



## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF **WeP Digital Services Private Limited** (formerly known as **eRM SOLUTIONS PRIVATE LIMITED**)

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of WeP Digital Services Private Limited (formerly known as eRM SOLUTIONS PRIVATE LIMITED) ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

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

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and the auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.





An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017, and its loss and its cash flows for the period ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in exercise of powers conferred by section 143(11) of the Act, we enclose in 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant Rule issued thereunder.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

*2/1/17*



- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, and now amended to be known as Companies (Audit and Auditors) Amendment Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company does not have any pending litigations which would impact its financial position.
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (iv) The Company did not have any holdings or dealings in Specified Bank Notes, during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016- Refer Note 2.21 to the standalone financial statements.

For L S Balaji & Co.,  
**Chartered Accountants**  
FRN:013810S

L S Balaji  
**(Proprietor)**  
Membership No. : 229669

Place : Bangalore  
Date : 17.05.2017



**Annexure A referred to in our Independent Auditor's Report to the members of WeP Digital Services Private Limited (formerly known as eRM SOLUTIONS PRIVATE LIMITED) on the standalone financial statements for the year ended 31<sup>st</sup> March, 2017. We report that:**

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
  
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.  
  
(c) As explained to us, there are no immovable properties held in the name of the company.
- (ii) As the nature of business of the company is service oriented this clause is not applicable.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act. Consequently, the provisions of clauses iii (a), iii (b) and iii (c) of the order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the books of account, the company has not granted any loans, made any investments and not given any guarantees or securities.
- (v) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not accepted any deposits from the public.
- (vi) As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Act and hence the same is not applicable.
- (vii) (a) According to the records of the company, undisputed statutory dues including Provident Fund, Employee's State Insurance, Income-tax, Service Tax and any other statutory dues to the extent applicable have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31<sup>st</sup> of March, 2017 for a period of more than six months from the date they became payable.

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- (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise or value added tax or cess which have not been deposited on account of any disputes.
- (viii) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not borrowed any loans from financial institutions, banks or by way of issue of debentures, and hence the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (ix) Based on our audit procedures and on the information given by the management, we report that the company has not raised any money by way of initial public offer or further public offer and term loans during the year.
- (x) Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.
- (xi) Based on the audit procedures performed and the information and explanations given to us, we report that the Company has not paid any managerial remuneration during the year.
- (xii) The company is not a Nidhi company consequently; the provision of clauses of the order is not applicable to the Company.
- (xiii) Based on the audit procedures performed and the information and explanations given to us, all the transactions with the related parties are in compliance with sections 177 and 188 of companies Act, 2013 and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standard.
- (xiv) Based on the audit procedures performed and 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.



- (xv) Based on the audit procedures performed and the information and explanations given to us, the company has not entered into non cash transactions with directors or persons connected with him and the provisions of section 192 of companies Act, 2013 have been complied.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For L S Balaji & Co.  
**Chartered Accountants**  
FRN:013810S

Place : Bangalore  
Date : 17.05.2017

  
L S Balaji  
**(Proprietor)**  
Membership No. : 229669



**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE  
STANDALONE FINANCIAL STATEMENTS OF WeP Digital Services Private Limited  
(formerly known as ERM SOLUTIONS PRIVATE LIMITED)**

**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 Digital Services Private Limited (formerly known as ERM Solutions Private Limited) ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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



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

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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





## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Bangalore  
Date :17.05.2017

For L S Balaji & Co.  
**Chartered Accountants**  
FRN:013810S

L S Balaji  
**(Proprietor)**  
Membership No. : 229669

Particulars		Note No.	As at March 31, 2017	As at March 31, 2016
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' Funds</b>			
a)	Share Capital	2.1	81,00,000	81,00,000
b)	Reserves & Surplus	2.2	(1,24,89,855)	(31,65,794)
			(43,89,855)	49,34,206
<b>2</b>	<b>Non current Liabilities</b>			
a)	Long Term Provisions	2.3	1,49,371	65,721
			1,49,371	65,721
<b>3</b>	<b>Current Liabilities</b>			
a)	Short Term Borrowings	2.4	1,00,00,000	42,92,670
b)	Other Current Liabilities	2.5	16,83,322	11,64,625
c)	Short Term Provisions	2.6	11,094	4,156
			1,16,94,416	54,61,451
	<b>TOTAL</b>		<b>74,53,932</b>	<b>1,04,61,378</b>
<b>II</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non current Assets</b>			
a)	Fixed Assets	2.17		
i)	Tangible assets		5,34,226	10,27,370
ii)	Intangible assets		39,44,569	57,05,745
b)	Deferred tax assets (Net)	2.7	-	14,15,674
c)	Long term Loans and Advances	2.8	2,26,725	1,50,000
			47,05,520	82,98,789
<b>2</b>	<b>Current Assets</b>			
a)	Trade Receivables	2.9	5,57,080	8,03,339
b)	Cash and cash equivalents	2.10	16,92,360	10,25,247
c)	Short term loans and advances	2.11	4,98,972	3,34,003
			27,48,412	21,62,589
	Significant Accounting Policies Note No. 2.1 to 2.24 form an integral part of these Financial Statements	1		
	<b>TOTAL</b>		<b>74,53,932</b>	<b>1,04,61,378</b>

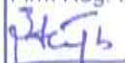
For and on behalf of the Board of Directors

As per our report attached

For LS Balaji &amp; Co.,

Chartered Accountants

Firm Reg. No. : 013810S


LS Balaji  
Proprietor

Membership No. : 229669



Place: Bangalore

Date: 17-05-2017


  
Sanjeev Arora  
Director  
07230655

  
Sandeep Goyal  
Director  
03023842

WeP Digital Services Private Limited (Formerly known as eRM Solutions Private Limited)  
Statement of Profit and Loss for the period ended March 31, 2017

		In Rs.		
Particulars		Note No.	For the period ended March 31, 2017	For the period ended March 31, 2016
<b>REVENUE</b>				
I	Revenue from Operations	2.12	56,24,496	59,02,168
II	Other Income	2.13	16,438	-
<b>Total Revenue</b>			<b>56,40,934</b>	<b>59,02,168</b>
<b>EXPENDITURE</b>				
a)	Employee Benefits expense	2.14	47,71,799	32,01,008
b)	Other expenses	2.16	55,33,995	52,03,052
<b>Total Expenses</b>			<b>1,03,05,794</b>	<b>84,04,060</b>
III	<b>Profit Before Depreciation, Interest, Exceptional Item and Tax</b>		<b>(46,64,860)</b>	<b>(25,01,892)</b>
c)	Depreciation and amortization expense	2.17	24,54,384	18,93,131
IV	<b>Profit Before Interest, Exceptional Item and Tax</b>		<b>(71,19,244)</b>	<b>(43,95,023)</b>
d)	Finance costs	2.15	7,89,142	1,86,446
V	<b>Profit Before Tax</b>		<b>(79,08,386)</b>	<b>(45,81,469)</b>
VI	Tax expense			
	a) Current Tax		-	-
	b) Deferred Tax		14,15,674	(14,15,674)
VII	<b>Profit/(Loss) for the year/period</b>		<b>(93,24,060)</b>	<b>(31,65,795)</b>
<b>Earnings Per Share</b> (Equity Shares par value Rs 10/- each)				
	- Basic		(11.51)	(3.91)
	- Diluted		(11.51)	(3.91)
Number of shares used in computing earnings per share				
	- Basic		8,10,000	8,10,000
	- Diluted		8,10,000	8,10,000
Significant Accounting Policies		1		
Note No. 2.1 to 2.24 form an integral part of these Financial Statements				

For and on behalf of the Board of Directors

As per our report attached  
For LS Balaji & Co.,  
Chartered Accountants  
Firm Reg. No. : 013810S

  
LS Balaji  
Proprietor  
Membership No. : 229669



Place: Bangalore  
Date: 17-05-2017



  
Sanjeev Arora  
Director  
07230655

  
Sandeep Goyal  
Director  
03023842

WeP Digital Services Private Limited (Formerly known as eRM Solutions Private Limited)  
Cash Flow Statement for the year ended March 31, 2017

Particulars		31-March-17		31-March-16	
<b>A</b>	<b>Cash Flow From Operating Activities</b>				
	Profit/(Loss) before tax		(79,08,386)		(45,81,460)
	<b>Adjustment for:</b>				
	Depreciation & Amortisation	24,54,384		18,93,131	
	Provision for doubtful debts	(2,64,373)		-	
	Interest Expense	7,89,142	29,79,153	1,86,446	20,70,577
	Operating profit before working capital changes		(49,29,233)		(25,01,892)
	<b>Working Capital Changes</b>				
	(Increase)/Decrease in Trade Receivables	5,10,632		(8,03,339)	
	(Increase)/Decrease in Other Current Assets	1,20,856		(500)	
	(Increase)/Decrease in Non Current Assets	(76,725)		(1,50,000)	
	Increase/(Decrease) in Other Current Liabilities	6,09,285		12,34,502	
			11,64,048		2,80,663
	Cash Generated from Operations		(37,65,185)		(22,21,228)
	Direct taxes paid		(2,85,826)		(3,33,503)
	<b>Net Cash From Operating Activities</b>		<b>(40,51,011)</b>		<b>(25,54,731)</b>
<b>B</b>	<b>Cash Flow From Investing Activities</b>				
	Purchase of Fixed Assets	(2,00,064)		(6,20,246)	
			(2,00,064)		(6,20,246)
	<b>Net Cash Used in Investing Activities</b>		<b>(2,00,064)</b>		<b>(6,20,246)</b>
<b>C</b>	<b>Cash Flow From Financing Activities</b>				
	Proceeds from Issue of Equity Shares	-		1,00,000	
	Interest paid	(7,89,142)		(1,86,446)	
	Proceeds / (Repayment) of Borrowings	57,07,330	49,18,188	42,92,670	42,06,224
	<b>Net Cash From / (Used for) Financing Activities</b>		<b>49,18,188</b>		<b>42,06,224</b>
	<b>Net Increase / (Decrease) in Cash And Cash Equivalents - ( A + B + C )</b>		<b>6,67,113</b>		<b>10,25,247</b>
	Cash And Cash Equivalents At The Beginning Of The Period		10,25,247		-
	<b>Cash And Cash Equivalents At The End Of The Year</b>		<b>16,92,360</b>		<b>10,25,247</b>

As per our report attached  
For LS Balaji & Co.,  
Chartered Accountants  
Firm Reg. No. : 013810S  
  
LS Balaji  
Proprietor  
Membership No. : 229669



Place: Bangalore  
Date: 17-05-2017

For and on behalf of the Board of Directors

  
Sanjeev Arora  
Director  
07230655  
  
Sandeep Goyal  
Director  
03023842



## Significant accounting policies and notes on accounts

### Company Overview

WeP Digital Services Private Limited (Formerly known as eRM Solutions Private Limited) was incorporated on 28th May, 2015. The Company acquired a Document Management Solutions business on a going concern basis effective July 1, 2015. It has range of Document Technology Services for long term retention of electronic records that can improve business efficiency and processes.

The Company is a wholly owned subsidiary of M/s WeP Solutions Limited and managed by professionals with wide range of document solutions expertise, the Company operates across India with the principle objective of providing PDF/A - the ISO 19005-1:2005 standard file format solutions for long term preservation of e- Archives.

The Company had applied for change of name from eRM Solutions Private Limited to WeP Digital Services Private Limited in the month of March, 2017. The approval for the same has been received on 6th April, 2017. Consequently the name has been updated for the purpose of Financial Statements.

Assets and Liabilities are bifurcated into current and non current based on 12 months period from the balance sheet date as operating cycle of the company is determined less than 1 year.

### 1. Significant accounting policies

#### 1.1 Basis of preparation of financial statements

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

#### 1.2 Use of Estimates

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

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

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

Intangible assets are stated at the consideration paid for acquisition less accumulated amortization.

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

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

#### 1.4 Depreciation and amortization

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

The rates adopted for the depreciation determined on the basis of the estimated useful life of fixed assets are as follows:

Assets	Useful applied (In Years)	Life (In Years)
Computers		3.00
Furniture and Fixtures		5.00
Office Equipment		5.00
Project Equipment		3.00
Vehicles		8.00

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

Individual Assets costing /acquired less than Rs 5,000 are depreciated in full in the year of purchase. Depreciation for assets purchased / sold during the period is proportionately charged.

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

Asset	Amortization Rate
Computer Software	25.00%
Technical Know-how	5.00%



#### 1.5 Impairment of Assets

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

#### 1.6 Borrowing Costs

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

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

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

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

#### 1.8 Foreign Currency Transactions

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

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

Non monetary foreign currency items are carried at cost.

#### 1.9 Method of accounting and Revenue Recognition

Accounts are maintained on an accrual basis and historical cost.

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

#### 1.10 Tax Expense

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

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

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

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

#### 1.11 Employee Benefits

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

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

#### 1.12 Investments

Long term Investments are stated at cost. Diminution in value is provided for where the management is of the opinion that the diminution is of permanent nature.

Short term Investments are stated at cost or market value whichever is lower.



## 2. Notes on Accounts for the year ended March 31, 2017

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

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

### 2.1 SHARE CAPITAL

Particulars	As at March, 31 2017	As at March, 31 2016
<b>Authorised</b> 1,000,000 Equity Shares of Rs 10/- each	1,00,00,000	1,00,00,000
	1,00,00,000	1,00,00,000
<b>Issued, Subscribed and Paid-Up</b> 8,10,000 ( PY- NA ) Equity shares of Rs 10 each fully paid up (Of the above 8,00,000 shares have been allotted this year for consideration other than cash.)	81,00,000	81,00,000
<b>TOTAL</b>	<b>81,00,000</b>	<b>81,00,000</b>

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

Particulars	As at March, 31 2017	As at March, 31 2016
Shares outstanding at the beginning of the year	8,10,000	-
Shares Issued during the year	-	8,10,000
Shares outstanding at the end of the year	<b>8,10,000</b>	<b>8,10,000</b>

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

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

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

Shares :

Name of Shareholder	As at March, 31 2017	As at March, 31 2016
<b>WoP Solutions Limited</b>		
No of Shares	8,09,999	8,09,999
% Holding	100.00%	100.00%

### 2.2 RESERVES AND SURPLUS

Particulars	As at March, 31 2017	As at March, 31 2016
<b>Surplus in Statement of Profit and Loss Account</b>		
Opening balance	(31,65,795)	-
Add :- Current year profit/(loss)	(93,24,060)	(31,65,795)
<b>Closing balance</b>	<b>(1,24,89,855)</b>	<b>(31,65,795)</b>
<b>TOTAL</b>	<b>(1,24,89,855)</b>	<b>(31,65,795)</b>

### 2.3 LONG TERM PROVISIONS

Particulars	As at March, 31 2017	As at March, 31 2016
Employee Benefits	1,49,371	65,721
<b>TOTAL</b>	<b>1,49,371</b>	<b>65,721</b>

### 2.4 SHORT TERM BORROWINGS

Particulars	As at March, 31 2017	As at March, 31 2016
<b>a) Unsecured</b>		
<b>From Others</b>		
Loan from Holding Company	1,00,00,000	42,92,670
<b>TOTAL</b>	<b>1,00,00,000</b>	<b>42,92,670</b>

### 2.5 OTHER CURRENT LIABILITIES

Particulars	As at March, 31 2017	As at March, 31 2016
For Expenses	8,20,417	7,04,438
Statutory payables	1,16,099	1,39,848
Other payables	7,46,806	3,20,339
<b>TOTAL</b>	<b>16,83,322</b>	<b>11,64,625</b>



**2.6 SHORT TERM PROVISIONS**

Particulars	As at March, 31 2017	As at March, 31 2016
Employee Benefits	11,094	4,156
<b>TOTAL</b>	<b>11,094</b>	<b>4,156</b>

**2.7 DEFERRED TAX**

Particulars	As at March, 31 2017	As at March, 31 2016
<b>Deferred Tax Asset</b>		
Provision for doubtful debts	-	81,691
Expenses allowed on actual payment basis u/s 43B of I.T Act 1961	-	21,762
Carried Forward Losses	-	21,34,431
<b>Less: Deferred Tax Liability</b>		
Depreciation Difference	-	8,22,210
<b>Net Deferred Tax Asset</b>	<b>-</b>	<b>14,15,674</b>

**2.8 LONG TERM LOANS AND ADVANCES**

Particulars	As at March, 31 2017	As at March, 31 2016
Unsecured - Considered good Deposit	2,26,725	1,50,000
<b>TOTAL</b>	<b>2,26,725</b>	<b>1,50,000</b>

**2.9 TRADE RECEIVABLES**

Particulars	As at March, 31 2017	As at March, 31 2016
<b>Unsecured</b>		
Outstanding for a period exceeding six months from the due date		
Considered good	-	-
Considered doubtful	-	2,64,373
Less: Provision for Doubtful debts	-	2,64,373
<b>Sub total</b>	<b>-</b>	<b>-</b>
<b>Other debts</b>		
Considered good	5,57,080	8,03,339
<b>TOTAL</b>	<b>5,57,080</b>	<b>8,03,339</b>

**2.10 CASH AND CASH EQUIVALENTS**

Particulars	As at March, 31 2017	As at March, 31 2016
<b>i) Balances with Banks</b>		
Current account	16,92,360	10,25,247
<b>TOTAL</b>	<b>16,92,360</b>	<b>10,25,247</b>

**2.11 SHORT TERM LOANS AND ADVANCES**

Particulars	As at March, 31 2017	As at March, 31 2016
<b>Unsecured - Considered good</b>		
a) Other Loans and Advances		
i) Advance Income Tax (net of provision)	2,85,826	3,33,503
ii) Balances with Excise, Customs, VAT and Service Tax input credit	2,13,146	-
iii) Others	-	-
<b>TOTAL</b>	<b>4,98,972</b>	<b>3,34,003</b>





**2.12 REVENUE FROM OPERATIONS**

Particulars	For the period ended March 31,2017	For the period ended March 31,2016
Sale of Services		
-Domestic Sales	32,04,454	36,39,449
-Exports Sales	24,20,042	22,62,719
<b>TOTAL</b>	<b>56,24,496</b>	<b>59,02,168</b>

**2.13 OTHER INCOME**

Particulars	For the period ended March 31,2017	For the period ended March 31,2016
Miscellaneous Income	16,438	-
<b>TOTAL</b>	<b>16,438</b>	<b>-</b>

**2.14 EMPLOYEE BENEFIT EXPENSES**

Particulars	For the period ended March 31,2017	For the period ended March 31,2016
Salaries and Wages	45,17,655	30,88,924
Contribution to provident and other fund	1,90,263	80,397
Staff welfare expenses	63,881	31,687
<b>TOTAL</b>	<b>47,71,799</b>	<b>32,01,008</b>

**2.15 FINANCE COST**

Particulars	For the period ended March 31,2017	For the period ended March 31,2016
Interest Expenses	7,89,142	1,86,446
<b>TOTAL</b>	<b>7,89,142</b>	<b>1,86,446</b>

**2.16 OTHER EXPENSES**

Particulars	For the period ended March 31,2017	For the period ended March 31,2016
Power and fuel	48,056	35,762
Repairs & Maintenance	58,000	13,576
Rent	2,07,000	1,44,000
Rates and taxes	57,770	2,57,457
Commission on sales	3,41,016	3,90,252
<b>Auditors' Remuneration</b>		
for Statutory Audit fees	40,000	40,000
Business Development Expenses	1,15,018	22,294
Travelling Expenses	6,35,012	5,11,869
Conveyance Expenses	1,88,041	86,485
Communication Expenses	1,41,267	82,012
Legal and Professional charges	2,64,600	6,26,500
Manpower support service charges	31,43,068	26,22,531
Office Maintenance	45,870	53,116
Printing and Stationery Expenses	51,266	25,774
Provision for Bad debts / advances	(2,64,373)	2,64,373
Bad Debts Written off	21,136	-
Exchange Differences (Net)	40,872	16,817
Bank Charges	12,407	8,684
Recruitment Expenses	3,85,389	1,590
Miscellaneous expenses	2,580	
<b>TOTAL</b>	<b>55,33,995</b>	<b>52,03,052</b>



## 2.18 RELATED PARTY TRANSACTIONS

### 2.18.1 List of related parties

Name of Related Party	Relationship
WeP Solutions Limited	Holding Company
Sandeep Kumar Goyal	Director
Sanjeev Arora	Director
G H Visweswara	Additional Director

### 2.18.2 Transaction with other related parties

Transactions	WeP Solutions Limited	
	For the period ended March 31, 2017	For the period ended March 31, 2016
Sale of Goods and Services (including taxes)	1,69,211	14,27,249
Interest Paid (Gross of TDS)	7,89,142	1,86,446

### 2.18.3 Amount due to related parties

Particulars	WeP Solutions Limited	
	As at March 31, 2017	As at March 31, 2016
Loan Repayable - Principal	1,00,00,000	42,00,000
Interest	-	92,670

## 2.19 EMPLOYEE BENEFIT PLANS

The Company provides to its employees following retirement benefits:

- Gratuity
- Leave Accrual

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

**Leave Accrual:** The Company allows accumulation / encashment of leave. Such accumulation can be utilized by obtaining leave in the subsequent period employment or encashment at the time of separation. The obligation as on the balance

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

#### Principal Actuarial Assumptions

Particulars	As on March 31, 2017
Expected Rate of Return on Assets (p.a)	0.00%
Salary Escalation	6.00%
Discount Rate	7.50%

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

Particulars	As on March 31, 2017
Present value of Funded Obligations	-
Fair value of plan assets	-
Present value of unfunded obligations	40,565
<b>Net Liability</b>	<b>40,565</b>

## 2.20 Disclosures of dues/payments to Micro, Small and Medium enterprises to the extent such

The Company has not received any intimation from the suppliers regarding the status under the Micro,

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

The Company is making efforts to get the confirmation from the suppliers regarding their status under the Act. Further, since the status is still not ascertainable no interest provision has been made.



WeP Digital Services Private Limited (Formerly known as eRM Solutions Private Limited)  
 Sch 2.17 : Fixed Assets as on March 31, 2017

Particulars	Gross Block			Depreciation and Amortisation			Net Block			
	Opening Block As at April 1, 2016	Additions During the Period	Deductions During the Period	Closing Block As at March 31, 2017	As At April 1, 2016	For the Period	Disposals/ Adjustment	Total as at March 31, 2017	As at March 31, 2017	As at March 31, 2016
<b>Tangible Assets:</b>										
Computers	3,12,972	75,200	-	3,88,172	1,52,130	91,147	-	2,43,277	1,44,895	1,60,842
Project Equipment	11,92,265	95,164	-	12,87,429	3,49,062	5,49,036	-	8,98,098	3,69,331	8,43,203
Office Equipment	75,930	-	-	75,930	56,948	16,982	-	75,930	-	18,992
Furniture & Fixture	17,374	-	-	17,374	13,031	4,343	-	17,374	-	4,343
	<b>15,99,541</b>	<b>1,70,364</b>	-	<b>17,69,905</b>	<b>5,71,171</b>	<b>6,63,508</b>	-	<b>12,34,679</b>	<b>5,34,226</b>	<b>10,27,370</b>
<b>Intangible Assets:</b>										
Computer Software	70,27,705	29,700	-	70,57,405	13,21,960	17,90,876	-	31,12,636	39,44,669	57,05,745
	<b>70,27,705</b>	<b>29,700</b>	-	<b>70,57,405</b>	<b>13,21,960</b>	<b>17,90,876</b>	-	<b>31,12,636</b>	<b>39,44,669</b>	<b>57,05,745</b>
<b>Total</b>	<b>86,26,246</b>	<b>2,00,064</b>	-	<b>88,26,310</b>	<b>18,93,131</b>	<b>24,54,384</b>	-	<b>43,47,515</b>	<b>44,78,795</b>	<b>67,33,115</b>

Sch 2.17: Fixed Assets as on March 31, 2015

Particulars	Gross Block			Depreciation and Amortisation			Net Block			
	Opening Block As at May 28, 2015	Additions on acquisition as on Jul 1, 2015	Additions During the Period	Deductions During the Period	Closing Block As at March 31, 2016	As At May 28, 2015	For the Period	Disposals/ Adjustment	Total as at March 31, 2016	As at March 31, 2016
<b>Tangible Assets:</b>										
Computers	-	1,74,366	1,38,566	-	3,12,972	-	1,52,130	-	1,52,130	1,60,842
Project Equipment	-	7,32,310	4,59,955	-	11,92,265	-	3,49,062	-	3,49,062	8,43,203
Office Equipment	-	75,930	-	-	75,930	-	56,948	-	56,948	18,992
Furniture & Fixture	-	17,374	-	-	17,374	-	13,031	-	13,031	4,343
	-	<b>10,00,000</b>	<b>5,98,541</b>	-	<b>15,98,541</b>	-	<b>5,71,171</b>	-	<b>5,71,171</b>	<b>10,27,370</b>
<b>Intangible Assets:</b>										
Computer Software	-	70,00,000	27,705	-	70,27,705	-	13,21,960	-	13,21,960	57,05,745
	-	<b>70,00,000</b>	<b>27,705</b>	-	<b>70,27,705</b>	-	<b>13,21,960</b>	-	<b>13,21,960</b>	<b>57,05,745</b>
<b>Total</b>	-	<b>80,00,000</b>	<b>6,26,246</b>	-	<b>86,26,246</b>	-	<b>18,93,131</b>	-	<b>18,93,131</b>	<b>67,33,115</b>



2.21 Note on Deferred Tax

Deferred tax recognised in the earlier period is reversed during the current period as there is no reasonable and virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

2.22 Disclosures on Specified Bank Notes Post Demonetisation

Particulars	SBNs		Other denomination notes	Total	
	Denomination	Amount	Denomination	Denomination	Amount
Closing Balance as at 8th November 2016	-	-	-	-	-
Transactions between 9th November 2016 and 30th December 2016:					
Add: Withdrawal from bank accounts	-	-	-	-	-
Add: Receipts for permitted transactions	-	-	-	-	-
Add: Receipts for non-permitted transactions (if any)	-	-	-	-	-
Less: Paid for permitted transactions	-	-	-	-	-
Less: Paid for non-permitted transactions (if any)	-	-	-	-	-
Less: Deposited in bank accounts	-	-	-	-	-
Closing balance as at 30th December 2016	-	-	-	-	-

2.23 Additional Information Pursuant to the Provisions of Part II of Schedule III to the

a. Earning in Foreign Currency

Particulars	For the period ended March 31, 2017	For the period ended March 31, 2016
Export of Services	24,20,042	22,62,719

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

Particulars	For the period ended March 31, 2017	For the period ended March 31, 2016
<b>Basic</b>		
Profit/ (Loss) after tax as per accounts	(93,24,080)	(31,65,795)
Number of Shares issued (Weighted average no.)	8,10,000	8,10,000
<b>Earning Per Share</b> (of nominal value of equity share of Rs.10/- each)	<b>(11.51)</b>	<b>(3.91)</b>
<b>Diluted</b>		
Profit/ (Loss) after tax as per accounts	(93,24,080)	(31,65,795)
Number of Shares issued (Weighted average no.)	8,10,000	8,10,000
<b>Earning Per Share</b> (of nominal value of equity share of Rs.10/- each)	<b>(11.51)</b>	<b>(3.91)</b>

<p>As per our report attached                  For LS Balaji &amp; Co.,                  Chartered Accountants                  Firm Reg. No. : 0138105</p>  <p>LS Balaji                  Proprietor                  Membership No. : 229669</p>  <p>Place: Bangalore                  Date: 17-05-2017</p>	<p>For and on behalf of the Board of Directors</p>  <p>Sanjeev Arora                  Director                  07230655</p>  <p>Sandeep Goyal                  Director                  03023842</p> 
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