



## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of WeP Digital Services Limited (formerly known as eRM SOLUTIONS PRIVATE LIMITED) ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, Statement of changes in Equity and the Cash Flow Statement for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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, 2018, and its loss, changes in Equity and its cash flows for the period ended on that date.

#### Basis for Opinion

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 there under, 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.



## **Responsibility of Management 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, 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, read with relevant rules issued there under. 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.

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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

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

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

## **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 Companies Act, 2013, we enclose in 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

*24/06/16*



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

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.

- (a) 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.  
(b) 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.

(c) 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 there under.

(d) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

(e) 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

(f) 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 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.

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

Place : Bangalore  
Date : 11.05.2018

L S Balaji

**(Proprietor)**

Membership No. : 229669



**Annexure A referred to in our Independent Auditor's Report to the members of WeP Digital Services Limited (formerly known as eRM SOLUTIONS PRIVATE LIMITED) on the standalone financial statements for the year ended 31<sup>st</sup> March, 2018. 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, 2018 for a period of more than six months from the date they became payable.



- (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.

*3/10/15*



(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 : 11.05.2018

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 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 Limited (formerly known as eRM Solutions Private Limited) ("the Company") as of March 31, 2018 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.

*L S Balaji*





## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal 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 :11.05.2018

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

L S Balaji

**(Proprietor)**

Membership No. : 229669





## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Comparative Indian Accounting Standards (Ind AS) Financial Statements**

We have audited the accompanying special purpose standalone Ind AS financial statements of WeP Digital Services Limited (formerly known as eRM Solutions Private Limited) ("the Company"), which comprise the Balance Sheet as at 31st March, 2018 and the Opening Balance Sheet as at 1st April, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended 31st March, 2018, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Comparative standalone Ind AS Financial Statements").

### **Management's Responsibility for the Comparative Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Comparative Standalone Ind AS Financial Statements in accordance with the basis of accounting described in Part B of Significant Accounting Policies – Explanation of Transition to IND AS.

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 Comparative Standalone Ind AS Financial Statements.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Comparative Standalone Ind AS Financial Statements based on our audit.

We conducted our audit of the Comparative Standalone Ind AS Financial Statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements





and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Comparative Standalone Ind AS Financial Statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Comparative Standalone Ind AS Financial Statements for the year ended 31st March, 2018 (including opening balance sheet as at 1st April 2017), are prepared, in all material respects, in accordance with the basis of accounting described in Part B of Significant Accounting Policies – Explanation of Transition to IND AS to these financial statements.

## **Basis of Accounting**

Without modifying our opinion, we draw attention to Part B of Significant Accounting Policies – Explanation of Transition to IND AS to these Comparative Standalone Ind AS Financial Statements, which describes the basis of accounting. The financial statements are prepared to assist WeP Digital Services Limited (formerly known as eRM Solutions Pvt Ltd.) to meet the requirements of preparation of first set of complete standalone Ind AS financial statements. As a result, the financial statements may not be suitable for another purpose.

## **Emphasis of Matter**

We draw attention to Part B of Significant Accounting Policies – Explanation of Transition to IND AS to the Comparative Standalone Ind AS Financial Statements, which describes the basis of accounting and further states that the comparative financial information has not been included in these financial statements. Only a complete set of financial statements together with comparative financial information can provide a fair presentation of the





company's state of affairs (financial position), profit/loss (financial performance including other comprehensive income), cash flows and the changes in equity

Our opinion is not modified in respect of this matter.

### **Other Matter**

The financial information for the year ended 31st March 2018 and the transition date opening balance sheet as at 1st April 2017 included in these special purpose standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us vide report dated 11th May 2018 and 17<sup>th</sup> May 2017 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us

WeP Digital Services Ltd., (formerly known as eRM Solutions Pvt Ltd.,) has prepared a separate set of financial statements for the year ended March 31, 2018 and March 31, 2017 in accordance with the Accounting Standards referred to in section 133 of the Companies Act, 2013 on which we issued a separate auditor's report to the shareholders of WeP Digital Services Ltd., (formerly known as eRM Solutions Pvt Ltd.,) dated 11th May, 2018 and 17<sup>th</sup> May, 2017 respectively.

Our opinion is not modified in respect of this matter.

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







L S Balaji  
**(Proprietor)**

Membership No. : 229669



Place : Bangalore  
Date : 11.05.2018

In Rupees

BALANCE SHEET				
Particulars	Note No.	As at Mar 31, 2018	As at Mar 31, 2017	As at Apr 1, 2016
<b>(1) ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, Plant and Equipment	2	2,747,522	540,512	1,027,371
(b) Capital work-in-progress		10,780	-	-
(c) Other Intangible assets	3	2,194,925	3,962,098	5,705,745
(d) Financial Assets				
i. Other financial assets	4	458,637	149,723	150,000
(e) Deferred tax assets (net)	5	12,936,680	3,644,974	1,415,674
(f) Other non-current assets		-	-	-
		<b>18,348,545</b>	<b>8,297,307</b>	<b>8,298,790</b>
<b>(2) Current assets</b>				
<b>(a) Financial Assets</b>				
i. Inventories	6	21,560	-	-
ii. Trade receivables	7	3,462,338	557,080	803,339
iii. Cash and cash equivalents	8	375,916	1,692,360	1,025,247
iv. Other financial assets	9	104,356	-	-
(b) Current Tax Assets (Net)	10	509,182	285,826	333,503
(c) Other current assets	11	3,100,457	289,871	500
		<b>7,573,809</b>	<b>2,825,137</b>	<b>2,162,588</b>
<b>Total Assets</b>		<b>25,922,354</b>	<b>11,122,443</b>	<b>10,461,378</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital	12 (a)	48,100,000	8,100,000	8,100,000
(b) Other Equity				
i. Reserves & Surplus	12(b)	(36,767,783)	(8,821,345)	(3,165,705)
		<b>11,332,217</b>	<b>(721,345)</b>	<b>4,934,295</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
<b>(a) Financial Liabilities</b>				
i. Borrowings	13	-	10,000,000	4,292,670
ii. Other financial liabilities	13(a)	150,000	-	-
(b) Provisions	14	2,424,785	149,371	65,721
		<b>2,574,785</b>	<b>10,149,371</b>	<b>4,358,391</b>
<b>Current liabilities</b>				
<b>(a) Financial Liabilities</b>				
i. Other financial liabilities	15	3,917,451	820,417	704,438
(a) Other current liabilities	16	7,987,292	862,905	460,187
(b) Provisions	17	110,610	11,094	4,156
		<b>12,015,353</b>	<b>1,694,416</b>	<b>1,168,781</b>
<b>Total Equity and Liabilities</b>		<b>25,922,354</b>	<b>11,122,443</b>	<b>10,461,378</b>
As per our Report attached For L.S. Balaji & Co., Chartered Accountants Firm Reg No.013R10S		For and on behalf of the Board of Directors		
 L.S. Balaji Proprietor Membership No.229669 Place: Bangalore Date:		 A.L. Rao Director 02919040	 Suresh Senapaty Director 00018711	 Sanjeev Arora Chief Executive Officer
			 S. Pradeep Chief Financial Officer	

In Rupees






STATEMENT OF PROFIT AND LOSS			
Particulars	Note No.	For the Year ended Mar 31, 2018	For the Year ended Mar 31, 2017
I Revenue From Operations	18	10,461,990	5,624,496
II Other Income	19	551,749	24,335
<b>III Total Income (I+II)</b>		<b>11,013,745</b>	<b>5,648,831</b>
<b>IV EXPENSES</b>			
a. Purchases of Stock in Trade	20	584,598	
b. Changes in inventories of finished goods	21	(21,560)	
c Employee benefits expense	22	23,451,371	4,939,967
d Other expenses	23	22,143,929	5,542,169
e Finance costs	24	228,596	789,142
f Depreciation and amortization expense	25	2,594,270	2,430,570
<b>Total Expenses</b>		<b>48,981,204</b>	<b>13,701,848</b>
<b>V Profit/(loss) before exceptional items and tax (I-IV)</b>		<b>(37,967,460)</b>	<b>(8,053,018)</b>
VI Exceptional Items			
<b>VII Profit/(loss) before tax(V-VI)</b>		<b>(37,967,460)</b>	<b>(8,053,018)</b>
<b>Tax expense:</b>			
VIII (1) Current tax			
(2) Deferred tax		(9,290,626)	(2,229,300)
<b>IX Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>(28,686,834)</b>	<b>(5,823,718)</b>
<b>Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss:			
X Remeasurements of post-employment benefit obligations		(43,033)	
(ii) Income tax relating to items that will not be reclassified to profit or loss		11,081	
<b>XI Total Comprehensive Income for the period (XIX+XIV) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)</b>		<b>(28,718,786)</b>	<b>(5,823,718)</b>
<b>Earnings per equity share (for continuing operation):</b>			
XII (1) Basic		(6.89)	(7.19)
(2) Diluted		(6.89)	(7.19)
<b>Earnings per equity share(for discontinued &amp; continuing operations):</b>			
XIII (1) Basic		(6.89)	(7.19)
(2) Diluted		(6.89)	(7.19)

See accompanying notes to the financial statements

No of Shares for EPS Calculation			
(1) Basic		4,163,425	810,000
(2) Diluted		4,163,425	810,000

As per our Report attached For L.S. Bataji & Co., Chartered Accountants Firm Reg No.0138105   L.S. Bataji Proprietor Membership No:229069 Place Bangalore  Date:	For and on behalf of the Board of Directors   <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">                       A.L. Rao                      Director                      02919040                 </div> <div style="text-align: center;">                       Suresh Senapaty                      Director                      00018711                 </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 20px;"> <div style="text-align: center;">                       Sankar Arora                      Chief                      Executive                      Officer                 </div> <div style="text-align: center;">                       S. Pradeep                      Chief Financial                      Officer                 </div> </div>
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WeP Digital Services Limited (formerly known as eRM SOLUTIONS PRIVATE LIMITED) CIN:U74900KA2015PLC080570 Statement of Cash Flows for the period ended Mar 31, 2018			In Rupees
Particulars		31-Mar-18	31-Mar-17
<b>A</b>	<b>Cash Flow From Operating Activities</b>		
	Profit before Income tax from Continuing Operations	(37,967,460)	(6,053,018)
	<b>Profit before Income tax</b>	<b>(37,967,460)</b>	<b>(6,053,018)</b>
	<b>Adjustment for:</b>		
	Depreciation & Amortisation	2,594,270	2,430,570
	Provision for doubtful debts	105,298	(264,373)
	Employee share based payment expense	1,152,347	168,168
	Net Exchange differences	34,186	-
	Actuarial Gains/Losses recognised in OCI	(43,033)	-
	Interest Income	(548,800)	(7,897)
	Interest Expense	228,596	789,142
	<b>Changes in Operating assets and liabilities</b>		
	(Increase)/Decrease in Inventories	(21,560)	-
	(Increase)/Decrease in Trade Receivables	(2,968,017.84)	510,632
	(Increase)/Decrease in Other Current Assets	(2,810,586)	44,132
	(Increase)/Decrease in Other Financial Assets	(104,356)	-
	(Increase)/Decrease in Other Non Current Assets	(385,630)	277
	Increase/(Decrease) in Provisions	2,374,930	90,588
	Increase/(Decrease) in Other Financial Liabilities	3,247,034	115,979
	Increase/(Decrease) in Other Current Liabilities	7,124,387	402,718
	<b>Cash Generated from Operations</b>	<b>(27,988,493)</b>	<b>(3,773,081)</b>
	Income taxes paid	223,356	265,828
	<b>Net Cash From Operating Activities</b>	<b>(28,211,758)</b>	<b>(4,056,908)</b>
<b>B</b>	<b>Cash Flow From Investing Activities</b>		
	Purchase of Property, Plant & Equipment	(3,044,888)	(170,364)
	Purchase of Intangible Assets	-	(29,700)
	Interest Income	548,800	7,897
	<b>Net Cash Used in Investing Activities</b>	<b>(2,496,088)</b>	<b>(192,167)</b>
<b>C</b>	<b>Cash Flow From Financing Activities</b>		
	Proceeds from Issue of Shares	39,620,000	-
	Interest paid	(228,596)	(789,142)
	Proceeds / (Repayment) of Borrowings	(10,000,000)	5,707,330
	<b>Net Cash From / (Used for) Financing Activities</b>	<b>29,391,403</b>	<b>4,918,188</b>
	<b>Net Increase / (Decrease) in Cash And Cash Equivalents - (A + B + C)</b>	<b>(1,316,444)</b>	<b>687,113</b>
	Cash And Cash Equivalents At The Beginning Of The Period	1,692,360	1,025,247
	<b>Cash And Cash Equivalents At The End Of The Period</b>	<b>375,916</b>	<b>1,692,360</b>
As per our Report attached For L.S.Balaji & Co., Chartered Accountants Firm Reg No.013810S		For and on behalf of the Board of Directors	
L.S.Balaji Proprietor Membership No:220669 Place:Bangalore Date:		 <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">   A.L. Rao Director 02919040 </div> <div style="text-align: center;">   Suresh Senapaty Director 000181711 </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="text-align: center;">   Sanjeev Arora Chief Executive Officer </div> <div style="text-align: center;">   S. Pradeep Chief Financial Officer </div> </div>	

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STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

	31-Mar-18	31-Mar-17	1-Apr-16
Balance at the beginning of the reporting period	8,100,000	8,100,000	8,100,000
Changes in equity share capital during the year	40,000,000		
Balance at the end of the reporting period	48,100,000	8,100,000	8,100,000

B. Other Equity for the period ended 31st Mar 2018

	Reserves and Surplus				Other Comprehensive Income	Total
	General Reserve	Securities Premium Reserve	Employee share based expense benefit reserve	Retained Earnings		
Balance at the beginning of the reporting period	885,959		-	(9,707,304)		(8,821,345)
Changes in accounting policy or prior period errors						
Profit for the year				(28,686,834)		(28,686,834)
Actuarial (losses)/gains					(31,952)	(31,952)
Share Issue Expenses				(380,000)		(380,000)
Employee stock options expense			1,152,347			1,152,347
Balance at the end of the reporting period	885,959	-	1,152,347	(38,774,137)	(31,952)	(36,767,783)

B. Other Equity for the period ended 31st March 2017

	Reserves and Surplus				Other Comprehensive Income	Total
	General Reserve	Securities Premium Reserve	Employee share based expense benefit reserve	Retained Earnings		
Balance at the beginning of the reporting period	-		-	(3,165,795)		(3,165,795)
Restated balance at the beginning of the reporting period			717,791	(717,791)		
Profit for the year				(5,823,718)		(5,823,718)
Employee stock options expense	885,959		(717,791)			168,168
Balance at the end of the reporting period	885,959	-	-	(9,707,304)		(8,821,345)





WSP Digital Services Limited  
(formerly known as eRM SOLUTIONS PRIVATE LIMITED)  
Note 2: Property, Plant and Equipment

Particulars	Computers	Plant & Machinery	Computers on Use & Pay	Furniture & Fixtures	Total
<b>Period ended 31st Mar 2018</b>					
Gross carrying amount	236,042	538,367	23,326	23,326	1,197,735
Opening gross carrying amount	1,917,566	340,375	247,940	534,224	3,034,128
Additions					
Disposals					
Closing gross carrying amount	2,147,516	1,378,743	247,940	557,550	4,331,843
Accumulated Depreciation					
Opening accumulated depreciation	90,533	543,264	23,326	23,326	857,223
Depreciation charge during the year	434,700	323,550	13,026	55,422	827,099
Disposals					
Closing accumulated depreciation	525,333	867,314	13,026	78,748	1,484,321
<b>Net carrying amount</b>	<b>1,622,277</b>	<b>411,529</b>	<b>234,914</b>	<b>478,802</b>	<b>2,747,522</b>
<b>Year Ended 31st March 2017</b>					
Gross carrying amount	150,842	843,203	23,326	23,326	1,027,371
Deemed cost as at April 1, 2015	75,200	95,164	-	-	170,364
Additions					
Disposals					
Closing gross carrying amount	216,042	938,367	23,326	23,326	1,197,735
Accumulated Depreciation					
Depreciation charge during the year	90,533	543,264	23,326	23,326	827,099
Disposals					
Closing accumulated depreciation	90,533	543,264	23,326	23,326	857,223
<b>Net carrying amount</b>	<b>145,499</b>	<b>395,103</b>			<b>540,522</b>

Note: Capital Work in Progress represents Printers sold on Pay per Use model and awaiting installation.

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WSP Digital Services Limited  
(formerly known as eRM SOLUTIONS PRIVATE LIMITED)  
Note 3: Intangible Assets

Particulars	Computer Software	Total
<b>Period ended 31st Mar 2018</b>		
Gross carrying amount	5,735,445	5,735,445
Opening gross carrying amount		
Additions		
Disposals		
Closing gross carrying amount	5,735,445	5,735,445
Accumulated Depreciation		
Opening accumulated depreciation	1,773,347	1,773,347
Depreciation charge during the year	1,767,173	1,767,173
Disposals		
Closing accumulated depreciation	3,540,520	3,540,520
<b>Net carrying amount</b>	<b>2,194,925</b>	<b>2,194,925</b>
<b>Year Ended 31st March 2017</b>		
Gross carrying amount	5,735,745	5,735,745
Deemed cost as at April 1, 2016	29,100	29,100
Additions		
Disposals		
Closing gross carrying amount	5,735,445	5,735,445
Accumulated Depreciation		
Depreciation charge during the year	1,773,347	1,773,347
Disposals		
Closing accumulated depreciation	1,773,347	1,773,347
<b>Net carrying amount</b>	<b>3,962,098</b>	<b>3,962,098</b>



WeP Digital Services Limited  
(formerly known as eRM SOLUTIONS PRIVATE LIMITED)  
Notes to Accounts  
Note 4 : Financial Assets-Other Financial Assets

Particulars	As at Mar 31, 2018	As at Mar 31, 2017	As at Apr 1, 2016
Security Deposits	458,637	149,723	150,000
<b>Total other financial assets - non current</b>	<b>458,637</b>	<b>149,723</b>	<b>150,000</b>

Note 5: Deferred Tax Assets

Particulars	As at Mar 31, 2018	As at Mar 31, 2017	As at Apr 1, 2016
Tax losses	12,438,335	4,174,664	2,134,431
Employee benefit obligations of Leave encashment & Gratuity	237,662	41,320	21,762
Carrying value of PPE & Intangible assets	233,569		
Provision for doubtful debts	27,114		81,691
<b>Deferred Tax Assets</b>	<b>12,936,680</b>	<b>4,215,984</b>	<b>2,237,884</b>
Deferred Tax Liability on Carrying value of PPE & Intangible asset		571,010	822,210
<b>Net deferred tax assets</b>	<b>12,936,680</b>	<b>3,644,974</b>	<b>1,415,674</b>

Note: Deferred tax assets are recognised only to the extent of timing differences, the reversal of which will result in sufficient income against which such deferred tax asset can be realised

Note 6: Inventories

Particulars	As at Mar 31, 2018	As at Mar 31, 2017	As at Apr 1, 2016
Traded goods - In Stock	21,560		
<b>Total Inventories</b>	<b>21,560</b>		

Note 7: Trade Receivables

Particulars	As at Mar 31, 2018	As at Mar 31, 2017	As at Apr 1, 2016
Unsecured, considered good	3,462,338	557,080	803,339
Outstanding for a period exceeding six months from the date they are due for payment			
Unsecured, considered doubtful	28,573		264,373
Less: Provision for doubtful debts	(28,573)		(264,373)
	-		-
<b>Total Receivables</b>	<b>3,462,338</b>	<b>557,080</b>	<b>803,339</b>

Note 8: Cash and cash equivalents

Particulars	As at Mar 31, 2018	As at Mar 31, 2017	As at Apr 1, 2016
Balances with Banks - in current accounts	375,916	1,692,360	1,025,247
<b>Total cash and cash equivalents</b>	<b>375,916</b>	<b>1,692,360</b>	<b>1,025,247</b>

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Note 9: Other Financial Assets

Particulars	As at Mar 31, 2018	As at Mar 31, 2017	As at Apr 1, 2016
Fixed Deposit in Bank	100,000		
Interest Accrued on Bank Deposit	4,356		
<b>Total other financial assets - current</b>	<b>104,356</b>	<b>-</b>	<b>-</b>

Note 10: Current tax assets

Particulars	As at Mar 31, 2018	As at Mar 31, 2017	As at Apr 1, 2016
Income Tax net of Provisions	509,182	285,826	333,503
<b>Total current tax assets</b>	<b>509,182</b>	<b>285,826</b>	<b>333,503</b>

Note 11: Other Current Assets

Particulars	As at Mar 31, 2018	As at Mar 31, 2017	As at Apr 1, 2016
Prepayments	439,133		
Balance with Services Tax/ GST	919,088	213,146	
Others	1,742,236	76,725	500
<b>Total other current assets</b>	<b>3,100,456</b>	<b>289,871</b>	<b>500</b>

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WeP Digital Services Limited  
(formerly known as eRM SOLUTIONS PRIVATE LIMITED)  
Notes to Accounts  
Note 12 (a) : Equity Share Capital

i. Authorised equity share capital

Particulars	As at Mar 31, 2018	As at Mar 31, 2017	As at Apr 1, 2016
50,00,000 Equity Shares of Rs 10 each (10,00,000 equity shares of Rs 10 each as at 1st April 2016 and 31st March 2017)	50,000,000	10,000,000	10,000,000
<b>Total</b>	<b>50,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>

ii. Issued, Subscribed and paid up capital

Particulars	As at Mar 31, 2018	As at Mar 31, 2017	As at Apr 1, 2016
48,10,000 Equity Shares of Rs 10 each fully paid up (8,10,000 equity shares of Rs 10 each fully paid up as at 1st April 2016 and 31st March 2017)	48,100,000	8,100,000	8,100,000
<b>Total</b>	<b>48,100,000</b>	<b>8,100,000</b>	<b>8,100,000</b>

iii) Reconciliation of equity share capital

Particulars	Notes	Number of shares	Amount
As at April 1, 2016		810,000	8,100,000
As at March 31, 2017		810,000	8,100,000
Issue of Equity Share		4,000,000	40,000,000
<b>As at March 31, 2018</b>		<b>4,810,000</b>	<b>48,100,000</b>

iv. 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 of the company in proportion to the number of and amounts paid on the shares held. Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each is entitled to one vote

Note 12 (b) : Reserves and Surplus

(i) General Reserve

Particulars	As at Mar 31, 2018	As at Mar 31, 2017	As at Apr 1, 2016
Employee Share Based Payment	885,959	885,959	
<b>Total- General Reserve</b>	<b>885,959</b>	<b>885,959</b>	<b>-</b>

ii) Retained Earnings

Particulars	As at Mar 31, 2018	As at Mar 31, 2017	As at Apr 1, 2016
Opening Balance	(9,707,304)	(3,883,586)	(3,165,795)
Employee share based payment on Transition		-	(717,791)
Profit (Loss) for the year	(28,686,834)	(5,823,718)	
Share issue expenses	(380,000)		
<b>Closing Balance</b>	<b>(38,774,137)</b>	<b>(9,707,304)</b>	<b>(3,883,586)</b>

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iii) Other Equity- Employee share options in Parent

Particulars	As at Mar 31, 2018	As at Mar 31, 2017	As at Apr 1, 2016
Opening Balance		717,791	717,791
Employee stock options expense	1,152,347	168,168	
Transfer to General Reserve		(885,959)	
<b>Closing Balance</b>	<b>1,152,347</b>	<b>-</b>	<b>717,791</b>

(iv) Other Comprehensive Income

Particulars	As at Mar 31, 2018	As at Mar 31, 2017	As at Apr 1, 2016
Opening Balance		-	
Actuarial losses/(gains)	(31,952)		
<b>Closing Balance</b>	<b>(31,952)</b>	<b>-</b>	

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WeP Digital Services Limited  
(formerly known as eRM SOLUTIONS PRIVATE LIMITED)  
Notes to Accounts  
Note 13 Current Borrowings

Particulars	As at Mar 31, 2018	As at Mar 31, 2017	As at Apr 1, 2016
Unsecured			
Loans from related parties:			
From WeP Solutions Limited		10,000,000	4,292,670
<b>TOTAL</b>	<b>-</b>	<b>10,000,000</b>	<b>4,292,670</b>

Note 13.(a) Other Financial Liabilities

Particulars	As at Mar 31, 2018	As at Mar 31, 2017	As at Apr 1, 2016
<b>Current</b>			
Customer and dealer deposits	150,000		
<b>TOTAL</b>	<b>150,000</b>	<b>-</b>	<b>-</b>

Note 14: Provisions

Particulars	As at Mar 31, 2018	As at Mar 31, 2017	As at Apr 1, 2016
Employee Benefits:			
Provision for Leave Encashment	1,231,853	108,858	40,145
Provision for Gratuity	1,192,932	40,513	25,576
<b>Total non current provisions</b>	<b>2,424,785</b>	<b>149,371</b>	<b>65,721</b>

Note 15: Other Financial Liabilities

Particulars	As at Mar 31, 2018	As at Mar 31, 2017	As at Apr 1, 2016
Expenses Payable	3,917,451	820,417	704,438
<b>Total other current liabilities</b>	<b>3,917,451</b>	<b>820,417</b>	<b>704,438</b>

Note

Particulars	As at Mar 31, 2018	As at Mar 31, 2017	As at Apr 1, 2016
a. Micro, Small and Medium Enterprise (refer Note b. below)	-	-	-
Others	3,917,451	820,417	704,438
<b>Total</b>	<b>3,917,451</b>	<b>820,417</b>	<b>704,438</b>

b. The disclosure pursuant to The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) is as under:

Particulars	As at Mar 31, 2018	As at Mar 31, 2017	As at Apr 1, 2016
Principal amount due to Suppliers under MSMED Act, 2006	Nil	Nil	Nil
Interest accrued and due to suppliers under MSMED Act, on the above amount	Nil	Nil	Nil
Payment made to suppliers (other than interest) beyond the appointed day, during the year	Nil	Nil	Nil
Interest paid to suppliers under MSMED Act, (other than Section 16)	Nil	Nil	Nil
Interest paid to suppliers under MSMED Act, (Section 16)	Nil	Nil	Nil
Interest due and payable to Suppliers under MSMED Act, for payment already made	Nil	Nil	Nil
Interest accrued and remaining unpaid at the end of the year under MSMED Act	Nil	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

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Note 16: Other current liabilities

Particulars	As at Mar 31, 2018	As at Mar 31, 2017	As at Apr 1, 2016
Income Received in Advance	5,287,983		
Advance from Customers	45,465		
Statutory payables	760,615	116,099	139,848
Other payables	1,893,229	746,806	320,339
<b>Total other current liabilities</b>	<b>7,987,292</b>	<b>862,905</b>	<b>460,187</b>

Note 17: Provisions

Particulars	As at Mar 31, 2018	As at Mar 31, 2017	As at Apr 1, 2016
Employee Benefits:			
Provision for Leave Encashment	64,835	11,042	4,120
Provision for Gratuity	45,775	52	36
<b>Provisions</b>	<b>110,610</b>	<b>11,094</b>	<b>4,156</b>

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WeP Digital Services Ltd  
 (formerly known as eRM SOLUTIONS PRIVATE LIMITED)  
 Notes to Accounts  
 Note 18: Revenue from Operations

Particulars	For the Year ended Mar 31,2018	For the Year ended Mar 31, 2017
Sale of Goods	1,043,902	
Sale of Services		
-Domestic Sales	7,135,121	3,204,454
-Export Sales	2,282,973	2,420,042
<b>Revenue from Operations</b>	<b>10,461,996</b>	<b>5,624,496</b>

Note 19: Other Income

Particulars	For the Year ended Mar 31,2018	For the Year ended Mar 31, 2017
Interest Income on Rental Deposit	18,460	7,897
Interest Income on Fixed Deposit	323,097	
Interest on Income Tax Refund	17,034	
Profit on redemption of Mutual fund Units	190,209	
Miscellaneous Income	2,949	16,438
<b>Sub total</b>	<b>551,749</b>	<b>24,335</b>

Note 20: Purchase of stock-in-trade

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Particulars	For the Year ended Mar 31,2018	For the Year ended Mar 31, 2017
Purchases of stock-in-trade	584,598	
<b>Total purchase of stock-in-trade</b>	<b>584,598</b>	<b>-</b>

Note 21: Changes in inventories of work-in-progress, stock-in-trade and finished goods

Particulars	For the Year ended Mar 31,2018	For the Year ended Mar 31, 2017
Opening Stock		
Traded goods		
<b>Total opening stock</b>	<b>-</b>	
Closing Stock		
Traded goods	21,560	
<b>Total closing stock</b>	<b>21,560</b>	
<b>Total changes in inventories of work-in-progress, stock-in-trade and finished goods</b>	<b>(21,560)</b>	

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**Note 22: Employee benefit expense**

Particulars	For the Year ended Mar 31,2018	For the Year ended Mar 31, 2017
Salaries and Wages	19,860,914	4,510,733
Contribution to provident and other fund	770,306	175,310
Gratuity	266,673	14,953
Leave Encashment	507,213	6,922
Share Based Payment Expenses	1,152,347	168,168
Staff welfare expenses	893,918	63,881
<b>Total employee benefit expense</b>	<b>23,451,371</b>	<b>4,939,967</b>

**Note 23: Other expenses**

Particulars	For the Year ended Mar 31,2018	For the Year ended Mar 31, 2017
Power and fuel	1,010,950	48,056
Repairs & Maintenance	1,795,201	58,000
Rent	2,866,739	215,173
Rates and taxes	99,507	57,770
Commission on sales	686,076	341,016
Auditors' Remuneration for Audit fees	50,000	40,000
Business Development Expenses	6,648,563	115,018
Directors' Commission and Sitting fees	540,000	-
Conveyance Expenses	203,984	188,041
Travelling Expenses	1,535,699	635,012
Communication Expenses	261,884	141,267
Legal and Professional charges	805,895	264,600
Manpower support service charges	3,187,881	3,143,068
Office Maintenance	1,130,005	45,870
Bank Charges	24,831	12,407
Provision for Bad debts / advances	105,298	(264,373)
Bad Debts Written off	-	21,136
Exchange Differences (Net)	34,186	40,872
Recruitment Expenses	947,086	385,389
Printing and Stationery Expenses	134,564	51,266
Miscellaneous expenses	75,580	2,580
<b>Total other expenses</b>	<b>22,143,929</b>	<b>5,542,169</b>

**Note 24: Finance costs**

Particulars	For the Year ended Mar 31,2018	For the Year ended Mar 31, 2017
Interest Expenses	228,596	789,142
<b>Total finance costs</b>	<b>228,596</b>	<b>789,142</b>

**Note 25: Depreciation and amortisation expense**

Particulars	For the Year ended Mar 31,2018	For the Year ended Mar 31, 2017
Depreciation of property, plant and equipment	827,098	657,223
Amortisation of intangible assets	1,767,173	1,773,347
<b>Total depreciation and amortisation expense</b>	<b>2,594,270</b>	<b>2,430,570</b>



## Overview

WeP Digital Services Limited is 100% subsidiary of WeP Solutions Limited. It commenced operations in the financial year 2015-16 by providing services of Document Management Solutions. The Company has ventured into the business of providing services associated with filing of GST Returns in the financial year 2017-18 apart from Document Management Solutions. The Company is registered under the Companies Act, 2013 and is having registered office at I floor, 40/1A, Basappa Complex, Bangalore-1

## A. Significant accounting policies

### 1. Significant accounting policies

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

#### 1.1 Statement of Compliance

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

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

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

#### 1.2 Basis of preparation

The financial statements have been prepared as a going concern under the historical cost convention, with the exception of certain assets and liabilities that are required to be carried at fair values as per Ind AS.

#### 1.3 Use of Estimates

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

The estimates and the underlying assumptions are reviewed on an ongoing basis. Changes in accounting 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.

#### 1.4 Revenue Recognition

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

(ii) Revenue from the sale of goods is recognised when significant risks and rewards of ownership have been transferred to the customer, which is mainly upon delivery, the amount of revenue can be measured reliably and recovery of the consideration is probable.

(iii) Revenue from services is recognised in the periods in which the services are rendered provided the amount of revenue can be measured reliably and recovery of the consideration is probable. Where services involve performance of an indeterminate number of acts of without substantial variation in significance over a specified period of time, revenue is recognised on straight-line basis over the specified period. Where a specific act is much more significant than any other act, the revenue is recognised on completion of such significant act.

(iv) Interest income is recognised on a time proportion basis, taking into account the principal amount outstanding and the effective interest rate applicable

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### 1.5 Inventories

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

### 1.6. 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 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.

### 1.7 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

### 1.8 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 - Leased Premises	5.00
Plant and Equipments including Electrical installations	4.00
Computer Peripherals - on Use and Pay	4.00

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

Asset	Amortization in Yrs
Computer Software – ERP Systems	4.00
Computer Software	4.00

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### 1.9 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.

### 1.10 Foreign Currency Transactions

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

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

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

### 1.11 Financial Instruments

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

#### Effective interest method

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

#### a) Financial assets

##### Financial assets at amortised cost

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

##### Financial assets measured at fair value

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

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

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

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

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

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

#### **Equity instruments**

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

#### **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 loans 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.

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## 1.12 Employee Benefits

### i. Short Term Employee Benefits

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

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

#### Leave Encashment

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

### iii. Post Employment Benefits

#### Provident Fund

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

#### Gratuity

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

### iv. Employee Stock Options

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

All share-based remuneration is ultimately recognised as an expense in the Statement of Profit and Loss, with a corresponding credit to Employee Stock Compensation Reserve if the shares are issued by the Company and in the event of shares of Parent, with the corresponding credit to Equity. 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.

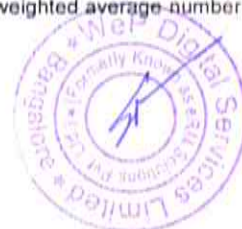
## 1.13 Borrowing Costs

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.

## 1.14 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.

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### 1.15 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.

### 1.16 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.

### 1.17 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.

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## B. Explanation of Transition to IND AS

### 2.1. Exemptions availed by the Company

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

#### a. Property, plant and equipment

The Company has elected to treat the carrying value as per IGAAP as the deemed cost for items of property, plant and equipment.

#### b. Intangible assets

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

#### c. Share based payments

The company has elected to apply the requirements of Ind AS 102, retrospectively.

### 2.2. Exceptions applicable to Company:

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

#### a. De-recognition of financial assets and liabilities

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

#### b. Classification and measurement of financial assets

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

### 2.3. Reconciliation between previous IGAAP and Ind AS

#### a. Equity Reconciliation

Particulars	Note	As at March 31, 2017	As at April 1, 2016
Equity as per Previous IGAAP		(4,389,855)	4,934,205
Add/(Less): Adjustments on transition to Ind AS			
Recognition of deferred tax asset	1	3,644,974	-
Depreciation of Property Plant & Equipment and amortisation of Intangible assets	3	23,814	
Unwinding of discounted liability		(277)	
Adjustments (Total)		3,668,511	
Equity as per Ind AS		(721,344)	4,934,205

#### b. Total Comprehensive Income Reconciliation

Particulars	Note	For the year ended 31st March 2017
Net Profit as per Previous IGAAP		(9,324,060)
Add/(Less): Adjustments on transition to Ind AS		
Recognition of deferred tax asset	1	3,644,974
Employee share-based payment expense	2	(168,168)
Unwinding of discounted liability		(277)
Depreciation of Property Plant & Equipment and amortisation of Intangible assets		23,814
Adjustments Total		3,500,342
Net Profit as per Ind AS		(5,823,718)

Notes:

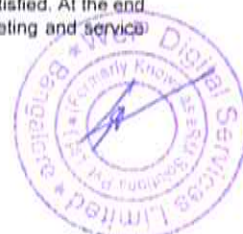
1. The company has recognised deferred tax asset on carried forward tax losses. The Company has incurred the losses in the last two financial years in initial phase of the its business of document management solutions and GST services. The Company has concluded that the deferred tax asset will be recoverable using the estimated future taxable income based on the business plans for future years as the taxable losses can be carried forward for a period of 8 years as per the applicable Income Tax Law.

2. The fair value of options granted to acquire shares of the Parent Company is recognised as employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions
- excluding the impact of any service and non-market performance vesting conditions
- including the impact of non-vesting conditions

The total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of options that are expected to be vested based on the non-marketing and service conditions. It recognises the impact of original estimates, if any, in profit or loss, with a corresponding adjustment in equity.

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### 3. Other Notes

#### 3.1. Employee Benefits

##### 3.1.1 Defined Contribution Plan

The Company participates in defined contribution plan on behalf of relevant personnel. Expenses recognised in relation to the plan represents the value of contribution payable during the year by the Company at rates specified by the rules of the plan.

##### Provident Fund

In accordance with applicable statutory provisions, eligible employees of The Company are entitled to received benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees salary.

The total cost charged to Statement of Profit and Loss during the year ended March 31, 2018 is Rs 1,387,085/-

##### 3.1.2 Defined Benefit Plans

##### Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts the obligations for gratuity benefits payable in the future based on actuarial valuation and is therefore, exposed to the actuarial risk with respect to the plan. The Company has covered a portion of the obligations by way of insurance cover.

The following table sets out the amounts recognised in the financial statements for gratuity.

##### (i). Changes in the present value of obligations

Particulars	For the period ending	
	31-Mar-18	31-Mar-17
Present value of obligations at the beginning	40,565	25,612
Current Service Cost	189,782	
Interest Expense or Cost	76,891	
Actuarial (gains)/Losses- Financial assumptions	51,818	
Actuarial (gains)/Losses- Experience	(8,785)	
Acquisition adjustment	985,385	
Present value of obligations at the end	1,335,656	40,565

##### (ii). Expense recognised in the Statement of Profit and Loss

Particulars	For the period ending	
	31-Mar-18	31-Mar-17
1. Current service cost	189,782	
2. Net Interest Cost/(Income) on the Net Defined Benefit Liability/ (Asset)	76,891	
	266,673	14,953

##### (iii). Recognised in Other Comprehensive Income

Particulars	For the period ending	
	31-Mar-18	31-Mar-17
Actuarial (gains)/losses		
- change in demographic assumptions		
- changes in financial assumptions	51,818	
- experience variance (i.e. Actual experience vs assumptions)	(8,785)	
- others		
Return on plan assets, Excluding amount recognised in net interest expense		
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling		
	43,033	

##### (iv) Changes in Fair value of Plan Assets

Particulars	For the period ending	
	31-Mar-18	31-Mar-17
Fair value of Plan Assets at the beginning	-	
- Employer's Contribution	96,949	
- Employee's contribution	-	
Benefits Paid	-	
Return on plan assets, excluding amount recognised in net interest expense	-	
Fair value of Plan Assets at the end	96,949	

##### (v) Maturity Profile of defined benefit obligations

Expected cash flows over the next (valued on undiscounted basis)	For the period ending	
	31-Mar-18	31-Mar-17
1 year	45,775	
2 to 5 years	1,377,465	
6 to 10 years	388,643	
More than 10 years	380,230	

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(vi). Quantity sensitivity analysis fro significant assumptions

Particulars	For the period ending	
	31-Mar-18	31-Mar-17
Defined benefit obligations (base)	1,335,656	
(i) One percentage point increase in discount rate	-5.3%	
(ii) One percentage point decrease in discount rate	5.8%	
(iii) One percentage point increase in salary growth rate	5.8%	
(iv) One percentage point decrease in salary growth rate	-5.4%	
(v) One percentage point increase in attrition rate	-0.9%	
(vi) One percentage point decrease in attrition rate	0.9%	
(vii) One percentage point increase in mortality rate	0.0%	
(viii) One percentage point decrease in mortality rate	0.0%	

(vii). Assumptions

Particulars	As at	
	31-Mar-18	31-Mar-17
Discount rate (per annum)	7.80%	7.50%
Salary growth rate (per annum)	7.00%	6.00%
Mortality rate (% India Assured Lives Mortality 2006-08)	100%	100%
Attrition rates based on age (per annum)		
Upto 25 years	8.00%	8.00%
26-30 years	7.00%	7.00%
31-35 years	6.00%	6.00%
36-40 years	5.00%	5.00%
41- 45 years	4.00%	4.00%
46-50 years	3.00%	3.00%
51-55 years	2.00%	2.00%
Above 55 years	1.00%	1.00%

3.2. Related Party Transactions

3.2.1 List of Related Parties

Name of the Related Party	Relationship
WeP Solutions Limited	Parent
Mr. Suresh Chandra Senapaty	Director
Mr. A L Rao	Director
Mr. G H Visweswara	Director
Ms. Mythily Ramesh	Director
WeP Peripherals Limited	Promoter
	Company in which Director of the Parent Company is interested
Cimplifyfive Corporate Secretarial Services Private Limited	

3.2.2 Transactions with Related Parties

Particulars	WeP Solutions Limited	
	For the period ended March 31 2018	For the period ended March 31 2017
Sale of Goods and Services	144,240	160,211
Interest Paid (Gross of TDS)	228,596	780,142
Purchase of Goods and Services	3,780,273	
Particulars	WeP Peripherals Limited	
	For the period ended March 31 2018	For the period ended March 31 2017
Purchase of Services	160,000	
Particulars	Cimplifyfive Corporate Secretarial Services Private Limited	
	For the period ended March 31 2018	For the period ended March 31 2017
Sale of Services	47,915	

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### 3.2.4 Amount receivable from related parties

Particulars	WeP Solutions Limited	
	For the period ended March 31 2018	For the period ended March 31 2017
Loan payable to WeP Solutions Limited	-	10,000,000
Receivable from WeP Solutions Limited	1,709,385	
Expenses Payable to WeP Solutions Limited	463,931	

### 3.3. Financial Instruments

This section gives an overview of the significance of financial instruments for the Company and provided additional information on balance sheet terms that contain financial instruments. The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expense are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1.11 to the financial statements

#### (i) Classification of Financial Assets and Liabilities

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

#### (ii) Fair Value Hierarchy

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

#### (iii) Financial Risk Management Policies and Objectives

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

1. 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 market changes. Future specific market movements cannot be normally predicted with reasonable accuracy

#### A. Foreign currency exchange rate risk:

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

The Company exports services and such transactions are denominated in US Dollars. The Company does not take exposure in any other foreign currency.

The Company does not hedge its risks by using any derivative financial instruments.

Details of foreign currency exposure in USD are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Trade Receivables in INR	232,287	322,506
Trade Receivables in USD	3,571.45	4,973

#### B. 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.



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