total other current financial liabilities</b>	<b>86,355,378</b>	<b>90,311,335</b>

\*\*Refer footnote to Note No. 10(a)

**Note 11: Provisions**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non Current</b>		
Employee Benefits (Refer Note 24)	12,512,428	11,467,576
Warranty expenses (Refer Note 28)	-	479,437
<b>Total non current provisions</b>	<b>12,512,428</b>	<b>11,947,013</b>
<b>Current</b>		
Employee Benefits (Refer Note 24)	562,537	861,675
Warranty expenses (Refer Note 28)	935,873	1,337,864
<b>Total current provisions</b>	<b>1,498,410</b>	<b>2,199,539</b>

**Note 12: Other Liabilities**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non Current</b>		
Income received in advance	1,514,148	1,654,913
<b>Total other Non Current Liabilities</b>	<b>1,514,148</b>	<b>1,654,913</b>
<b>Current</b>		
Income received in advance	8,035,631	11,850,973
Advance from customers	3,269,183	581,757
Statutory payables	7,750,268	7,970,119
Other payables	5,289,937	5,180,521
Expenses payable	26,101,406	27,314,805
<b>Total other Current liabilities</b>	<b>50,446,425</b>	<b>52,898,175</b>

**Note 13: Revenue from Operations**

Particulars	For the year April 1, 2019 to March 31, 2020	For the year April 1, 2018 to March 31, 2019
Sale of Products	226,739,237	295,164,816
Sale of Services	456,736,494	471,484,262
Other Operating Revenue	246,178	323,487
<b>Total revenue from operations</b>	<b>683,721,909</b>	<b>766,972,565</b>

**Note 14: Other Income**

Particulars	For the year April 1, 2019 to March 31, 2020	For the year April 1, 2018 to March 31, 2019
Interest Income on Financial Assets measured at amortised cost -		
Interest on Deposits with banks	193,696	137,702
Other Interest	1,930,714	661,753
Rental Income	2,645,000	2,360,000
Exchange Gain	3,628	-
Miscellaneous Income	2,858,183	2,150,808
Credit balances/Provision no longer required written back	1,329,872	3,270,118
<b>Total Other income</b>	<b>8,961,093</b>	<b>8,580,381</b>

**Note 15: Cost of Materials Consumed**

Particulars	For the year April 1, 2019 to March 31, 2020	For the year April 1, 2018 to March 31, 2019
Raw materials/Spares and consumables at the beginning of the year	79,083,129	93,141,845
Add : Purchases during the year/period	190,460,881	214,954,517
Less : Closing stocks	79,438,833	79,083,129
<b>Total cost of material consumed</b>	<b>190,105,177</b>	<b>229,013,233</b>

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

Particulars	For the year April 1, 2019 to March 31, 2020	For the year April 1, 2018 to March 31, 2019
Purchases of stock-in-trade	86,069,430	78,959,312
<b>Total purchase of stock-in-trade</b>	<b>86,069,430</b>	<b>78,959,312</b>

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

Particulars	For the year April 1, 2019 to March 31, 2020	For the year April 1, 2018 to March 31, 2019
<b>Opening Stock</b>		
Work-in-progress	1,833,535	-
Finished goods	2,712,226	9,579,834
Traded goods	17,834,512	14,138,430
<b>Total opening stock</b>	<b>22,380,273</b>	<b>23,718,264</b>
<b>Closing Stock</b>		
Work-in-progress	1,792,100	1,833,535
Finished goods	6,753,725	2,712,226
Traded goods	36,460,624	17,834,512
<b>Total closing stock</b>	<b>45,006,449</b>	<b>22,380,273</b>
<b>Total changes in inventories of work-in-progress, stock-in-trade and finished goods</b>	<b>(22,626,176)</b>	<b>1,337,991</b>

**Note 18: Employee Benefit Expenses**

Particulars	For the year April 1, 2019 to March 31, 2020	For the year April 1, 2018 to March 31, 2019
Salaries, wages and bonus	103,848,565	125,091,987
Gratuity and Leave encashment expense	3,186,371	2,810,813
Employee share-based payment expense	1,911,274	6,723,067
Contribution to provident and other fund	5,666,943	6,268,847
Staff welfare expenses	6,421,724	9,261,995
<b>Total employee benefit expense</b>	<b>121,034,877</b>	<b>150,156,709</b>

**Note 19: Other Expenses**

Particulars	For the year April 1, 2019 to March 31, 2020	For the year April 1, 2018 to March 31, 2019
Power and fuel	5,302,720	5,834,131
Insurance	832,121	802,116
Repairs & Maintenance - Buildings	1,071,897	1,384,990
Repairs & Maintenance - IT	11,834,285	9,041,114
Rent	6,595,348	26,786,085
Rates and taxes	1,997,288	3,617,567
Warranty Expenses	995,812	1,526,651
Carriage and Freight outwards	23,833,878	22,824,112
Commission on sales	4,520,793	3,856,107
Support Charges	14,031,727	14,792,579
<b>Auditors' Remuneration</b>		
for Audit fees	675,000	675,000
for Taxation matters	125,000	125,000
for Reimbursement of expenses	161,421	114,851
for Other Services	50,000	-
Advertisement and sales promotion	9,524,264	15,018,104
Directors' Commission and Sitting fees	1,110,000	1,170,000
Loss on disposal of assets	1,727,928	1,986,162
Travelling and Conveyance	11,699,262	15,831,622
Communication Expenses	4,074,509	5,296,077
Legal and Professional charges	8,433,325	9,172,657
Manpower support service charges	54,299,308	58,769,607
Office Maintenance	8,757,440	9,965,286
Cloud Expenses	3,005,619	4,285,482
Provision for doubtful debts / advances	6,140,059	10,146,435
Bad Debts Write off	-	262,716
Exchange Differences (Net)	963,622	258,243
Recruitment Expenses	717,074	1,329,694
Bank Charges	477,271	357,986
Miscellaneous expenses	1,354,040	2,230,189
<b>Total other expenses</b>	<b>184,311,011</b>	<b>227,460,562</b>

**Note 20: Finance Costs**

Particulars	For the year April 1, 2019 to March 31, 2020	For the year April 1, 2018 to March 31, 2019
Interest Expenses	12,506,269	9,731,370
Other Borrowing costs	844,233	632,583
<b>Total finance costs</b>	<b>13,350,502</b>	<b>10,363,953</b>

**Note 21: Depreciation and Amortisation Expense**

Particulars	For the year April 1, 2019 to March 31, 2020	For the year April 1, 2018 to March 31, 2019
Depreciation of property, plant and equipment	108,733,762	102,957,336
Amortisation of Right to use assets	13,774,046	-
Amortisation of intangible assets	6,523,221	7,689,268
<b>Total depreciation and amortisation expense</b>	<b>129,031,029</b>	<b>110,646,604</b>

**Note 22: Related Party Transactions**
**22(A) List of related parties**

Name of Related Party	Relationship
Ram Narayan Agarwal	Chairman & Managing Director
Suresh C Senapaty	Subsidiary Company - Chairman & Director
G H Visweswara	Independent Director
Sudhir Prakash*	Independent Director
Dr. A L Rao	Non-Executive Director
H V Gowthama	Independent Director
Mythily Ramesh	Independent Director
Shankar Jaganathan	Independent Director
Sandeep Kumar Goyal	Chief Financial Officer
S.Pradeep	Subsidiary Company- Chief Financial Officer
Sanjeev Arora	Subsidiary Company- Chief Executive Officer
Sujata Pratik Shaha	Company Secretary & Compliance Officer
Cimplifyfive Corporate Secretarial Services Private Limited	Company in which Director is Interested
wep solutions india limited	Promoter Group
RNAWEP Investments Private Limited	Promoter Group
WeP Peripherals Limited	Promoter

\* Director till August 21, 2019

**22(B) Transactions with Key Management Personnel**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Remuneration paid to Key Management Personnel	11,789,319	12,177,223



**22(C) Transaction with other related parties**

Transactions	WeP Peripherals Limited	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Purchase of Goods and Services (excluding taxes)	3,038,840	7,592,090
Interest paid	286,209	217,000
Amount received for allotment of Equity Shares/ Warrants	-	45,000,000
Loan outstanding	5,000,000	-
	Cimplifyfive Corporate Secretarial Services Private Limited	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Purchase of Services	-	150,000
Sale of Services	-	355,405

**Note 23: Revenue from Contracts with Customers****Disaggregate revenue information:**

The table below presents disaggregated revenues from contracts with customers and the disaggregation best depicts how the nature, timing and uncertainty of revenue and cash flows are affected by market and economic factors:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a. Printer Business	200,596,976	275,526,839
b. MPS Business	448,796,208	459,794,660
c. Digital Services	34,328,725	31,651,065
	<b>683,721,909</b>	<b>766,972,565</b>

**Performance Obligations:**

- The performance obligation is satisfied by transferring the promised good or service to a customer and the customer obtains controls over it.
- The company payment terms range from advance to 60 days.
- The Company earns revenue primarily from Managed Printing Solutions and Services, Manufacturing and Distribution of Retail Billing Products and providing Digital Services like GST etc. to both enterprise and retail customers, pan India.
- The Company generally offers Standard warranties of 6 to 12 months for its products sold.

**Note 24: Employee Benefit Plans**

The Group provides to its employees following retirement benefits:

- Gratuity
- Leave Accrual

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

**Gratuity:** The Group provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary for each completed year of service. The Group accounts for gratuity benefits payable in the future based on the actuarial valuation. The Group is exposed to actuarial risk with respect to this plan.

The following table sets out the amounts recognised in the Consolidated financial statements for Gratuity

#### Principal Actuarial Assumptions

Particulars	As at March 31, 2020	As at March 31, 2019
Salary Escalation	7.00%	7.00%
Discount Rate (per annum)	6.55%	7.55%
Mortality	India Assured Lives Mortality (2006-2008)	India Assured Lives Mortality (2006-2008)

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

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of Funded defined benefit obligation	8,324,257	7,337,238
Fair value of plan assets	(2,026,831)	(2,471,652)
<b>Net Liability</b>	<b>6,297,426</b>	<b>4,865,586</b>
Current	-	-
Non-Current	6,297,426	4,865,586

#### Amount reflected in the Consolidated Statement of Profit & Loss is as follows

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current Service Cost	1,247,966	1,094,540
Interest on Defined Benefit Obligation	369,146	312,752
<b>Total</b>	<b>1,617,112</b>	<b>1,407,292</b>

#### Amount recognised in Other Comprehensive Income

Particulars	As at March 31, 2020	As at March 31, 2019
Remeasurements during the period due to		
<i>Changes in financial assumptions</i>	621,405	127,671
<i>Changes in demographic assumptions</i>	17	-
<i>Experience adjustments</i>	(743,751)	(33,827)
<i>Actual return on plan assets less interest on plan assets</i>	106,315	70,801
<b>Closing amount recognised in OCI outside profit and loss account</b>	<b>(16,014)</b>	<b>164,645</b>

#### Reconciliation statement

Particulars	As at March 31, 2020	As at March 31, 2019
<b>a) Change in Defined Benefit Obligation</b>		
<b>Opening Defined Benefit Obligation</b>	<b>7,296,673</b>	<b>6,519,416</b>
Current Service Cost	1,247,966	1,094,540
Interest on Defined Benefit Obligation	557,429	493,296
Actuarial Losses / (Gain)		
Remeasurements due to:		
<i>Actuarial loss / (gain) arising from change in financial assumptions</i>	621,405	127,671
<i>Actuarial loss / (gain) arising from change in demographic assumptions</i>	17	-
<i>Actuarial loss / (gain) arising on account of experience changes</i>	(743,751)	(33,827)
Benefits Paid	(696,047)	(904,423)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Closing Defined Benefit Obligation</b>	<b>8,283,692</b>	<b>7,296,673</b>
<b>b) Change in Fair Value of Assets</b>		
<b>Opening Fair Value of Plan Assets</b>	<b>2,578,832</b>	<b>2,352,711</b>
Interest on plan assets	188,283	180,544
Remeasurements due to:		
<i>Actual return on plan assets less interest on plan assets</i>		
Contribution by Employer	169,258	950,000
Benefit Paid	(696,047)	(904,423)
<b>Closing Fair Value of Plan Assets</b>	<b>2,240,326</b>	<b>2,578,832</b>
<b>c) Change in Net Liability / (asset)</b>		
Opening net defined benefit liability / (asset)	4,825,022	4,203,085
Expense charged to Consolidated Statement of profit & loss	1,617,112	1,407,292
Amount recognised outside Consolidated Statement of profit & loss	(16,014)	164,645
Contribution by Employer	(169,258)	(950,000)
<b>Closing net defined benefit liability / (asset)</b>	<b>6,256,862</b>	<b>4,825,022</b>

**Maturity Profile of defined benefit obligations**

Particulars	As at March 31, 2020	As at March 31, 2019
1 year	661,561	483,019
2 to 5 years	3,757,958	2,891,310
6 to 9 years	3,166,220	3,182,150
10 years and Above	7,022,107	8,062,470

**Note 25: Employee Stock Option Plan**

The Group, from time to time, provides share based payments to its employees. These payments are provided in the form of stock options that can be exercised once the employee has completed specified service term with the Company. All share based employee remuneration would be settled in equity. The details of Stock options are provided below:

Particulars	ESOP 2011	ESOP 2016
Date of Shareholders' approval	27 <sup>th</sup> Sep 2011	22 <sup>nd</sup> Sep 2016
Total number of options approved under the scheme	600,000	600,000
Vesting Schedule		
On completion of 12 months from the date of grant of Options	30% vesting	30% vesting
On completion of 24 months from the date of grant of Options	30% vesting	30% vesting
On completion of 36 months from the date of grant of Options	40% vesting	40% vesting
Exercise Price	Rs.10 per share	Rs.10 per share
Exercise Period	5 years from the date of vesting	5 years from the date of vesting
Option movements during the year		
Options outstanding at the beginning of the year	287,400	124,500
Options granted during the year	-	185,000
Options Lapsed & Forfeited during the year	72,700	19,500
Options exercised during the year	77,100	30,000
Variations of terms of options	None	None
Money realised by exercise of options (Rs.)	771,000	300,000
<b>Total number of options in force as at the end of the year</b>	<b>137,600</b>	<b>260,000</b>
Vested and available for exercise	123,500	33,000
Unvested	14,100	227,000

### Summary of the Status of Options

Particulars	As at March 31, 2020	As at March 31, 2019
Options outstanding at the beginning of the year	411,900	557,400
Options granted during the year	185,000	-
Options Lapsed & Forfeited during the year	92,200	58,800
Options exercised during the year	107,100	86,700
<b>Total number of options in force as at the end of the year</b>	<b>397,600</b>	<b>411,900</b>

### Note 26: Disclosures of dues / payments to Micro, Small and Medium enterprises to the extent such enterprises are identified by the Group:

Particulars	As at March 31, 2020	As at March 31, 2019
a. Amount due on account of suppliers as at the end of the accounting year	4,215,188	309,498
b. Principal amount paid (includes unpaid) beyond the appointed date	NIL	NIL
c. Interest paid during the year;	NIL	NIL
d. Interest payable at the end of the year;	NIL	NIL
e. Interest accrued and unpaid at the end of the accounting year; has not been provided.	NIL	NIL

The information has been given in respect of such vendors to the extent they could be identified as "Micro, Small and Medium" enterprises on the basis of information available with the Group.

### Note 27: Earning Per Share (EPS) computed in accordance with Ind AS 33

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Basic</b>		
Profit/ (Loss) after tax as per accounts	(21,207,851)	(31,377,407)
Number of Shares issued (Weighted average no.)	26,253,957	25,465,479
<b>Earning Per Share</b> (of nominal value of equity share of Rs.10/- each)	<b>(0.81)</b>	<b>(1.23)</b>
<b>Diluted</b>		
Profit/ (Loss) after tax as per accounts	(21,207,851)	(31,377,407)
Number of Shares issued (Weighted average no.)	26,562,636	25,877,379
<b>Earning Per Share</b> (of nominal value of equity share of Rs.10/- each)	<b>(0.80)</b>	<b>(1.21)</b>

### Calculation of Weighted average number of shares used as the denominator

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Weighted average number of equity shares used as the denominator in calculating basic earning per share	26,253,957	25,465,479
Adjustments for calculation of diluted earnings per share Stock options	308,679	411,900
<b>Weighted average number of equity shares used as the denominator in calculating diluted earning per share</b>	<b>26,562,636</b>	<b>25,877,379</b>

### Note 28: Warranty

The Group generally offers 6 to 12 months warranties for its products. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims. Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period.

Movement in provision during the financial year	Warranty Provision	
	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Opening Provision</b>	1,817,300	2,699,444
Additions during the year	935,873	1,817,300
Reversal during the year	1,817,300	2,699,444
<b>Closing Provision</b>	<b>935,873</b>	<b>1,817,300</b>

**Note 29: Contingent Liabilities**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Claims against the company not acknowledged as debt</b>		
Value Added Tax	1,658,492	1,123,318
Service Tax	58,129,154	58,129,154
<b>Total</b>	<b>59,787,646</b>	<b>59,252,472</b>

**Note 32: Financial Instruments**

This section gives an overview of the significance of financial instruments for the Group and provided additional information on balance sheet terms that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expense are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

**i) Classification of Financial Assets and Liabilities**

All financial assets and financial liabilities are valued at amortised cost.

**ii) Fair Value Hierarchy**

There are no financial asset or liabilities of the Group, which, after their initial recognition, have been fair valued either during the year or in the previous year.

**iii) Financial Risk Management Policies and Objectives**

The Group, in the course of its business, is exposed to a variety of financial risks, viz., market risk, credit risk and liquidity risk which can adversely impact the financial performance. The Group endeavour is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The Group has a risk management policy that which not only covers the foreign exchange risk but also other risks such as interest rate risk and credit risk which are associated with financial assets and liabilities.

**A. Market Risk:**

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

**B. Foreign currency exchange rate risk:**

The fluctuations in foreign currency exchange rate may have a potential impact on the statement of profit and loss and equity. This arises from transactions entered into foreign currency and assets/liabilities which are denominated in a currency other than the functional currency of the Company.

### Note 30: Segment Reporting

For management purposes, the Group is organised into business units based on its products and services and has three reportable segments, as follows:

- The Printers business which is into design, manufacturing and distribution of Retail Billing Printers and other impact printers
- The Managed Printing Solutions (MPS) business which is into providing office printing solutions and services to corporate customers
- The Digital Services business which is into providing Digital services like GST, document management etc.

Particulars	Printer Business		MPS Business		Digital Services		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>Revenue</b>								
Net Sales / Income from Operations	200,596,976	275,526,839	448,796,208	459,794,660	34,328,725	31,651,065	683,721,909	766,972,565
<b>Segment Revenue</b>	<b>200,596,976</b>	<b>275,526,839</b>	<b>448,796,208</b>	<b>459,794,660</b>	<b>34,328,725</b>	<b>31,651,065</b>	<b>683,721,909</b>	<b>766,972,565</b>
<b>Segment Result before exceptional items, depreciation, interest and tax</b>	<b>2,034,365</b>	<b>6,763,765</b>	<b>139,890,513</b>	<b>120,643,205</b>	<b>(8,329,890)</b>	<b>(38,769,086)</b>	<b>133,594,987</b>	<b>88,637,884</b>
Less: Depreciation and amortisation expenses	6,523,177	7,170,290	119,655,741	99,324,952	2,852,112	4,151,362	129,031,029	110,646,604
<b>Segment Result before exceptional items, interest and tax</b>	<b>(4,488,812)</b>	<b>(406,526)</b>	<b>20,234,772</b>	<b>21,318,253</b>	<b>(11,182,002)</b>	<b>(42,920,448)</b>	<b>4,563,958</b>	<b>(22,008,719)</b>
Add: Interest Income							193,696	137,702
Less: Finance Cost							13,350,502	10,363,953
<b>Profit before exceptional items and tax</b>							<b>(8,592,848)</b>	<b>(32,234,970)</b>
Less: Exceptional item							-	-
<b>Profit Before tax</b>							<b>(8,592,848)</b>	<b>(32,234,970)</b>
Less: Tax Expenses							12,615,003	(857,563)
<b>Profit After Tax</b>							<b>(21,207,851)</b>	<b>(31,377,407)</b>
<b>Other Information</b>								
Segment Assets	194,609,882	165,945,152	521,029,979	507,527,516	15,450,518	30,815,937	731,090,379	704,288,605
Segment Liabilities	65,170,063	57,093,073	116,077,430	107,892,166	16,431,577	16,580,372	197,679,070	181,565,611
<b>Capital Employed</b>	<b>129,439,819</b>	<b>108,852,079</b>	<b>404,952,549</b>	<b>399,841,355</b>	<b>(981,059)</b>	<b>14,235,565</b>	<b>533,411,309</b>	<b>522,722,994</b>

### Note 31: Percentage of contribution by Parent / Subsidiary

Particulars	Net Assets (Total Assets Less Total Liabilities)			Share in Profit		
	As a % of Consolidated Net Assets		Amount	As a % of Consolidated Net Profit / (Loss)		Amount
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2019	
<b>Parent:</b>						
WeP Solutions Limited	102%	99%	423,107,168	-2%	6%	451,393
<b>Indian Subsidiary:</b>						
WeP Digital Services Limited	-2%	1%	(7,550,975)	102%	94%	(21,659,244)
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>415,556,193</b>	<b>100%</b>	<b>100%</b>	<b>(21,207,851)</b>
						<b>(31,377,407)</b>

The Group imports raw materials, traded goods, consumables etc and such transactions are denominated in US Dollars. The Group does not take major exposure in any other foreign currency. The group also exports services which are billed in US dollars. The Group has a hedging policy approved and reviewed by the Board of Directors to mitigate its risks. Details of foreign currency exposure in USD are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivables (Amount in INR)	186,792	196,578
Trade Receivables (Amount in USD)	2,478	2,842
Trade Payables (Amount in INR)	23,047,909	9,457,443
Trade Payables (Amount in USD)	305,756	136,587

### C. Credit risk:

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk covers both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

Trade receivables constitute the financial instruments that are exposed to credit risk. The Group policy is to deal only with creditworthy counterparts. The Company management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due. None of the Group financial assets are secured by collateral or other credit enhancements.

The Group exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date.

### Note 33: Deferred Tax Asset

The subsidiary company has reassessed the deferred tax asset on unused tax losses at the year end and based on the additional uncertainty arising from Covid-19 impacting forecasted profits, the Company has deemed it fit to write down the deferred tax asset on unused tax losses of Rs 12,559,005/- during the year ended 31<sup>st</sup> March 2020.

### Note 34: Impact of COVID-19

Due to COVID-19 situation, there have been several restrictions imposed by the Governments across the globe and in India during March 2020. The Company has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the company expects to recover the carrying amount of trade receivables, investments and other assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements. The Company will continue to monitor developments to identify significant uncertainties in future periods, if any.

Management believes that considering the Company's historical performance and its business model it has adequate liquidity and business plans to continue to operate the business and mitigate the risks associated with COVID-19 for the next 12 months from the date of this Financial Statements. The Company has also ensured that majority of its key resources are working from home and providing the required support to business and ensuring that there is least disturbance.

### Note 35: Capital Management

The Group capital management is intended to maximise the return to shareholders for meeting the long-term and short-term goals of the Group through the optimization of the debt and equity balance.

The Group determines the amount of capital required on the basis of annual and long-term operating plans and strategic investment plans. The funding requirements are met through equity and long-term/short-term borrowings. The Group monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

For the purpose of capital management, capital includes issued equity capital, securities premium and all other reserves attributable to the equity shareholders of the Group. Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents.



The following table summarises the capital of the Group:

Particulars	As at March 31, 2020	As at March 31, 2019
Debt *	117,855,120	88,941,114
Cash and Cash Equivalents	1,124,998	562,092
Net debt	116,730,123	88,379,022
Equity **	415,556,193	433,781,880
Total Capital ( Debt + Equity)	532,286,316	522,160,902
Net Debt to Equity Ratio	0.22	0.17

\* Debt is defined as long-term and short-term borrowings

\*\* Equity includes all capital and reserved of the company that are managed as capital.

**Note 36:** Previous Year figures have been regrouped / rearranged wherever necessary to conform to the current year presentation.

**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  
**S. N. Shivakumar**

Partner  
Membership No. : 88113

Place: New Delhi  
Date: June 15, 2020

**H V Gowthama**  
Director  
DIN: 00250122

**Sandeep Goyal**  
Chief Financial Officer

Place: Bengaluru  
Date: June 15, 2020

**Ram N Agarwal**  
Chairman & Managing Director  
DIN: 00006399

**Sujata Pratik Shaha**  
Company Secretary

## Independent Auditor's Report

To  
The Members  
WeP Solutions Limited  
Report on the Audit of the Standalone Ind AS Financial Statements

### Opinion

1. We have audited the standalone Ind AS financial statements of WeP Solutions Ltd ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2020 and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act, in the manner so required, and give a true and fair view, in conformity with the accounting principles generally accepted in India, of the financial position of the Company as at March 31, 2020 and its financial performance, including other comprehensive income, its cash flows, and the changes in equity for the year ended on that date.

### Basis for Opinion

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

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Recognition, Measurement, Presentation and Disclosure of Leases in view of adoption of Ind AS 116 "Leases".</p> <p>The Company has applied Ind AS 116 to all contracts existing and entered into on or after April 1, 2019.</p> <p>Ind As 116 requires the Company to recognise Right of Use asset (ROU) and lease liability at the inception of Lease. The lease liability measured at present value of future lease payments payable under lease arrangement discounted at Company's incremental borrowing rate.</p> <p>Refer note 1.A.18 to standalone financial statements.</p>	<p><b><u>Principal audit procedures</u></b></p> <ol style="list-style-type: none"> <li>1. We have assessed company policy for: <ul style="list-style-type: none"> <li>• Identification of lease arrangement/contract</li> <li>• Assessment of lease term</li> <li>• Arriving discount rate to discount future lease payments payable as per lease arrangement.</li> </ul> </li> <li>2. The Company's lease assets primarily consist of buildings. In addition to the above we have performed the following: <ul style="list-style-type: none"> <li>• Gone through the arrangements with landlords to identify whether particular arrangement would be classified as lease or not and to identify lease term.</li> <li>• Verified mathematical accuracy of workings provided by management to calculate lease liability and cost or ROU asset.</li> <li>• Upon transition (i.e. as on 1<sup>st</sup> April, 2019) verified the transition process and related adjustments.</li> <li>• Verified that all disclosures required as per Ind AS 116 is made in financial statements.</li> </ul> </li> </ol>

Sr. No.	Key Audit Matter	Auditor's Response
2	<p>Adequacy of Provision for bad &amp; doubtful debts / Adequacy of allowance for Credit losses against Trade Receivables. In calculating the expected credit losses the Company has calculated the probability of default by also taking into account the estimated effect of COVID-19.</p> <p>As at March 31, 2020, carrying amount of allowance for credit losses is Rs. 8.63 crores against total Trade receivables of Rs. 21.73 crores.</p>	<p>Principal Audit Procedures</p> <p>We obtained the Company's process / policy / basis of:</p> <ul style="list-style-type: none"> <li>- identifying and classifying Trade receivables into following categories               <ul style="list-style-type: none"> <li>a. Trade Receivables considered good</li> <li>b. Trade Receivables which have significant increase in credit risk</li> <li>c. Trade Receivables credit impaired</li> </ul> </li> <li>- calculating amount of allowance thereon.</li> </ul> <p>Our audit approach consisted of following procedure:</p> <ul style="list-style-type: none"> <li>• Assessing reasonableness of basis of identifying and classifying into different categories as mentioned above.</li> <li>• Verification of basis of calculating amount of allowance thereon.</li> <li>• Selected sample of parties and verified the identification and classification of parties based on company's policy into different categories as mentioned above.</li> <li>• Recalculated the amount of allowance by redefining the % of credit allowance based on past 1.5 yrs data and satisfied ourselves that allowance provided is sufficient to indicate credit risk.</li> </ul>

#### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

5. 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, changes in equity 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. This responsibility also includes maintenance of adequate accounting records, in accordance with the provisions of the Act, for safeguarding of 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.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. Those on the Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention, in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

13. 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 A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow 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 31st March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate Report in “**Annexure B**”.
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, The Company has not paid any Managerial remuneration to its directors under the provisions of section 197 of the Act during the year.

- h. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in 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 29 to the financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For N.M. Raiji & Co.**  
**Chartered Accountants**  
**Firm Registration No.: 108296W**

**CA S.N. Shivakumar**  
**Partner**  
**Membership No.: 088113**  
**UDIN: 20088113AAAAI9315**

**Place: New Delhi**  
**Date: June 15, 2020.**

*Annexure - A*

**To the Independent Auditors' Report of even date on the Standalone Financial Statements of WeP Solutions Limited**

**(Referred to in Paragraph 13 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) In respect of immovable properties of land that have been taken on finance lease and disclosed as property, plant and equipment in the financial statements. the lease agreements are in the name of the company, where the Company is the lessee in the agreement as at Balance Sheet date.
- ii) Stocks of inventories have been physically verified during the year by the management. 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) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Consequently, clause (iii) (a), (iii) (b) and (iii) (c) of the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, in respect of loans, investments, guarantees and security.
- v) In our opinion, the Company has not accepted any deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014, (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- vi) We have broadly reviewed the books of account maintained by the Company, pursuant to the rules made by the central government for the maintenance of Cost records under sub-section (1) of Section 148 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, GST, Custom Duty, 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, GST, Sales-tax, Excise Duty, Service Tax, Custom Duty, value added tax and cess which have not been deposited on account of disputes with the related authorities.

Sr. No.	Name of Statute	Nature of the Dues	Forum where dispute is pending	Financial year to which the matter pertains	Amount*
1	Finance Act, 1994	Service Tax	CESTAT. Bengaluru	2010-11 to 2013-14	58,129,154
2	K VAT Act, 2003	Value added Tax	The Deputy Commissioner (Appeals), Ernakulam	2012-13	370,798
3	K VAT Act, 2003	Value added Tax	Value added Tax Appellate Tribunal, Ernakulam	2013-14	752,522
<b>Grand Total</b>					<b>59,252,474</b>

\*(Net of amount paid under protest Rs.6,830,906)

- 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) Term loans were applied for the purposes for which those are raised. The Company has not raised moneys by way of initial public offer or further public offer.
- x) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees was noticed or reported during the year.
- xi) The Company has not paid any Managerial remuneration for the year 2019-20, consequently, the provisions of clause 3 (xi) of the Order are not applicable to the Company.
- xii) To the best of our knowledge and belief, the Company is not a Nidhi Company. Consequently, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- xiii) To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable 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. Consequently, the provisions of clause 3(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; the 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. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

**For N.M. Raiji & Co.**  
**Chartered Accountants**  
**Firm Registration No.: 108296W**

**CA S.N. Shivakumar**  
**Partner**  
**Membership No.: 088113**

**Place: New Delhi**  
**Date: June 15, 2020.**



*Annexure - B*

**To the Independent Auditor's Report of even date on the Standalone Financial Statements of WeP Solutions Limited.**

**(Referred to in Paragraph 14 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 2020, 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 the 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, to the best of our information and according to explanation given to us, 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, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For N.M. Raiji & Co.**  
**Chartered Accountants**  
**Firm Registration No.: 108296W**

**CA S.N. Shivakumar**  
**Partner**  
**Membership No.: 088113**

**Place: New Delhi**  
**Date: June 15, 2020.**

**WeP Solutions Limited**  
Balance Sheet as at March 31, 2020

PART I – BALANCE SHEET			(in Rs)	
	Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
	<b>ASSETS</b>			
<b>1</b>	<b>Non-Current Assets</b>			
	a) Property, Plant and Equipment	2	308,857,481	295,184,448
	b) Capital Work-in-Progress	2	21,701,340	25,644,968
	c) Other Intangible Assets	3	10,678,974	16,134,195
	d) Financial Assets			
	i. Investments	4(a)	82,321,027	71,070,280
	ii. Other Financial Assets	4(e)	9,588,153	4,661,797
	e) Deferred Tax Assets (net)	5	35,791,391	34,674,823
	f) Other Non-Current Assets	6	32,565,918	39,222,339
			<b>501,504,284</b>	<b>486,592,850</b>
<b>2</b>	<b>Current Assets</b>			
	a) Inventories	7	124,426,073	101,308,560
	b) Financial Assets			
	i. Trade Receivables	4(b)	130,976,838	123,781,734
	ii. Cash and Cash Equivalents	4(d)	36,983	116,209
	iii. Bank Balances other than (ii) above	4(f)	1,464,258	1,500,916
	iv. Other financial assets	4(e)	3,797,868	8,371,224
	v. Loans	4(c)	-	8,806,543
	c) Other Current Assets	8	39,528,813	27,137,521
			<b>300,230,833</b>	<b>271,022,707</b>
	<b>Total Assets</b>		<b>801,735,117</b>	<b>757,615,557</b>
	<b>EQUITY AND LIABILITIES</b>			
<b>3</b>	<b>Equity</b>			
	a) Equity Share capital	9(a)	263,169,545	262,098,545
	b) Other Equity			
	i. Reserves & Surplus	9(b)	242,284,678	239,844,251
			<b>505,454,223</b>	<b>501,942,796</b>
<b>4</b>	<b>LIABILITIES</b>			
	<b>Non-Current Liabilities</b>			
	a) Financial Liabilities			
	i. Borrowings	10(a)	52,556,970	37,632,030
	ii. Other Financial Liabilities	10(c)	12,148,015	-
	b) Provisions	11	10,453,531	10,064,952
	c) Other non-current liabilities	12	1,514,148	1,654,913
			<b>76,672,664</b>	<b>49,351,895</b>
<b>5</b>	<b>Current Liabilities</b>			
	a) Financial Liabilities			
	i. Borrowings	10(a)	42,001,370	36,494,285
	ii. Trade Payables			
	a) Total outstanding dues of Micro and small enterprises	10(b)	3,561,013	84,498
	b) Total outstanding dues of creditors other than micro and small enterprises	10(c)	45,354,412	35,754,244
	iii. Other Financial Liabilities	10(c)	86,155,419	90,261,335
	b) Other Current Liabilities	12	41,146,044	41,641,695
	c) Provisions	11	1,389,972	2,084,809
			<b>219,608,230</b>	<b>206,320,866</b>
	<b>Total Equity and Liabilities</b>		<b>801,735,117</b>	<b>757,615,557</b>

(See Accompanying Notes to the Financial Statements)  
As per our report attached

**For N M Raiji & Co**  
Chartered Accountants  
Firm Reg. No.: 108296W  
**S. N. Shivakumar**

Partner  
Membership No. : 88113

Place: New Delhi  
Date: June 15, 2020

**For and on behalf of the Board of Directors**

**H V Gowthama**  
Director  
DIN: 00250122

**Sandeep Goyal**  
Chief Financial Officer

Place: Bengaluru  
Date: June 15, 2020

**Ram N Agarwal**  
Chairman & Managing Director  
DIN: 00006399

**Sujata Pratik Shaha**  
Company Secretary

## WeP Solutions Limited

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

<b>PART II – STATEMENT OF PROFIT AND LOSS</b>					(in Rs)
Particulars		Note No.	For the Year ended March 31, 2020	For the Year ended March 31, 2019	
I	Revenue From Operations	13	656,527,317	739,112,659	
II	Other Income	14	9,861,583	9,131,937	
III	<b>Total Income (I+II)</b>		<b>666,388,900</b>	<b>748,244,596</b>	
	<b>EXPENSES</b>				
a	Cost of Materials Consumed	15	186,836,831	225,652,682	
b	Purchases of Stock-in-Trade	16	86,032,188	78,740,562	
c	Changes in Inventories of Work-in-Progress, Stock-in-Trade and Finished Goods	17	(22,761,810)	1,471,273	
d	Employee Benefits Expenses	18	99,936,903	119,827,531	
e	Other Expenses	19	175,573,201	206,613,044	
IV	<b>Total Expenses</b>		<b>525,617,313</b>	<b>632,305,093</b>	
	<b>Profit / (loss) Before Depreciation, Interest, Exceptional Items and Tax (III-IV)</b>		<b>140,771,587</b>	<b>115,939,503</b>	
f	Finance Costs	20	12,920,715	10,322,989	
g	Depreciation and Amortization Expense	21	127,202,709	107,519,033	
V	<b>Profit / (loss) Before Exceptional Items and Tax</b>		<b>648,163</b>	<b>(1,902,519)</b>	
VI	Exceptional Items		-	-	
VII	<b>Profit / (loss) Before Tax (V-VI)</b>		<b>648,163</b>	<b>(1,902,519)</b>	
	<b>Tax Expense:</b>				
VIII	1) Current tax		5,666,355	1,480,156	
	2) Tax Adjustments Pertaining to Previous Year		16,452	(1,119,396)	
	3) Deferred tax		(5,486,037)	(343,309)	
IX	<b>Profit / (Loss) for the year from Continuing Operations (VII-VIII)</b>		<b>451,393</b>	<b>(1,919,970)</b>	
X	<b>Other Comprehensive Income</b>				
A	i) Items that will not be reclassified to profit or loss		107,733	(306,230)	
	ii) Income tax relating to items that will not be reclassified to profit or loss		(29,972)	85,193	
B	i) Items that will be reclassified to profit or loss		-	-	
	ii) Income tax relating to items that will be reclassified to profit or loss		-	-	
XI	<b>Total Comprehensive Income for the year (IX+X)</b> (Comprising Profit / (Loss) and Other Comprehensive Income for the year)		<b>529,154</b>	<b>(2,141,007)</b>	
XII	<b>Earnings Per Equity Share:</b>				
	1) Basic	27	0.02	(0.08)	
	2) Diluted	27	0.02	(0.07)	

(See Accompanying Notes to the Financial Statements)  
As per our report attached

**For N M Raiji & Co**  
Chartered Accountants  
Firm Reg. No.: 108296W  
**S. N. Shivakumar**

Partner  
Membership No. : 88113

Place: New Delhi  
Date: June 15, 2020

**For and on behalf of the Board of Directors**

**H V Gowthama**  
Director  
DIN: 00250122

**Sandeep Goyal**  
Chief Financial Officer

Place: Bengaluru  
Date: June 15, 2020

**Ram N Agarwal**  
Chairman & Managing Director  
DIN: 00006399

**Sujata Pratik Shaha**  
Company Secretary

## WeP Solutions Limited

Statement of Cash Flows for the year ended March 31, 2020

(in Rs)

Particulars		March 31, 2020	March 31, 2019
<b>A</b>	<b>Cash Flow From Operating Activities</b>		
	Profit / (Loss) before Income tax from continuing Operations	648,163	(1,902,519)
	<b>Profit / (Loss) before Income tax</b>	<b>648,163</b>	<b>(1,902,519)</b>
	<b>Adjustment for:</b>		
	Depreciation & Amortisation	127,202,709	107,519,033
	Provision for doubtful debts	6,212,497	8,984,754
	Employee share based payment expense	660,525	4,905,132
	Actuarial Gains/Losses recognised in Other Comprehensive Income	107,733	(306,230)
	Loss / (Profit) on Sale of Fixed Assets	1,727,928	1,891,080
	Net Exchange differences	963,622	268,089
	Interest Income	(458,731)	(665,030)
	Interest Expense	12,920,715	10,675,526
	<b>Changes in Operating assets and liabilities</b>		
	(Increase) / Decrease in Inventories	(23,117,514)	15,529,988
	(Increase) / Decrease in Trade Receivables	(13,407,601)	(17,916,094)
	(Increase) / Decrease in Other Current Assets	(12,391,292)	(11,157,611)
	(Increase) / Decrease in Other Bank Balances	36,659	16,624
	(Increase) / Decrease in Other Current Financial Assets	4,573,356	(760,336)
	(Increase) / Decrease in Other Non Current Financial Assets	(4,926,356)	1,495,175
	(Increase) / Decrease in Other Non Current Assets	15,382,551	796,671
	Increase / (Decrease) in Provisions	(306,257)	80,644
	Increase / (Decrease) in Trade Payables	12,113,062	(41,610,594)
	Increase / (Decrease) in Other Current Liabilities	(495,651)	(983,164)
	Increase / (Decrease) in Other Non Current Liabilities	(140,764)	(728,144)
	Increase / (Decrease) in Other Non Current Financial Liabilities	-	-
	Increase / (Decrease) in Other Current Financial Liabilities	(20,833,739)	25,934,741
	<b>Cash Generated from Operations</b>	<b>106,471,617</b>	<b>102,067,734</b>
	Income taxes paid	10,069,440	11,230,653
	<b>Net Cash From Operating Activities</b>	<b>96,402,177</b>	<b>90,837,081</b>
<b>B</b>	<b>Cash Flow From Investing Activities</b>		
	Purchase of Property, Plant & Equipment (including CWIP)	(94,805,340)	(95,439,268)
	Purchase of Investments	(10,000,000)	(20,000,000)
	Purchase of Intangible Assets	(630,500)	(14,836,116)
	Proceeds from Sale of Fixed Assets	13,260	106,352
	(Increase) / Decrease in Loans	8,806,543	(8,806,543)
	Interest Income	458,731	665,030
	<b>Net Cash Used In Investing Activities</b>	<b>(96,157,304)</b>	<b>(138,310,544)</b>
<b>C</b>	<b>Cash Flow From Financing Activities</b>		
	Proceeds from Issue of Shares	1,071,000	45,867,000
	Interest paid	(12,920,715)	(10,675,525)
	Proceeds / (Repayment) of Borrowings	5,507,086	(40,089,189)
	Repayment of Lease obligations	(12,388,388)	-
	Proceeds of Term Loan	18,406,920	52,446,830
	<b>Net Cash From / (Used for) Financing Activities</b>	<b>(324,097)</b>	<b>47,549,116</b>
	<b>Net Increase / (Decrease) In Cash And Cash Equivalents - (A+B+C)</b>	<b>(79,224)</b>	<b>75,653</b>
	Cash And Cash Equivalents at the beginning of the year	116,209	40,556
	<b>Cash And Cash Equivalents at the end of the year</b>	<b>36,983</b>	<b>116,209</b>

(See Accompanying Notes to the Financial Statements)

As per our report attached

**For N M Raiji & Co**  
Chartered Accountants  
Firm Reg. No.: 108296W  
**S. N. Shivakumar**

Partner  
Membership No. : 88113

Place: New Delhi  
Date: June 15, 2020

For and on behalf of the Board of Directors

**H V Gowthama**  
Director  
DIN: 00250122

**Sandeep Goyal**  
Chief Financial Officer

Place: Bengaluru  
Date: June 15, 2020

**Ram N Agarwal**  
Chairman & Managing Director  
DIN: 00006399

**Sujata Pratik Shah**  
Company Secretary

## WeP Solutions Limited

### Statement of Changes in Equity for the year ended March 31, 2020

#### STATEMENT OF CHANGES IN EQUITY

##### A. Equity Share Capital

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the reporting year	262,098,545	251,231,545
Changes in equity share capital during the year	1,071,000	10,867,000
<b>Balance at the end of the reporting year</b>	<b>263,169,545</b>	<b>262,098,545</b>

##### B. Other Equity

Particulars	Reserves and Surplus					Total
	Capital Reserve	General Reserve	Securities Premium	Stock Options Outstanding	Retained Earnings	
<b>Opening Balance at April 1, 2018</b>	<b>31,327,459</b>	<b>131,146</b>	<b>87,604,068</b>	<b>8,732,181</b>	<b>64,918,741</b>	<b>192,713,595</b>
Impact due to adoption of Ind AS115 under cumulative catch-up method					(7,451,404)	(7,451,404)
Profit for the year					(1,919,970)	(1,919,970)
Other Comprehensive Income for the year net of taxes					(221,037)	(221,037)
Employee Stock Options Subsidiary				1,817,935		1,817,935
Transfer to General Reserve		547,774		(547,774)		-
Premium on Conversion of Warrants			50,000,000			50,000,000
Transfer from Stock Options Outstanding a/c			2,388,117	(2,388,117)		-
Employee Stock Options Expense				4,905,132		4,905,132
<b>Closing Balance as at March 31, 2019</b>	<b>31,327,459</b>	<b>678,920</b>	<b>139,992,185</b>	<b>12,519,357</b>	<b>55,326,332</b>	<b>239,844,251</b>
<b>Opening Balance at April 1, 2019</b>	<b>31,327,459</b>	<b>678,920</b>	<b>139,992,185</b>	<b>12,519,357</b>	<b>55,326,330</b>	<b>239,844,251</b>
Profit for the year					451,393	451,393
Other Comprehensive Income for the year net of taxes					77,762	77,762
Transfer to General Reserve		936,169		(936,169)		-
Transfer from Stock Options Outstanding a/c			4,360,323	(4,360,323)		-
Employee stock options Subsidiary				1,250,747		1,250,747
Employee stock options expense				660,525		660,525
<b>Closing Balance as at March 31, 2020</b>	<b>31,327,459</b>	<b>1,615,089</b>	<b>144,352,508</b>	<b>9,134,137</b>	<b>55,855,485</b>	<b>242,284,678</b>

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

(See Accompanying Notes to the Financial Statements)  
As per our report attached

**For N M Raiji & Co**  
Chartered Accountants  
Firm Reg. No.: 108296W  
**S. N. Shivakumar**

Partner  
Membership No. : 88113

Place: New Delhi  
Date: June 15, 2020

**For and on behalf of the Board of Directors**

**H V Gowthama**  
Director  
DIN: 00250122

**Sandeep Goyal**  
Chief Financial Officer

Place: Bengaluru  
Date: June 15, 2020

**Ram N Agarwal**  
Chairman & Managing Director  
DIN: 00006399

**Sujata Pratik Shaha**  
Company Secretary

## Corporate Information

The Company is principally engaged in the business of providing Managed Printing Solutions and Services, Manufacturing and Distribution of Retail Billing Products and providing Digital Services like GST, etc. to both enterprise and retail customers, pan India. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act 1956. Its shares are listed on the Bombay Stock Exchange and the registered office of the Company is located at 40/1A, Basappa Complex, Lavelle Road, Bengaluru - 560 001.

### 1. Significant Accounting Policies and Other Explanatory Information to the Financial Statements for the year ended March 31, 2020

#### A. Significant Accounting Policies

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

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

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

##### A.2. Basis of preparation

These financial statements have been prepared in Indian Rupees (₹) which is the functional currency of the company.

These financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods or services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle.

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

The preparation of these financial statements is in conformity with the recognition and measurement principles of Ind AS which requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

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

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

##### A.4. Revenue Recognition

The Company earns revenue primarily from Managed Printing Solutions and Services, Manufacturing and Distribution of Retail Billing Products and providing Digital Services like GST etc. to both enterprise and retail customers, pan India.

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative



catch-up method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Contracts with customers are considered for revenue recognition only if (a) the contract having commercial substance is approved and the parties have committed to perform their respective obligations; (b) respective rights of the parties with respect to goods or services to be transferred are identified; (c) the payment terms for goods or services to be transferred are clear and (d) it is probable that consideration would be collected in exchange for the goods or services that would be transferred to the customer. At the inception of the contract, either a transfer of distinct good or service to the customer or a series of distinct goods and services that are substantially the same and that have the same pattern of transfer to the customer are identified as performance obligation. Revenue is recognised when the performance obligation is satisfied by transferring the promised good or service to a customer and the customer obtains controls over it.
- Revenue from sale of devices is recognised at the point in time when the physical possession is transferred and the right to receive payment is established.

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

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

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

Obsolete, slow moving and defective inventories are identified from time to time and where necessary, a provision is made for such inventories.

#### **A.6. Property, Plant and Equipment**

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

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

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

### A.7. Intangible Assets

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

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

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

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

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

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

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

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

Individual Assets costing less than Rs. 5,000 are depreciated in full in the year of purchase. Depreciation for assets purchased / sold during the year is proportionately charged.

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

Assets	Amortization in Yrs
Computer Software – ERP Systems	4.00
Computer Software	2 to 3 years
Technical Know-how	5.00

#### **A.9. Impairment of Assets**

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

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

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

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

#### **A.10. Foreign Currency Transactions**

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction.

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

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

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

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

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

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

##### **a) Financial Assets**

###### **Financial Assets at amortised cost:**

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

Investment in subsidiaries / associates are accounted at cost.

**Financial assets measured at fair value:**

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

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

**Impairment of financial assets:**

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

For trade receivables, the Company has applied the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables with effect from April 1, 2017.

**Derecognition of financial assets:**

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

**b) Financial Liabilities and equity instruments**

**Classification as debt or equity:**

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

**Equity instruments:**

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

**Financial Liabilities:**

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

Interest-bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs.

**Derecognition of financial liabilities:**

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

**A.12. Employee Benefits**

**i) Short Term Employee Benefits:**

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

**ii) Other long-term employee benefit obligations**

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

**iii) Post Employment Benefits**

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

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

**iv) Employee Stock Options**

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

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

**A.13. Borrowing Costs**

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

**A.14. Earning Per Share**

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

**A.15. Taxation**

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

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from net profit, as reported in the Statement of Profit and Loss, because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

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

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

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

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

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

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

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

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

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

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

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

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

The Company's lease asset classes primarily consist of leases for land and buildings. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2019.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred

and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's long term borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (assets of less than INR 5,000 in value). The Company recognises the lease payments associated with these leases as an expense over the lease term.

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

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



**WeP Solutions Limited**  
**Note 2: Property, Plant and Equipment**

Particulars	Leasehold - Land	Building - Factory	Plant & Equipment	Moulds, Dies & Patterns	Computers	Computer Peripherals - On Use and Pay	Furniture & Fixture	Right of Use Asset - Leased Building	Vehicles	Total	Capital work in progress
<b>Year ended March 31, 2019</b>											
<b>Gross carrying amount</b>											
Opening gross carrying amount	66,856,988	38,282,641	4,232,944	9,696,428	9,496,635	349,302,346	3,855,915	-	586,258	482,310,155	8,290,630
Additions	-	-	952,117	445,720	1,620,897	74,609,915	456,282	-	-	78,084,931	-
Disposals	-	-	52,743	-	-	10,188,999	400,764	-	-	10,642,506	-
<b>Closing gross carrying amount</b>	<b>66,856,988</b>	<b>38,282,641</b>	<b>5,132,318</b>	<b>10,142,148</b>	<b>11,117,532</b>	<b>413,723,262</b>	<b>3,911,433</b>	<b>-</b>	<b>586,258</b>	<b>549,752,580</b>	<b>25,644,968</b>
<b>Accumulated Depreciation</b>											
Opening accumulated depreciation	1,611,012	2,758,677	2,582,996	1,501,236	4,732,855	146,958,670	1,261,417	-	219,154	161,626,017	-
Additions	805,506	1,414,005	1,083,578	2,012,494	2,817,114	92,805,294	539,622	-	109,576	101,587,189	-
Disposals	-	-	7,693	-	-	8,528,566	108,815	-	-	8,645,074	-
<b>Closing accumulated depreciation</b>	<b>2,416,518</b>	<b>4,172,682</b>	<b>3,658,881</b>	<b>3,513,730</b>	<b>7,549,969</b>	<b>231,235,398</b>	<b>1,692,224</b>	<b>-</b>	<b>328,730</b>	<b>254,568,132</b>	<b>-</b>
<b>Net carrying amount</b>											
<b>Year ended March 31, 2020</b>											
<b>Gross carrying amount</b>											
Opening gross carrying amount	66,856,988	38,282,641	5,132,317	10,142,148	11,117,532	413,723,261	3,911,433	-	586,258	549,752,580	25,644,968
Additions	-	-	282,742	725,000	891,038	96,677,924	172,264	37,782,241	-	136,531,209	-
Disposals	-	-	-	-	-	18,809,144	294,876	-	-	19,104,022	-
<b>Closing gross carrying amount</b>	<b>66,856,988</b>	<b>38,282,641</b>	<b>5,415,059</b>	<b>10,867,148</b>	<b>12,008,570</b>	<b>491,592,041</b>	<b>3,788,821</b>	<b>37,782,241</b>	<b>586,258</b>	<b>667,179,767</b>	<b>21,701,340</b>
<b>Accumulated Depreciation</b>											
Opening accumulated depreciation	2,416,518	4,172,682	3,658,881	3,513,730	7,549,969	231,235,398	1,692,224	-	328,729	254,568,132	-
Additions	805,506	1,414,005	984,740	2,091,448	2,480,867	99,227,066	436,473	13,577,477	99,405	121,116,988	-
Disposals	-	-	-	-	-	17,243,053	119,780	-	-	17,362,834	-
<b>Closing accumulated depreciation</b>	<b>3,222,024</b>	<b>5,586,687</b>	<b>4,643,621</b>	<b>5,605,178</b>	<b>10,030,836</b>	<b>313,219,411</b>	<b>2,008,917</b>	<b>13,577,477</b>	<b>428,134</b>	<b>356,322,286</b>	<b>-</b>
<b>Net carrying amount</b>											
	<b>63,634,964</b>	<b>32,695,954</b>	<b>771,437</b>	<b>5,261,970</b>	<b>1,977,734</b>	<b>178,372,630</b>	<b>1,779,904</b>	<b>24,204,764</b>	<b>158,124</b>	<b>308,857,481</b>	<b>21,701,340</b>

**Note:**

- Details of assets offered as security is provided in Note 10
- Leasehold Land is the land situated at Baddi, Himachal Pradesh, which has been obtained under a 85 years lease from the Department of Industries, Himachal Pradesh.

### Note 3: Intangible Assets

Particulars	Computer Software	Computer Software - ERP System	Total
<b>Year ended March 31, 2019</b>			
<b>Gross carrying amount</b>			
Opening gross carrying amount	6,047,919	4,393,222	10,441,141
Additions	2,793,860	12,042,256	14,836,116
Disposals	-	-	-
<b>Closing gross carrying amount</b>	<b>8,841,779</b>	<b>16,435,478</b>	<b>25,277,257</b>
<b>Accumulated Depreciation</b>			
Opening accumulated depreciation	2,697,321	513,898	3,211,219
Depreciation charge during the year	2,419,209	3,512,634	5,931,843
Disposals	-	-	-
<b>Closing accumulated depreciation</b>	<b>5,116,531</b>	<b>4,026,532</b>	<b>9,143,062</b>
<b>Net carrying amount</b>	<b>3,725,249</b>	<b>12,408,946</b>	<b>16,134,195</b>
<b>Year ended March 31, 2020</b>			
<b>Gross carrying amount</b>			
Opening gross carrying amount	8,841,779	16,435,478	25,277,257
Additions	630,500	-	630,500
Disposals	-	-	-
<b>Closing gross carrying amount</b>	<b>9,472,279</b>	<b>16,435,478</b>	<b>25,907,757</b>
<b>Accumulated Depreciation</b>			
Opening accumulated depreciation	5,116,531	4,026,532	9,143,063
Additions	2,017,160	4,068,561	6,085,721
Disposals	-	-	-
<b>Closing accumulated depreciation</b>	<b>7,133,690</b>	<b>8,095,093</b>	<b>15,228,783</b>
<b>Net carrying amount</b>	<b>2,338,589</b>	<b>8,340,385</b>	<b>10,678,974</b>

**Note:**

a) Computer Software includes capitalised development costs being an internally generated intangible asset

### Note 4: Financial Assets

#### 4 (a) Non Current Investments

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Equity Investments (fully paid-up)</b>		
Unquoted		
Investment in Subsidiary		
78,09,999 Equity shares of WeP Digital Services Limited (Face Value - Rs. 10 each) (March 31, 2019: 68,09,999)	82,321,027	71,070,280
<b>Total Non Current Investments</b>	<b>82,321,027</b>	<b>71,070,280</b>
Aggregate amount of unquoted investments	82,321,027	71,070,280
Aggregate amount of impairment in the value of investments	-	-

**4 (b) Trade Receivables**

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivables	216,786,111	203,657,904
Receivables from related parties	505,016	225,623
Allowances for Credit Losses	(86,314,289)	(80,101,793)
<b>Total Receivables</b>	<b>130,976,838</b>	<b>123,781,734</b>
Non-current portion	-	-

**Break-Up of Security details**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Outstanding for more than six months from the due date</b>		
Secured, considered good	-	-
Unsecured, considered good	11,743,656	7,675,733
Receivables which have significant Credit Risk	85,150,955	73,349,971
	<b>96,894,611</b>	<b>81,025,704</b>
Current portion	130,976,838	123,781,734
Allowances for Credit Losses	(85,150,956)	(73,349,973)
<b>Sub total</b>	<b>11,743,655</b>	<b>7,675,731</b>
<b>Other receivables</b>		
Unsecured, considered good	119,233,183	116,106,003
Receivables which have significant Credit Risk	1,163,333	6,751,820
	120,396,516	122,857,823
Allowances for Credit Losses	(1,163,333)	(6,751,820)
<b>Sub total</b>	<b>119,233,183</b>	<b>116,106,003</b>
<b>Total Trade Receivables</b>	<b>130,976,838</b>	<b>123,781,734</b>

**4 (c) Loans**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Current</b>		
<b>Unsecured, considered good</b>		
Loan to subsidiary	-	8,806,543
<b>Total Loans</b>	<b>-</b>	<b>8,806,543</b>

**4 (d) Cash and Cash Equivalents**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Balances with Banks</b>		
- in current accounts	36,983	116,209
<b>Total Loans</b>	<b>36,983</b>	<b>116,209</b>

**4 (e) Other Financial Assets**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non current</b>		
Security Deposits	7,697,061	2,529,739
Other Deposits	1,240,519	1,269,919
Margin money deposits with bank	650,573	774,672
Interest accrued on margin money deposits with bank	-	87,467
<b>Total Other Financial Assets - Non Current</b>	<b>9,588,153</b>	<b>4,661,797</b>
<b>Current</b>		
Security Deposits	3,479,888	7,708,144
Other Deposits	317,980	663,080
<b>Total Other Financial Assets - Current</b>	<b>3,797,868</b>	<b>8,371,224</b>

**4 (f) Other Bank Balances**

Particulars	As at March 31, 2020	As at March 31, 2019
Balance in Unclaimed Dividend Accounts with Banks	1,464,258	1,500,916
<b>Total other Bank Balances</b>	<b>1,464,258</b>	<b>1,500,916</b>

**Note 5: Deferred Tax Assets**

Particulars	As at March 31, 2020	As at March 31, 2019
Defined Benefit obligations & allowance on payment basis	4,257,615	3,946,581
Allowance for doubtful debts - trade receivables	24,012,635	22,284,318
Others	1,212,284	1,121,576
<b>Total deferred tax Assets</b>	<b>29,482,534</b>	<b>27,352,475</b>
Depreciation on Property, plant and equipment	5,836,457	9,192,435
	<b>5,836,457</b>	<b>9,192,435</b>
<b>Net deferred tax assets</b>	<b>23,646,077</b>	<b>18,160,040</b>
MAT Credit Receivable	12,145,314	16,514,783
<b>Net deferred tax assets</b>	<b>35,791,391</b>	<b>34,674,823</b>

**Note 6: Other Non Current Assets**

Particulars	As at March 31, 2020	As at March 31, 2019
Prepayments	763,139	860,953
Taxes / Refunds recoverable	31,802,779	38,361,386
<b>Total Other Non-Current Assets</b>	<b>32,565,918</b>	<b>39,222,339</b>

**Note 7: Inventories**

Particulars	As at March 31, 2020	As at March 31, 2019
(At lower of cost and net realisable value)		
Raw Materials		
- In Stock	21,251,205	22,758,081
Work-in-progress	1,792,100	1,833,535
Finished goods		
- In Stock	3,515,284	2,106,124
- In Transit	3,238,441	606,101
Traded goods		
- In Stock	36,439,571	17,679,670
- In Transit	1,845	
Spares and Consumables		
- In Stock	57,814,232	56,208,950
- In Transit	373,395	116,099
<b>Total Inventories</b>	<b>124,426,073</b>	<b>101,308,560</b>

**Note 8: Other Current Assets**

Particulars	As at March 31, 2020	As at March 31, 2019
Prepayments	5,315,177	6,003,654
Balance with Excise / Customs / GST input credit	33,322,923	18,791,786
Claims Receivable	890,713	2,342,081
<b>Total Other Current Assets</b>	<b>39,528,813</b>	<b>27,137,521</b>

**Note 9(a): Equity Share Capital****i) Authorised Equity Share Capital**

Particulars	As at March 31, 2020	As at March 31, 2019
30,000,000 Equity Shares of Rs 10 each	300,000,000	300,000,000
<b>Total</b>	<b>300,000,000</b>	<b>300,000,000</b>

**ii) Issued, Subscribed and Paid up Capital**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>26,316,372 Equity Shares of Rs 10 each fully paid up</b> (2019 - 26,209,272)	263,169,545	262,098,545
<b>Total</b>	<b>263,169,545</b>	<b>262,098,545</b>

### iii) Movements in Equity Share Capital

Particulars	Number of Shares	Amount
<b>As at April 1, 2018</b>	25,122,572	251,231,545
Exercise of options - proceeds received	86,700	867,000
Issue of Equity on Conversion of Warrants	1,000,000	10,000,000
<b>As at March 31, 2019</b>	<b>26,209,272</b>	<b>262,098,545</b>
Exercise of options - proceeds received	107,100	1,071,000
<b>As at March 31, 2020</b>	<b>26,316,372</b>	<b>263,169,545</b>

*Terms and Rights Attached to Equity Shares.*

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

*Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote per share*

*Shares Reserved for Issue under Options*

*Information relating to ESOP plans of the company, including details of the options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in Note 25.*

### iv) Shares in the Company held by each Shareholder holding more than 5 percent of the Shares

Particulars	As at March 31, 2020	As at March 31, 2019
<b>RNAWEP Investments Private Limited</b>		
No of Shares	3,260,403	3,260,403
% Holding	12.39%	12.44%
<b>Ram N Agarwal</b>		
No of Shares	1,973,014	3,005,056
% Holding	7.50%	11.47%
<b>WeP Peripherals Limited</b>		
No of Shares	4,090,361	3,058,319
% Holding	15.54%	11.67%
<b>Wipro Limited</b>		
No of Shares	1,836,000	1,836,000
% Holding	6.98%	7.01%
<b>Sharad Kanayalal Shah</b>		
No of Shares	1,502,359	1,433,285
% Holding	5.71%	5.47%

### v) Aggregate Number of Shares Issued for Consideration other than Cash

Particulars	As at March 31, 2020	As at March 31, 2019
Shares issued as consideration for acquisition of business	22,213,645	22,213,645

**Note 9(b): Reserves and Surplus**

Particulars	As at March 31, 2020	As at March 31, 2019
Securities Premium Reserve	144,352,508	139,992,185
Share options outstanding account	9,134,137	12,519,357
Capital Reserve	31,327,459	31,327,459
General Reserve	1,615,089	678,920
Retained earnings	55,855,485	55,326,330
<b>Total Reserves and Surplus</b>	<b>242,284,678</b>	<b>239,844,251</b>

**i) Securities Premium**

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	139,992,185	87,604,068
Preferential Issue	-	50,000,000
Exercise of Options	4,360,323	2,388,117
<b>Closing Balance</b>	<b>144,352,508</b>	<b>139,992,185</b>

**ii) Share Options Outstanding Account**

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	12,519,357	8,732,181
Employee Stock Options Expense	660,525	4,905,132
Employee Stock Options of Subsidiary	1,250,747	1,817,935
Transfer to Securities Premium on Exercise of Options	(4,360,323)	(2,388,117)
Transfer to General Reserve	(936,169)	(547,774)
<b>Closing Balance</b>	<b>9,134,137</b>	<b>12,519,357</b>

**iii) Capital Reserve**

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	31,327,459	31,327,459
<b>Closing Balance</b>	<b>31,327,459</b>	<b>31,327,459</b>

**iv) General Reserve**

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	678,920	131,146
Transfer from Stock options outstanding	936,169	547,774
<b>Closing Balance</b>	<b>1,615,089</b>	<b>678,920</b>



v) Retained earnings

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	55,326,330	64,918,741
Adjustment for Ind AS 115 Impact under cumulative catch-up method	-	(7,451,404)
Net profit / (Loss) for the period / year	451,393	(1,919,970)
<b>Items of other comprehensive income</b>		
Actuarial Gains / (Losses) net of taxes	77,762	(221,037)
<b>Closing Balance</b>	<b>55,855,485</b>	<b>55,326,330</b>

Note 9(c): Others

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	-	15,000,000
Upper Front Consideration received on Issue of Warrants pending conversion	-	-
Utilised on Conversion of Warrants to Equity Shares	-	15,000,000
<b>Total Reserves and Surplus</b>	<b>-</b>	<b>-</b>

Note 10: Financial Liabilities

10(a) Borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
<b><u>Non Current</u></b>		
<b>Secured</b>		
<i>From Banks</i>		
Term Loan	52,556,970	37,632,030
<b>Total Non Current Borrowings</b>	<b>52,556,970</b>	<b>37,632,030</b>
<b><u>Current</u></b>		
<b>Loans Repayable on Demand</b>		
<b>Secured</b>		
<i>From Banks</i>		
Cash Credit Account	42,001,370	36,494,285
<b>Total Current Borrowings</b>	<b>42,001,370</b>	<b>36,494,285</b>

- i) Cash Credit facilities are secured by hypothecation of Inventories & book debts of the company.
- ii) Term Loan amounting to Rs.7.17 Crores as on March 31, 2020 is repayable in 60 installments. It carries an interest rate of 10.05% p.a. and is secured by -
- Primary Security: Hypothecation of Devices (Computers Peripherals - on Use and Pay) purchased using the term loan.
  - Collateral Security: Equitable Mortgage of Leashold land situated at Baddi, Himachal Pradesh
- iii) There is no breach of Loan Agreement.

10(b) Trade Payables

Particulars	As at March 31, 2020	As at March 31, 2019
<b><u>Current</u></b>		
Trade payables	45,354,412	35,754,244
Trade payables to MSME	3,561,013	84,498
<b>Total Trade Payables</b>	<b>48,915,425</b>	<b>35,838,742</b>

**10(c) Other Financial Liabilities**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non Current</b>		
Lease Liability	12,148,015	-
<b>Total Non Current Financial Liabilities</b>	<b>12,148,015</b>	<b>-</b>
<b>Current</b>		
Customer, Dealer and Other Deposits	18,338,070	20,089,560
Current maturities of Long Term Borrowings**	18,296,780	14,814,800
Capital Creditors	34,810,472	53,856,059
Unclaimed Dividend	1,464,258	1,500,916
Lease Liability	13,245,839	-
<b>Total Other Current Financial Liabilities</b>	<b>86,155,419</b>	<b>90,261,335</b>

\*\*Refer footnote to Note No. 10(a)

**Note 11: Provisions**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non Current</b>		
Employee Benefits (Refer Note 24)	10,453,531	9,585,515
Warranty expenses (Refer Note 28)	-	479,437
<b>Total Non Current Provisions</b>	<b>10,453,531</b>	<b>10,064,952</b>
<b>Current</b>		
Employee Benefits (Refer Note 24)	454,099	746,945
Warranty expenses (Refer Note 28)	935,873	1,337,864
<b>Total Current Provisions</b>	<b>1,389,972</b>	<b>2,084,809</b>

**Note 12: Other Liabilities**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non Current</b>		
Income received in advance	1,514,148	1,654,913
<b>Total other Non Current Liabilities</b>	<b>1,514,148</b>	<b>1,654,913</b>
<b>Current</b>		
Income received in advance	2,505,610	2,920,270
Advance from customers	3,209,622	531,612
Statutory payables	7,079,845	6,733,891
Other payables	4,519,739	4,746,302
Expenses payable	23,831,228	26,709,620
<b>Total Other Current Liabilities</b>	<b>41,146,044</b>	<b>41,641,695</b>

**Note 13: Revenue from Operations**

Particulars	For the year April 1, 2019 to March 31, 2020	For the year April 1, 2018 to March 31, 2019
Sale of Products	226,739,237	295,387,448
Sale of Services	429,541,902	443,401,724
Other Operating Revenue	246,178	323,487
<b>Total Revenue from Operations</b>	<b>656,527,317</b>	<b>739,112,659</b>

**Note 14: Other Income**

Particulars	For the year April 1, 2019 to March 31, 2020	For the year April 1, 2018 to March 31, 2019
Interest Income on Financial Assets measured at amortised cost -		
Interest on Deposits with banks	159,576	130,833
Other Interest	2,381,776	1,312,009
Rental Income	3,275,000	2,360,000
Miscellaneous Income	2,715,359	2,058,977
Credit balances / Provision no longer required written back	1,329,872	3,270,118
<b>Total Other Income</b>	<b>9,861,583</b>	<b>9,131,937</b>

**Note 15: Cost of Materials Consumed**

Particulars	For the year April 1, 2019 to March 31, 2020	For the year April 1, 2018 to March 31, 2019
Raw materials / Spares and consumables at the beginning of the year	79,083,129	93,141,845
Add: Purchases during the year / period	187,192,535	211,593,966
Less: Closing stocks	79,438,833	79,083,129
<b>Total Cost of Material Consumed</b>	<b>186,836,831</b>	<b>225,652,682</b>

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

Particulars	For the year April 1, 2019 to March 31, 2020	For the year April 1, 2018 to March 31, 2019
Purchases of stock-in-trade	86,032,188	78,740,562
<b>Total Purchase of Stock-in-Trade</b>	<b>86,032,188</b>	<b>78,740,562</b>

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

Particulars	For the year April 1, 2019 to March 31, 2020	For the year April 1, 2018 to March 31, 2019
<b>Opening Stock</b>		
Work-in-progress	1,833,535	-
Finished goods	2,712,226	9,579,834
Traded goods	17,679,670	14,116,870
<b>Total Opening Stock</b>	<b>22,225,431</b>	<b>23,696,704</b>

Particulars	For the year April 1, 2019 to March 31, 2020	For the year April 1, 2018 to March 31, 2019
<b>Closing Stock</b>		
Work-in-progress	1,792,100	1,833,535
Finished goods	6,753,725	2,712,226
Traded goods	36,441,416	17,679,670
<b>Total Closing Stock</b>	44,987,241	222,225,431
<b>Total Changes in Inventories of Work-in-Progress, Stock-in-Trade and Finished Goods</b>	<b>(22,761,810)</b>	<b>1,471,273</b>

**Note 18: Employee Benefit Expenses**

Particulars	For the year April 1, 2019 to March 31, 2020	For the year April 1, 2018 to March 31, 2019
Salaries, wages and bonus	85,575,792	98,927,426
Gratuity and Leave encashment expense	2,869,764	2,248,951
Employee share-based payment expense	660,525	4,905,132
Contribution to provident and other fund	4,808,574	5,124,740
Staff welfare expenses	6,022,248	8,621,282
<b>Total Employee Benefit Expenses</b>	<b>99,936,903</b>	<b>119,827,531</b>

**Note 19: Other Expenses**

Particulars	For the year April 1, 2019 to March 31, 2020	For the year April 1, 2018 to March 31, 2019
Power and fuel	4,741,937	4,430,705
Insurance	824,810	793,284
Repairs & Maintenance - Buildings	1,071,897	2,283,350
Repairs & Maintenance - IT	11,907,433	7,040,412
Rent	5,005,248	23,300,445
Rates and taxes	1,958,084	3,553,371
Warranty Expenses	995,812	1,526,651
Carriage and Freight outwards	23,833,878	22,824,112
Commission on sales	4,084,510	3,347,387
Support Charges	14,031,727	14,792,579
<b>Auditors' Remuneration</b>		
for Audit fees	575,000	575,000
for Taxation matters	100,000	100,000
for Reimbursement of expenses	161,421	108,255
for Other Services	40,000	-
Advertisement and sales promotion	9,096,946	12,121,783
Directors' Commission and Sitting fees	670,000	640,000
Loss on disposal of assets	1,727,928	1,891,080
Travelling and Conveyance	11,050,973	14,552,976
Communication Expenses	3,837,408	4,885,800
Legal and Professional charges	8,247,930	8,815,467
Manpower support service charges	50,966,451	53,194,979
Office Maintenance	8,066,093	8,644,846

Particulars	For the year April 1, 2019 to March 31, 2020	For the year April 1, 2018 to March 31, 2019
Cloud Expenses	3,005,619	4,285,482
Provision for doubtful debts / advances	6,212,497	8,984,754
Bad Debts Write off	-	262,716
Exchange Differences (Net)	963,622	268,089
Recruitment Expenses	613,856	933,888
Bank Charges	471,948	352,537
Miscellaneous expenses	1,310,173	2,103,097
<b>Total Other Expenses</b>	<b>175,573,201</b>	<b>206,613,044</b>

#### Note 20: Finance Costs

Particulars	For the year April 1, 2019 to March 31, 2020	For the year April 1, 2018 to March 31, 2019
Interest Expenses	12,076,482	9,690,406
Other Borrowing costs	844,233	632,583
<b>Total Finance Costs</b>	<b>12,920,715</b>	<b>10,322,989</b>

#### Note 21: Depreciation and Amortisation Expense

Particulars	For the year April 1, 2019 to March 31, 2020	For the year April 1, 2018 to March 31, 2019
Depreciation of property, plant and equipment	107,539,511	101,587,190
Amortisation of Right to use assets	13,577,477	-
Amortisation of intangible assets	6,085,721	5,931,843
<b>Total Depreciation and Amortisation Expense</b>	<b>127,202,709</b>	<b>107,519,033</b>

#### Note 22: Related Party Transactions

##### 22(A) List of related parties

Name of Related Party	Relationship
Ram Narayan Agarwal	Chairman & Managing Director
G H Visweswara	Independent Director
Sudhir Prakash*	Independent Director
A L Rao	Non-Executive Director
H V Gowthama	Independent Director
Mythily Ramesh	Independent Director
Shankar Jaganathan	Independent Director
Sandeep Kumar Goyal	Chief Financial Officer
Sujata Pratik Shaha	Company Secretary & Compliance Officer
WeP Digital Services Limited (formerly eRM Solutions Private Limited)	Subsidiary Company (100% Owned)
wep solutions india limited	Promoter Group
RNAWEP Investments Private Limited	Promoter Group
WeP Peripherals Limited	Promoter

\* Director till August 21, 2019

**22(B) Remuneration Paid**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Remuneration paid to Key Management Personnel	5,741,233	5,951,551

**22(C) Transaction with other related parties**

Transactions	WeP Peripherals Limited	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Purchase of Goods and Services (excluding taxes)	2,938,840	7,492,090
Interest paid	-	217,000
Amount received for allotment of Equity Shares / Warrants	-	45,000,000
WeP Digital Services Limited		
	For the year ended March 31, 2020	For the year ended March 31, 2019
Purchase of Goods and Services	-	794,254
Sale of Goods and Services	1,590,860	2,181,139
Interest received on Loan (Gross of TDS)	458,731	664,759
Investment made	11,250,747	21,817,935

**22(D) Amount receivable from related parties**

Particulars	As at March 31, 2020	As at March 31, 2019
Loan amount receivable from WeP Digital Services Limited (Unsecured)	-	8,806,542
Maximum Amount of Loan Outstanding during the year - WeP Digital Services Limited	8,806,542	18,194,615
Trade receivable from WeP Digital Services Limited (Net of TDS)	462,218	225,623

**Note 23: Revenue from Contracts with Customers****Disaggregate revenue information:**

The table below presents disaggregated revenues from contracts with customers and the disaggregation best depicts how the nature, timing and uncertainty of revenue and cash flows are affected by market and economic factors:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a. Printer Business	200,596,976	275,526,839
b. MPS Business	448,796,207	459,794,660
c. Digital Services	7,134,134	3,791,159
	<b>656,527,317</b>	<b>739,112,659</b>

**Performance Obligations:**

- The performance obligation is satisfied by transferring the promised good or service to a customer and the customer obtains controls over it.
- The company payment terms range from advance to 60 days.
- The Company earns revenue primarily from Managed Printing Solutions and Services, Manufacturing and Distribution of Retail Billing Products and providing Digital Services like GST etc. to both enterprise and retail customers, pan India.
- The Company generally offers Standard warranties of 3 months to 12 months for its products sold.

## Note 24: Employee Benefit Plans

The Company provides to its employees following retirement benefits:

- i) Gratuity
- ii) Leave Accrual

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

**Gratuity:** The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary for each completed year of service. The company accounts for gratuity benefits payable in the future based on the actuarial valuation. The company is exposed to actuarial risk with respect to this plan.

The following table sets out the amounts recognised in the financial statements for Gratuity.

### Principal Actuarial Assumptions

Particulars	As at March 31, 2020	As at March 31, 2019
Salary Escalation	7.00%	7.00%
Discount Rate (per annum)	6.55%	7.55%
Mortality	India Assured Lives Mortality (2006-2008)	India Assured Lives Mortality (2006-2008)

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

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of Funded defined benefit obligation	6,419,468	5,814,108
Fair value of plan assets	(1,069,320)	(1,622,104)
Present value of unfunded obligations	-	-
<b>Net Liability</b>	<b>5,350,148</b>	<b>4,192,004</b>
Current	-	-
Non-Current	5,350,148	4,192,004

### Amount recognised in Statement of Profit & Loss is as follows

Particulars	As at March 31, 2020	As at March 31, 2019
Current Service Cost	1,020,727	861,436
Interest on Defined Benefit Obligation	317,170	216,201
<b>Total</b>	<b>1,337,897</b>	<b>1,077,637</b>

### Amount recognised in Other Comprehensive Income

Particulars	As at March 31, 2020	As at March 31, 2019
Remeasurements during the period due to		
<i>Changes in financial assumptions</i>	496,288	120,108
<i>Changes in demographic assumptions</i>	(40)	-
<i>Experience adjustments</i>	(698,736)	94,520
<i>Actual return on plan assets less interest on plan assets</i>	94,755	91,602
<b>Closing amount recognised in OCI outside statement of profit and loss</b>	<b>(107,733)</b>	<b>306,230</b>



**Reconciliation statement**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>a) Change in Defined Benefit Obligation</b>		
<b>Opening Defined Benefit Obligation</b>	<b>5,814,107</b>	<b>5,224,324</b>
Current Service Cost	1,020,727	861,436
Interest on Defined Benefit Obligation	439,900	389,189
Actuarial Losses / (Gain)		
Remeasurements due to:		
<i>Actuarial loss / (gain) arising from change in financial assumptions</i>	496,288	120,108
<i>Actuarial loss / (gain) arising from change in demographic assumptions</i>	(40)	-
<i>Actuarial loss / (gain) arising on account of experience changes</i>	(698,736)	94,520
Benefits Paid	(652,778)	(678,665)
Acquisition/Transfer adjustment for Inter group transfer	-	(196,805)
<b>Closing Defined Benefit Obligation</b>	<b>6,419,468</b>	<b>5,814,108</b>
<b>b) Change in Fair Value of Assets</b>		
<b>Opening Fair Value of Plan Assets</b>	<b>1,622,104</b>	<b>2,219,383</b>
Interest on plan assets	122,729	172,988
Remeasurements due to:		
<i>Actual return on plan assets less interest on plan assets</i>	(94,755)	(91,602)
Contribution by Employer	72,020	-
Benefit Paid	(652,778)	(678,665)
<b>Closing Fair Value of Plan Assets</b>	<b>1,069,320</b>	<b>1,622,104</b>
<b>Change in Net Liability / (asset)</b>		
Opening net defined benefit liability / (asset)	4,192,004	3,004,943
Expense charged to profit & loss account	1,337,897	1,077,636
Amount recognised outside profit & loss account	(107,733)	306,230
Contribution by Employer	(72,020)	-
Impact of liability assumed or (settled) on account of inter group transfer	-	(196,805)
<b>Closing net defined benefit liability / (asset)</b>	<b>5,350,148</b>	<b>4,192,005</b>

**Maturity Profile of defined benefit obligations**

Particulars	As at March 31, 2020	As at March 31, 2019
1 year	607,034	433,564
2 to 5 years	1,817,961	1,490,108
6 to 9 years	3,077,533	2,760,295
10 years and Above	6,437,786	7,481,390

**Sensitivity Analysis**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Increase / (decrease) on present value of defined benefits obligation at the end of the year</b>		
<b>50 bps increase in discount rate</b>		
Increase / (decrease) in %	(4.0%)	(4.0%)
Increase / (decrease) in Rs.	(253,737)	(235,337)
<b>50 bps decrease in discount rate</b>		
Increase / (decrease) in %	4.3%	4.2%

Particulars	As at March 31, 2020	As at March 31, 2019
Increase / (decrease) in Rs.	270,112	250,342
<b>50 bps increase in rate of salary escalation</b>		
Increase / (decrease) in %	3.6%	3.8%
Increase / (decrease) in Rs.	233,136	220,614
<b>50 bps decrease in rate of salary escalation</b>		
Increase / (decrease) in %	(3.5%)	(3.8%)
Increase / (decrease) in Rs.	(221,914)	(218,515)

### Note 25: Employee Stock Option Plan

The Company, from time to time, provides share based payments to its employees. These payments are provided in the form of stock options that can be exercised once the employee has completed specified service term with the Company. All share based employee payments will be settled in equity. The details of Stock options are provided below.

Particulars	ESOP 2011	ESOP 2016
Date of Shareholders' approval	27 <sup>th</sup> Sep 2011	22 <sup>nd</sup> Sep 2016
Total number of options approved under the scheme	600,000	600,000
Vesting Schedule		
On completion of 12 months from the date of grant of Options	30% vesting	30% vesting
On completion of 24 months from the date of grant of Options	30% vesting	30% vesting
On completion of 36 months from the date of grant of Options	40% vesting	40% vesting
Exercise Price	Rs.10 per share	Rs.10 per share
Exercise Period	5 years from the date of vesting	5 years from the date of vesting
Option movements during the year		
Options outstanding at the beginning of the year	2,87,400	124,500
Options granted during the year	-	185,000
Options Lapsed & Forfeited during the year	72,700	19,500
Options exercised during the year	77,100	30,000
Variations of terms of options	None	None
Money realised by exercise of options (Rs.)	771,000	300,000
<b>Total number of options in force as at the end of the year</b>	<b>137,600</b>	<b>260,000</b>
Vested and available for exercise	123,500	33,000
Unvested	14,100	227,000

### Summary of the Status of Options

Particulars	As at March 31, 2020	As at March 31, 2019
Options outstanding at the beginning of the year	411,900	557,400
Options granted during the year	185,000	-
Options Lapsed & Forfeited during the year	92,200	58,800
Options exercised during the year	107,100	86,700
<b>Total number of options in force as at the end of the year</b>	<b>397,600</b>	<b>411,900</b>

**Note 26: Disclosures of dues / payments to Micro, Small and Medium enterprises to the extent such enterprises**

Particulars	As at March 31, 2020	As at March 31, 2019
a. Amount due on account of suppliers as at the end of the accounting year	3,561,013	84,498
b. Principal amount paid (includes unpaid) beyond the appointed date	NIL	NIL
c. Interest paid during the year;	NIL	NIL
d. Interest payable at the end of the year;	NIL	NIL
e. Interest accrued and unpaid at the end of the accounting year; has not been provided.	NIL	NIL

The information has been given in respect of such vendors to the extent they could be identified as "Micro, Small and Medium" enterprises on the basis of information available with the Company during the year.

**Note 27: Earning Per Share (EPS) computed in accordance with Ind AS 33**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Basic</b>		
Profit / (Loss) after tax as per accounts	451,393	(1,919,970)
Number of Shares issued (Weighted average no.)	26,253,957	25,465,479
<b>Earning Per Share</b> (of nominal value of equity share of Rs.10/- each)	<b>0.02</b>	<b>(0.08)</b>
<b>Diluted</b>		
Profit / (Loss) after tax as per accounts	451,393	(1,919,970)
Number of Shares issued (Weighted average no.)	26,562,636	25,877,379
<b>Earning Per Share</b> (of nominal value of equity share of Rs.10/- each)	<b>0.02</b>	<b>(0.07)</b>

**Calculation of Weighted average number of shares used as the denominator**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Weighted average number of equity shares used as the denominator in calculating basic earning per share	26,253,957	25,465,479
Adjustments for calculation of diluted earnings per share Stock options	308,679	411,900
Weighted average number of equity shares used as the denominator in calculating diluted earning per share	<b>26,562,636</b>	<b>25,877,379</b>

**Note 28: Warranty**

The Company generally offers 3 months to 12 months warranties for its products. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims. Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period.

**Movement in provision during the financial year**

Particulars	Warranty Provision	
	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Opening Provision</b>	1,817,300	2,699,444
Additions during the year	935,873	1,817,300
Reversal during the year	1,817,300	2,699,444
<b>Closing Provision</b>	<b>935,873</b>	<b>1,817,300</b>

## Note 29: Contingent Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Claims against the company not acknowledged as debt</b>		
Value Added Tax	1,658,492	1,123,318
Service Tax	58,129,154	58,129,154
<b>Total</b>	<b>59,787,646</b>	<b>59,252,472</b>

## Note 30: Accounting for Leases

The company has adopted Ind AS 116 "Leases" effective 1st April 2019, as notified by the Ministry of Corporate Affairs (MCA) vide Companies (Indian Accounting Standard), Amendment Rules, 2019, using the modified retrospective method. The adoption of this standard has resulted in increase of loss before tax for the year ended 31<sup>st</sup> March 2020 by Rs. 11.89 Lakhs and for the quarter ended 31<sup>st</sup> March 2020 by Rs. 2.26 Lakhs.

## Note 32: Financial Instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet terms that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in Note 1 to the financial statements.

### i) Classification of Financial Assets and Liabilities

All financial assets and financial liabilities are valued at amortised cost.

### ii) Fair Value Hierarchy

There are no financial assets or liabilities of the Company, which, after their initial recognition, have been fair valued either during the year or in the previous year.

### iii) Financial Risk Management Policies and Objectives

The Company, in the course of its business, is exposed to a variety of financial risks, viz., market risk, credit risk and liquidity risk which can adversely impact the financial performance. The Company's endeavour is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The Company has a risk management policy that not only covers the foreign exchange risk but also other risks such as interest rate risk and credit risk which are associated with financial assets and liabilities.

#### A. Market Risk:

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the value of financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

#### B. Foreign currency exchange rate risk:

The fluctuations in foreign currency exchange rate may have a potential impact on the statement of profit and loss and equity. This arises from transactions entered in foreign currency and assets/liabilities which are denominated in a currency other than the functional currency of the Company.

The Company imports raw materials, traded goods, consumables etc and such transactions are denominated in US Dollars. The Company does not take major exposure in any other foreign currency. The Company also exports goods

**Note 31: Segment Reporting**

For management purposes, the company is organised into business units based on its products and services and has three reportable segments, as follows:

- a) The Printers business which is into design, manufacturing and distribution of Retail Billing Printers and other impact printers
- b) The Managed Printing Solutions (MPS) business which is into providing office printing solutions and services to corporate customers
- c) The Digital Services business which is into providing Digital services like GST.

Particulars	Printer Business		MPS		Digital		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>Revenue</b>								
Net Sales / Income from Operations	200,596,976	275,526,839	448,796,207	459,794,660	7,134,134	3,791,159	656,527,317	739,112,659
Less:- Intersegment Revenue	-	-	-	-	-	-	-	-
<b>Segment Revenue</b>	<b>200,596,976</b>	<b>275,526,839</b>	<b>448,796,207</b>	<b>459,794,660</b>	<b>7,134,134</b>	<b>3,791,159</b>	<b>656,527,317</b>	<b>739,112,659</b>
<b>Segment Result before exceptional items, depreciation, interest and tax</b>	<b>2,034,365</b>	<b>6,763,765</b>	<b>140,520,511</b>	<b>120,643,205</b>	<b>(1,942,866)</b>	<b>(11,598,100)</b>	<b>140,612,010</b>	<b>115,808,870</b>
Less: Depreciation and amortisation expenses	6,523,177	7,170,290	119,655,741	99,324,952	1,023,791	1,023,792	127,202,709	107,519,034
<b>Segment Result before exceptional items, interest and tax</b>	<b>(4,488,812)</b>	<b>(406,526)</b>	<b>20,864,770</b>	<b>21,318,253</b>	<b>(2,966,657)</b>	<b>(12,621,892)</b>	<b>13,409,301</b>	<b>8,289,836</b>
Add: Interest Income							159,576	130,833
Less: Finance Cost							12,920,714	10,323,189
Less: Depreciation and amortisation expenses							648,163	(1,902,519)
<b>Profit before exceptional items and tax</b>							<b>648,163</b>	<b>(1,902,519)</b>
Less: Exceptionals item							-	-
<b>Profit Before tax</b>							<b>648,163</b>	<b>(1,902,519)</b>
Less: Tax Expenses							196,770	17,451
<b>Profit After Tax</b>							<b>451,393</b>	<b>(1,919,970)</b>
<b>Other Information</b>								
Segment Assets	194,609,882	165,945,152	521,029,977	507,527,516	86,095,254	84,142,887	801,735,113	757,615,554
Segment Liabilities	65,170,063	57,093,073	116,077,431	107,892,166	2,178,279	1,746,404	183,425,773	166,731,643
<b>Capital Employed</b>	<b>129,439,819</b>	<b>108,852,079</b>	<b>404,952,546</b>	<b>399,635,350</b>	<b>83,916,975</b>	<b>82,396,482</b>	<b>618,309,340</b>	<b>590,883,911</b>

which are billed in US dollars. The Company has a hedging policy approved and reviewed by the Board of Directors to mitigate its risks. Details of foreign currency exposure in USD are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Payables (Amount in INR)	22,454,517	9,457,443
Trade Payables (Amount in USD)	297,884	136,587

### C. Credit risk:

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk covers both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

Trade receivables constitute the financial instruments that are exposed to credit risk. The Company's policy is to deal only with creditworthy counterparts. The Company management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due. None of the Company financial assets are secured by collateral or other credit enhancements.

The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date.

### Note 33: Scheme of Arrangement

The Board of the Company vide resolution passed in the meeting held on 13<sup>th</sup> February 2020 has approved a Scheme of Arrangement whereby its wholly owned subsidiary M/s WeP Digital Services Limited is proposed to be merged into the Company. The Appointed date for the scheme is 1<sup>st</sup> April 2020 and is subject to compliance with relevant provisions of the Companies Act, 2013.

### Note 34: Impact of COVID-19

The global health pandemic has resulted in imposition of several restrictions by the Governments across the globe and in India during March 2020 and onwards. The Company has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the company expects to recover the carrying amount of trade receivables, investments and other assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements. The Company will continue to monitor developments to identify significant uncertainties in future periods, if any.

Management believes that considering the Company's historical performance and its business model it has adequate liquidity and business plans to continue to operate the business and mitigate the risks associated with COVID-19 for the next 12 months from the date of these Financial Statements. The Company has also ensured that majority of its employees are working from home and providing the required support to business and ensuring that there is least disruption.

### Note 35: Capital Management

The Company's capital management is intended to maximise the return to shareholders for meeting the long-term and short-term goals of the Company through the optimization of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual and long-term operating plans and strategic investment plans. The funding requirements are met through equity and long-term/short-term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

For the purpose of capital management, capital includes issued equity capital, securities premium and all other reserves attributable to the equity shareholders of the Company. Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents.

The following table summarises the capital of the Company:

Particulars	As at March 31, 2020	As at March 31, 2019
Debt*	112,855,120	88,941,115
Cash and Cash Equivalents	36,983	116,209
Net debt	112,818,137	88,824,906
Equity**	505,454,223	501,942,796
Total Capital (Debt + Equity)	618,272,360	590,767,703
Net Debt to Equity Ratio	0.18	0.15

\* Debt is defined as long-term and short-term borrowings

\*\* Equity includes all capital and reserved of the company that are managed as capital.

### Note 36: Income Tax

Income Tax Expenses has been allocated as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Current Tax</b>		
In respect of current year	5,666,355	1,480,156
In respect of prior years	16,452	(1,119,396)
<b>Deferred Tax</b>		
In respect of Current Year	(5,486,037)	(343,309)
Total income tax gain recognised in the current year relating to continuing operations		
The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax from continuing operations	648,163	(1,902,519)
Income tax expense calculated at 27.82%	180,318	(529,281)
Effect on opening adjustment due to adoption of Ind AS 115	-	(2,072,980)
Adjustments recognised in current year relating to previous years	16,452	(1,119,396)
Effect of other temporary differences now recognised as DTA, net	-	3,739,108
Tax recognised in Profit & Loss Statement	196,770	17,451

**Note 37:** Previous Year figures have been regrouped / rearranged wherever necessary to conform to the current year presentation.

As per our report attached

**For N M Raiji & Co**  
Chartered Accountants  
Firm Reg. No.: 108296W  
**S. N. Shivakumar**

Partner  
Membership No. : 88113

Place: New Delhi  
Date: June 15, 2020

**For and on behalf of the Board of Directors**

**H V Gowthama**  
Director  
DIN: 00250122

**Sandeep Goyal**  
Chief Financial Officer

Place: Bengaluru  
Date: June 15, 2020

**Ram N Agarwal**  
Chairman & Managing Director  
DIN: 00006399

**Sujata Pratik Shaha**  
Company Secretary





## **WeP Solutions Limited**

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