

N. M. RAIJI & CO.
Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT

To the Members
WeP Digital Services Ltd
Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

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

Basis for Opinion

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

Key Audit Matters

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


Sr.No.	Key Audit Matter	Auditor's Response
1	<p>Reversal of Deferred Tax Asset</p> <p>During the year ended March 31, 2020, Deferred Tax Asset amounting to Rs.1,25,59,095/- in respect of carry forward losses has been reversed by the Management as in view of the additional uncertainty caused by COVID 19 situation on forecasted profits and on the return to normalcy, it would be prudent not to continue to recognize the Deferred Tax Asset.</p>	<p><u>Principal Audit Procedures</u></p> <p>Verified the circumstances in which the Company operates and it is observed that there is an additional uncertainty caused by COVID 19 on realisation of forecasted profits used by management to calculate Deferred Tax Assets and satisfied ourselves that the stand taken by the management is prudent and in line with the Ind AS 12 – Income Taxes.</p>

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

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

6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. Those on the Board of Directors are also responsible for overseeing the Company's financial reporting process.


Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
 9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention, in our auditor's report, to the related disclosures in the financial statements or, if such disclosures are inadequate, modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements
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represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

13. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure A** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 14. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
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- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company 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 N.M. Raiji & Co.
Chartered Accountants
Firm Registration No.: 108296W



Vinay D. Balse
Partner
Membership No.: 039434

Place: Mumbai
Date: June 5, 2020

UDIN: 20039434AAAABH2315

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF WEP DIGITAL SERVICES LIMITED (Referred to in Paragraph 13 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) In accordance with the phased programme for verification of fixed assets, certain items of fixed assets were physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) The Company does not own any immovable property, hence reporting under clause (i) (c) of the Order is not applicable to the Company.
- (ii) Stocks of inventories have been physically verified during the year by the management. In our opinion, the frequency of such verification is reasonable. There were no discrepancies noticed on physical verification of inventory.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Consequently, clause (iii) (a), (iii) (b) and (iii) (c) of the Order are not applicable to the Company.
- (iv) The Company has neither given loans to its directors in terms of section 185 of the Companies Act, 2013, nor made any investments in terms of section 186 of the said Act. As such, the provisions of clause 3(iv) of the Order are not applicable to the Company.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014, (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the Company. Accordingly, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, GST, Custom Duty, cess and any other dues, during the year, with the appropriate authorities.
- (b) According to the information and explanations given to us, there are no dues of Income-tax, GST, Sales-tax, Excise Duty, Service Tax, Custom Duty, value added tax and cess which have not been deposited on account of disputes with the related authorities.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not taken any loans or borrowings from financial institutions, banks and

government or has not issued any debentures. Hence reporting under clause 3 (viii) of the order is not applicable to the Company.

- (ix) According to the information and explanations given to us, the Company has neither availed of any term loans during the current financial year, nor did it have any initial public offer or further public offer during the financial year. Consequently, the provisions of clause 3(ix) are not applicable to the Company.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees was noticed or reported during the year.
- (xi) The Company has not paid any Managerial remuneration for the year 2019-20, consequently, the provisions of clause 3 (xi) of the Order are not applicable to the Company.
- (xii) To the best of our knowledge and belief, the Company is not a Nidhi Company. Consequently, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable accounting standards.
- (xiv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Consequently, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- (xv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Consequently; the requirement under clause (xv) is not applicable to the Company.
- (xvi) To the best of our knowledge and belief, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

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



Vinay D. Balse
Partner
Membership No.: 39434

Place: Mumbai
Date: June 5, 2020
UDIN: 20039434AAAABH2315

ANNEXURE – B TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS of WEP DIGITAL SERVICES LIMITED (Referred to in Paragraph 14 point (f) under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even date)

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

We have audited the internal financial controls over financial reporting of **WeP Digital Services Limited** (“the Company”) as at March 31, 2020, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

2. Management’s Responsibility for Internal Financial Controls

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

3. Auditors’ Responsibility

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

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

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

4. Meaning of Internal Financial Controls over Financial Reporting

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

5. Inherent Limitations of Internal Financial Controls over Financial Reporting

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

6. Opinion

In our opinion, to the best of our information and according to explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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





Vinay D. Balse
Partner
Membership No.: 039434

Place: Mumbai
Date: June 5, 2020

UDIN: 20039434AAAABH2315

WeP Digital Services Limited
(formerly known as eRM SOLUTIONS PRIVATE LIMITED)
CIN:U74900KA2015PLC080570
Balance Sheet as at March 31, 2020

In Rupees

BALANCE SHEET			
Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
(1) ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	2	15,83,319	24,70,813
(b) Intangible assets	3	0	4,37,500
(c) Financial Assets			
i. Other financial assets	4	1,90,913	1,69,164
(d) Deferred tax assets (net)	5	13,80,496	1,37,74,883
		31,54,728	1,68,52,360
(2) Current assets			
(a) Inventories	6	19,207	1,54,841
(b) Financial Assets			
i. Trade receivables	7	36,28,717	58,30,329
ii. Cash and cash equivalents	8	10,88,014	4,45,883
iii. Other financial assets	9	1,04,642	1,63,809
(c) Current Tax Assets (Net)	10	33,70,971	24,01,882
(d) Other current assets	11	8,41,061	9,52,424
		90,52,612	99,49,168
Total Assets		1,22,07,340	2,68,01,528
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	12 (a)	7,81,00,000	6,81,00,000
(b) Other Equity			
i. Reserves & Surplus	12(b)	(8,56,50,974)	(6,51,64,606)
		(75,50,974)	29,35,394
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
i. Borrowings	13	50,00,000	-
ii. Other financial liabilities	14	1,71,762	50,000
(b) Provisions	15	20,58,896	18,82,060
		72,30,658	19,32,060
Current liabilities			
(a) Financial Liabilities			
i. Borrowings	16	-	88,06,542
ii. Trade payables			
A. total outstanding dues of Micro and small enterprises	17	6,54,175	2,25,000
B. total outstanding dues of creditors other than micro and small enterprises		22,64,705	13,05,699
iii Other financial liabilities	18	24,70,136	8,30,808
(b) Other current liabilities	19	70,30,203	1,06,51,296
(c) Provisions	20	1,08,438	1,14,730
		1,25,27,657	2,19,34,075
Total Equity and Liabilities		1,22,07,340	2,68,01,528
See accompanying notes to the financial statements			
As per our Report attached For N.M. Rajji & Co., Chartered Accountants Firm Reg. No. 108295W		For and on behalf of the Board of Directors	
Vinay D Balse Membership No.039434		Suresh Senapaty Chairman 00018711	Sandeep Kumar Goyal Director 03023842
Place: Mumbai Date: June 5, 2020	Sanjeev Arora Managing Director & Chief Executive Officer 07230655	S.Pradeep Chief Financial Officer	
	Place: Bangalore Date: 5/6/2020		

STATEMENT OF PROFIT AND LOSS			
In Rupees			
Particulars	Note No.	For the year from April 1, 2019 to March 31, 2020	For the year from April 1, 2018 to March 31, 2019
I Revenue From Operations	21	2,81,55,451	3,05,90,980
II Other Income	22	1,88,240	1,23,049
III Total Income (I+II)		2,83,43,691	3,07,14,038
IV EXPENSES			
a. Purchases of Stock in Trade	23	37,241	13,46,345
b. Changes in inventories of stock-in-trade	24	1,35,634	(1,33,281)
c. Cost of Software licenses and expenses	25	32,58,345	39,10,487
d. Employee benefits expense	26	2,10,97,974	3,03,29,177
e. Finance costs	27	8,88,518	7,05,723
f. Depreciation and amortization expense	28	18,28,320	31,37,778
g. Other Expenses	29	1,03,28,671	2,17,55,724
Total Expenses		3,75,84,703	6,10,51,963
V Profit/(loss) before exceptional items and tax (III-IV)		(92,41,012)	(3,03,37,925)
VI Exceptional Items		-	-
VII Profit/(loss) before tax(V-VI)		(92,41,012)	(3,03,37,925)
VIII Tax expense:			
(1) Current tax		-	-
(2) Deferred tax	B.6	(1,24,18,233)	8,75,014
IX Profit/(Loss) for the year from continuing operations (VII-VIII)		(2,16,59,245)	(2,94,62,911)
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss:			
X Remeasurements of post-employment benefit obligations		(91,719)	1,41,585
(ii) Income tax relating to items that will not be reclassified to profit or loss		23,847	(36,812)
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XI Total Comprehensive Income for the year (XIII+XIV) (Comprising Profit/(Loss) and Other Comprehensive Income for the year)		(2,17,27,117)	(2,93,58,138)
Earnings per equity share (for continuing operation):			
XII (1) Basic		(2.92)	(5.02)
(2) Diluted		(2.92)	(5.02)
Earnings per equity share(for discontinued & continuing operations):			
XIII (1) Basic		(2.92)	(5.02)
(2) Diluted		(2.92)	(5.02)

See accompanying notes to the financial statements

No of Shares for EPS Calculation			
(1) Basic		74,11,093	58,67,534
(2) Diluted		74,11,093	58,67,534

As per our Report attached
For N.M. Rajji & Co.,
Chartered Accountants
Firm Reg. 108295W

Vinay D Balse
Membership No.039434

Place: Mumbai
Date: June 5, 2020



For and on behalf of the Board of Directors

Sresh Senapaly
Sresh Senapaly
Chairman
00018711

Sanjeev Arora
Sanjeev Arora
Managing Director &
Chief Executive Officer
07230655

Place: Bangalore
Date: 5/6/2020

Sandeep Kumar Goyal
Sandeep Kumar
Goyal
Director
03023842

S. Pradeep
S. Pradeep
Chief Financial
Officer



WeP Digital Services Limited
 (formerly known as eRM SOLUTIONS PRIVATE LIMITED)
 CIN:U74900KA2015PLC080570
 Statement of Cash Flows for the year ended March 31,2020

		In Rupees	
Particulars		31-Mar-20	31-Mar-19
A	Cash Flow From Operating Activities		
	Profit/(Loss) before Income Tax from Continuing Operations	(92,41,012)	(3,03,37,925)
	Profit before Income tax	(92,41,012)	(3,03,37,925)
	Adjustment for:		
	Depreciation & Amortisation	18,28,320	31,37,778
	Provision for doubtful debts/advances	(72,439)	11,61,681
	Employee share based payment expense	12,50,749	18,17,955
	Loss / (Profit) on Sale of Fixed Assets	-	95,081
	Net Exchange differences	(3,622)	(9,848)
	Actuarial Gains/Losses recognised in OCI	(91,719)	1,41,585
	Interest Income	(41,759)	(21,372)
	Interest Expense	8,88,518	7,05,723
	Changes in Operating assets and liabilities		
	(Increase)/Decrease in Inventories	1,72,675	(1,33,281)
	(Increase)/Decrease in Trade Receivables	23,07,878	(35,19,326)
	(Increase)/Decrease in Other Current Assets	1,11,363	21,46,933
	(Increase)/Decrease in Other Financial Assets	7,418	2,30,620
	(Increase)/Decrease in Other Non Current Assets	-	-
	Increase/(Decrease) in Trade Payables	13,88,181	(10,22,495)
	Increase/(Decrease) in Provisions	1,70,543	(5,38,605)
	Increase/(Decrease) in Other Financial Liabilities	13,89,370	(6,33,460)
	Increase/(Decrease) in Other Current Liabilities	(35,21,093)	22,52,385
	Cash Generated from Operations	(35,56,663)	(2,15,26,578)
	Income taxes paid	9,55,089	18,92,701
	Net Cash From Operating Activities/(used for) Operating Activities	(45,25,752)	(2,64,19,279)
B	Cash Flow From Investing Activities		
	Purchase of Property, Plant & Equipment	-	(20,30,476)
	Proceeds from Sale of Fixed Assets	-	8,42,550
	Interest Income	41,788	21,372
	Net Cash From/(Used for) Investing Activities	41,788	(11,66,574)
C	Cash Flow From Financing Activities		
	Proceeds from Issue of Shares	1,00,00,000	2,00,00,000
	Share Issue Expenses	(10,000)	(4,45,000)
	Interest	(8,89,518)	(7,05,723)
	Lease principal payment	(1,88,845)	-
	Proceeds / (Repayment) of Loan from/to WeP Solutions Ltd	(86,06,542)	86,06,542
	Proceeds / (Repayment) of Loan from/to WeP Peripherals Ltd	50,00,000	-
	Net Cash From / (Used for) Financing Activities	51,26,094	2,76,55,819
	Net Increase / (Decrease) in Cash And Cash Equivalents - (A + B + C)	6,42,131	69,967
	Cash And Cash Equivalents At The Beginning Of The Year	4,45,883	3,75,916
	Cash And Cash Equivalents At The End Of The Year	10,88,014	4,45,883

As per our Report attached
 For N.M. Rajji & Co.,
 Chartered Accountants
 Firm Reg No. 108296W
 Vinay D Balse
 Membership No.035434

Place: Mumbai
 Date: June 5, 2020



For and on behalf of the Board of Directors

[Signature]
 Surresh Senapaty
 Chairman
 000181711

[Signature]
 Sanjeev Arora
 Managing Director &
 Chief Executive Officer
 07230655

[Signature]
 Sandeep Kumar Goyal
 Director
 03023842

[Signature]
 S. Pradeep
 Chief Financial Officer

Place: Bangalore
 Date: 5/6/2020



WeP Digital Services Limited
(formerly known as eRM SOLUTIONS PRIVATE LIMITED)
Statement of Changes in Equity for the year ended March 31, 2020

STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

	31-Mar-20	31-Mar-19
Balance at the beginning of the reporting period	6,81,00,000	4,81,00,000
Changes in equity share capital during the year	1,00,00,000	2,00,00,000
Balance at the end of the reporting period	7,81,00,000	6,81,00,000

B. Other Equity for the year ended 31st March 2020

	Reserves and Surplus			Other Comprehensive Income	Total
	General Reserve	Employee share based expense benefit reserve	Retained Earnings		
Balance at the beginning of the reporting period	8,85,959	29,70,282	(6,90,93,668)	72,821	(6,51,64,606)
Profit for the period			(2,16,59,245)		(2,16,59,245)
Actuarial (losses)/gains				(67,872)	(67,872)
Share Issue Expenses			(10,000)		(10,000)
Employee stock options expense		12,50,749			12,50,749
Balance at the end of the reporting period	8,85,959	42,21,031	(9,07,62,913)	4,949	(8,56,50,974)

B. Other Equity for the year ended 31st Mar 2019

	Reserves and Surplus			Other Comprehensive Income	Total
	General Reserve	Employee share based expense benefit reserve	Retained Earnings		
Balance at the beginning of the reporting period	8,85,959	11,52,347	(3,87,74,138)	(31,952)	(3,67,67,784)
Profit for the period			(2,94,62,911)		(2,94,62,911)
Adjustment for Ind AS 115 impact under cumulative catch-up method			(4,11,619)		(4,11,619)
Actuarial (losses)/gains				1,04,773	1,04,773
Share Issue Expenses			(4,45,000)		(4,45,000)
Employee stock options expense		18,17,935			18,17,935
Balance at the end of the reporting period	8,85,959	29,70,282	(6,90,93,668)	72,821	(6,51,64,606)



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

Particulars	Computers	Plant & Machinery	Computers on Use & Pay	Right of Use Asset-Leased Building	Furniture & Fixtures	Total
Year ended 31st March 2020						
Gross carrying amount	28,98,354	13,05,363	89,112	5,40,565	5,57,550	53,90,944
Additions	-	-	-	-	-	-
Disposals	-	-	44,138	-	-	44,138
Closing gross carrying amount	28,98,354	13,05,363	44,974	5,40,565	5,57,550	53,46,806
Accumulated Depreciation						
Opening accumulated depreciation	11,32,853	10,46,338	14,782	1,85,593	1,85,593	23,79,566
Depreciation charge during the period	9,74,687	1,00,504	12,214	1,96,568	1,06,845	13,90,817
Disposals	-	-	6,897	-	-	6,897
Closing accumulated depreciation	21,07,540	11,46,842	20,099	1,96,568	2,92,438	37,63,487
Net carrying amount	7,90,814	1,58,521	24,875	3,43,997	2,65,112	15,83,319
Year ended 31st Mar 2019						
Gross carrying amount	21,47,610	12,78,743	2,47,940	-	5,57,550	42,31,843
Additions	14,47,516	1,94,008	3,99,732	-	-	20,41,256
Disposals	6,96,772	1,87,388	5,58,560	-	-	14,22,719
Closing gross carrying amount	28,98,354	13,05,363	89,112	-	5,57,550	48,50,379
Accumulated Depreciation						
Opening accumulated depreciation	5,25,333	8,67,214	13,026	-	78,748	14,84,321
Depreciation charge during the year	9,81,339	2,28,366	63,804	-	1,06,845	13,80,353
Disposals	3,73,818	49,241	62,048	-	-	4,85,108
Closing accumulated depreciation	11,32,853	10,46,338	14,782	-	1,85,593	23,79,566
Net carrying amount	17,65,501	2,59,025	74,330	-	3,71,957	24,70,813

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

Particulars	Computer Software	Total
Year ended 31st March 2020		
Gross carrying amount	57,35,445	57,35,445
Opening gross carrying amount	-	-
Additions	-	-
Disposals	-	-
Closing gross carrying amount	57,35,445	57,35,445
Accumulated Amortisation		
Opening accumulated Amortisation	52,97,945	52,97,945
Depreciation charge during the period	4,37,500	4,37,500
Disposals	-	-
Closing accumulated amortisation	57,35,445	57,35,445
Net carrying amount	0.0	0.0
Year ended 31st Mar 2019		
Gross carrying amount	57,35,445	57,35,445
Opening gross carrying amount	-	-
Additions	-	-
Disposals	-	-
Closing gross carrying amount	57,35,445	57,35,445
Accumulated Amortisation		
Opening accumulated Amortisation	35,40,520	35,40,520
Depreciation charge during the year	17,57,425	17,57,425
Disposals	-	-
Closing accumulated amortisation	52,97,945	52,97,945
Net carrying amount	4,37,500	4,37,500



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, 2020	As at Mar 31, 2019
Security Deposits	1,90,913	1,69,164
Total other financial assets	1,90,913	1,69,164

Note 5: Deferred Tax Assets

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Tax losses	-	1,25,59,095
Employee benefit obligations of Leave encashment & Gratuity	3,85,802	3,83,469
Carrying value of PPE & Intangible assets	7,04,653	5,22,853
Carrying value of RoU Asset	7,209	
Provision for doubtful debts	2,82,832	3,09,466
Deferred Tax Assets	13,80,496	1,37,74,883
Net deferred tax assets	13,80,496	1,37,74,883

Note: Deferred tax assets is recognised for unused losses and unused tax credits to the extent it is probable that future taxable profit will be available against which it can be utilised

Note 6: Inventories

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
(Cost or Net realisable value whichever is lower)		
Traded goods - In Stock	19,207	1,54,841
Total Inventories	19,207	1,54,841

Note 7: Trade Receivables

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Unsecured, considered good	36,28,717	58,30,329
Unsecured, considered doubtful	1,10,963	5,19,941
Less: Provision for doubtful debts	(1,10,963)	(5,19,941)
	36,28,717	58,30,329
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered doubtful	9,76,852	6,70,313
Less: Provision for doubtful debts	(9,76,852)	(6,70,313)
	-	-
Total Receivables	36,28,717	58,30,329

Note 8: Cash and cash equivalents

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Balances with Banks - in current accounts	10,88,014	4,45,883
Total cash and cash equivalents	10,88,014	4,45,883



Note 9: Other Financial Assets

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Fixed Deposit in Bank	1,00,000	1,00,000
Interest Accrued on Bank Deposit	4,641	4,409
Earnest Money Deposit		59,400
Total other financial assets	1,04,641	1,63,809

Note 10: Current tax assets

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Income Tax net of Provisions	33,70,971	24,01,882
Total current tax assets	33,70,971	24,01,882

Note 11: Other Current Assets

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Prepayments	8,25,163	9,43,429
Balance with GST	219	2,101
Advances to Suppliers & Advances for Expenses	15,679	6,894
Total other current assets	8,41,061	9,52,424



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 March 31, 2020	As at Mar 31, 2019
100,00,000 Equity Shares of Rs 10 each	10,00,00,000	10,00,00,000
Total	10,00,00,000	10,00,00,000

ii. Issued, Subscribed and paid up capital

Particulars	As at March 31, 2020	As at Mar 31, 2019
78,10,000 Equity Shares of Rs 10 each fully paid up (68,10,000 Equity shares of Rs 10 each)	7,81,00,000	6,81,00,000
Total	7,81,00,000	6,81,00,000

iii) Reconciliation of equity share capital

Particulars	Number of Shares
As at April 1, 2018	48,10,000
Issue of Equity Shares	20,00,000
As at March 31, 2019	68,10,000
Issue of Equity Shares	10,00,000
As at March 31 2020	78,10,000

Note:- Entire share capital is issued to and subscribed by WeP Solutions Limited (Holding Company)

iv. Terms and rights attached to equity shares

Equity shares have a par value of INR 10 and the company has only one class of equity shares. 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 per share, and upon a poll each is entitled to one vote

Note 12 (b) : Reserves and Surplus

(i) General Reserve

Particulars	As at March 31, 2020	As at Mar 31, 2019
Employee Share Based Payment	8,85,959	8,85,959
Total- General Reserve	8,85,959	8,85,959

ii) Retained Earnings

Particulars	As at March 31, 2020	As at Mar 31, 2019
Opening Balance	(6,90,93,668)	(3,87,74,138)
Adjustment for Ind AS 115 impact under cumulative catch-up method		(4,11,619)
Profit/(Loss) for the period/year	(2,16,59,245)	(2,94,62,911)
Share issue expenses	(10,000)	(4,45,000)
Closing Balance	(9,07,62,913)	(6,90,93,668)

iii) Other Equity- Employee share options in Parent

Particulars	As at March 31, 2020	As at Mar 31, 2019
Opening Balance	29,70,282	11,52,347
Employee stock options expense	12,50,749	18,17,935
Closing Balance	42,21,031	29,70,282

(iv) Other Comprehensive Income

Particulars	As at March 31, 2020	As at Mar 31, 2019
Opening Balance	72,821	(31,952)
Actuarial losses/(gains)	(67,872)	1,04,773
Closing Balance	4,949	72,821



WeP Digital Services Limited
(formerly known as eRM SOLUTIONS PRIVATE LIMITED)

Notes to Accounts
Note 13 Non Current Borrowings

Particulars	As at March 31, 2020	As at Mar 31, 2019
Unsecured		
Loans from related parties:		
From WeP Peripherals Limited	50,00,000	-
TOTAL	50,00,000	-

Note 14. Other Financial Liabilities

Particulars	As at March 31, 2020	As at Mar 31, 2019
Non Current		
Customer and dealer deposits		50,000
Lease liability	1,71,762	-
TOTAL	1,71,762	50,000

Note 15: Provisions

Particulars	As at March 31, 2020	As at Mar 31, 2019
Employee Benefits:		
Provision for Leave Encashment	11,66,147	12,57,934
Provision for Gratuity	8,92,749	6,24,127
Total non current provisions	20,58,896	18,82,061

Note 16 Current Borrowings

Particulars	As at March 31, 2020	As at Mar 31, 2019
Unsecured		
Loans from related parties:		
From WeP Solutions Limited	-	88,06,542
Interest Due on Loan from WeP Solutions Limited	-	-
TOTAL	-	88,06,542

Note 17. Trade Payables

Particulars	As at March 31, 2020	As at Mar 31, 2019
Trade Payables	29,18,880	15,30,699
TOTAL	29,18,880	15,30,699

Note 18: Other Financial Liabilities

Particulars	As at March 31, 2020	As at Mar 31, 2019
Lease Liability	1,99,958	-
Expenses Payable	22,70,178	8,30,808
Total	24,70,136	8,30,808

Note a

Particulars	As at March 31, 2020	As at Mar 31, 2019
a. Micro, Small and Medium Enterprise (refer Note b. below)	6,54,175	-
b. Others	45,34,883	23,61,507
Total	51,89,058	23,61,507

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

Particulars	As at March 31, 2020	As at Mar 31, 2019
Principal amount due to Suppliers under MSMED Act, 2006	Nil	Nil
Interest accrued and due to suppliers under MSMED Act, on the above amount	Nil	Nil
Payment made to suppliers (other than interest) beyond the appointed day, during the year	Nil	Nil
Interest paid to suppliers under MSMED Act, (other than Section 16)	Nil	Nil
Interest paid to suppliers under MSMED Act, (Section 16)	Nil	Nil
Interest due and payable to Suppliers under MSMED Act, for payment already made	Nil	Nil
Interest accrued and remaining unpaid at the end of the year under MSMED Act	Nil	Nil

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

Note 19: Other current liabilities

Particulars	As at March 31, 2020	As at Mar 31, 2019
Income Received in Advance	55,30,021	89,30,703
Advance from Customers	59,561	50,145
Statutory payables	6,70,423	12,35,228
Other payables	7,70,198	4,34,220
Total	70,30,203	1,06,51,296

Note 20: Provisions

Particulars	As at March 31, 2020	As at Mar 31, 2019
Employee Benefits:		
Provision for Leave Encashment	53,911	65,275
Provision for Gratuity	54,527	49,455
Total	1,08,438	1,14,730



WeP Digital Services Ltd
 (formerly known as eRM SOLUTIONS PRIVATE LIMITED)
 Notes to Accounts
 Note 21: Revenue from Operations

Particulars	For the year ended March 31 ,2020	For the year ended March 31,2019
Revenue from Contracts with Customers		
Sale of Goods:	-	16,10,092
Sale of Services:		
-Domestic Sales	2,47,34,315	2,60,37,311
-Export Sales	34,21,136	29,43,586
Revenue from Operations	2,81,55,451	3,05,90,989

Note 22: Other Income

Particulars	For the year ended March 31 ,2020	For the year ended March 31,2019
Interest Income on Rental Deposit	7,669	14,503
Interest Income on Fixed Deposit	34,119	6,869
Exchange Differences (Net)	3,628	9,846
Miscellaneous Income	1,42,824	91,831
Other Income	1,88,240	1,23,049

Note 23: Purchase of stock-in-trade

Particulars	For the year ended March 31 ,2020	For the year ended March 31,2019
Purchases of stock-in-trade	-	12,82,778
Less: Capitalised during the year	-	(4,86,096)
Add: De-capitalised during the year	37,241	5,49,663
Total purchase of stock-in-trade	37,241	13,46,345

Note 24: Changes in inventories of work-in-progress, stock-in-trade and finished goods

Particulars	For the year ended March 31 ,2020	For the year ended March 31,2019
Opening Stock		
Traded goods	1,54,841	21,560
Total opening stock	1,54,841	21,560
Closing Stock		
Traded goods	19,207	1,54,841
Total closing stock	19,207	1,54,841
Total changes in inventories of stock-in-trade	1,35,634	(1,33,281)



Note 25: Cost of Software Licenses and expenses

Particulars	For the year ended March 31 ,2020	For the year ended March 31,2019
Software License Fees	17,03,345	17,01,070
Software Expenses	15,65,000	22,09,427
Cost of Software Licenses and expenses	32,68,345	39,10,497

Note 26: Employee benefit expense

Particulars	For the year ended March 31 ,2020	For the year ended March 31,2019
Salaries and Wages	1,82,72,773	2,61,64,560
Contribution to provident and other fund	8,58,369	11,44,107
Gratuity	2,79,214	3,29,655
Leave Encashment	37,393	2,32,207
Share Based Payment Expenses	12,50,749	18,17,935
Staff welfare expenses	3,99,476	6,40,713
Total employee benefit expense	2,10,97,974	3,03,29,177

Note 27: Finance costs

Particulars	For the year ended March 31 ,2020	For the year ended March 31,2019
Interest Expenses	8,88,518	7,05,723
Total finance costs	8,88,518	7,05,723

Note 28: Depreciation and amortisation expense

Particulars	For the year ended March 31 ,2020	For the year ended March 31,2019
Depreciation of property, plant and equipment	13,90,820	13,80,353
Amortisation of intangible assets	4,37,500	17,57,425
Total depreciation and amortisation expense	18,28,320	31,37,778



Note 29: Other expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Power and fuel	5,60,783	14,03,426
Insurance	7,311	8,832
Repairs & Maintenance	8,87,712	20,00,701
Rent	22,20,100	34,85,640
Rates and taxes	39,204	64,196
Commission on sales	4,36,283	5,08,720
Auditors' Remuneration		
for Audit fees	1,00,000	1,00,000
for Taxation matters	25,000	25,000
for Reimbursement of expenses	-	6,596
for Other Services	10,000	
Advertisement and Sales Promotion Expenses	4,27,318	28,96,321
Directors' Commission and Sitting fees	4,40,000	5,30,000
Loss on disposal of assets	-	95,081
Conveyance Expenses	1,30,959	2,32,427
Travelling Expenses	5,17,330	10,46,219
Communication Expenses	2,37,102	4,10,278
Legal and Professional charges	1,85,395	3,57,190
Manpower support service charges	33,32,857	55,74,628
Office Maintenance	6,91,347	13,20,440
Bank Charges	5,324	5,449
Provision for doubtful debts / advances	(72,439)	11,61,681
Recruitment Expenses	1,03,218	3,95,807
Printing and Stationery Expenses	15,450	79,771
Miscellaneous expenses	28,417	47,321
Total other expenses	1,03,28,671	2,17,55,724



Overview

WeP Digital Services Limited is 100% subsidiary of WeP Solutions Limited. The Company commenced operations in the financial year 2015-16 by providing services of Document Management Solutions. The Company was engaged in providing services associated with filing of GST returns, using ASP-GST software apart from Document Management Solutions during the ended 31st March 2020. The Company is registered under the Companies Act, 2013, and has its registered office at I floor, 40/1A, Basappa Complex, Bangalore-560001.

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, unless otherwise indicated.

1.1 Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, read with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1st April 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 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 the 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) Contracts with customers are considered for revenue recognition only if (a) the contract having commercial substance is approved and the parties are committed to perform their respective obligations; (b) respective rights of the parties with respect to goods or services to be transferred are identified; (c) the



payment terms for goods or services to be transferred are clear and (d) it is probable that consideration would be collected in exchange for the goods or services that would be transferred to the customer. At the inception of the contract, either a transfer of distinct good or service to the customer or a series of distinct goods and services that are substantially the same and that have the same pattern of transfer to the customer are identified as performance obligation. Revenue is recognised when the performance obligation is satisfied by transferring the promised good or service to a customer and the customer obtains control over it.

- (ii) Revenue from sale of devices is recognised at the point in time when the physical possession is transferred, the customer has significant risks and rewards of ownership and the right to receive payment is established.
- (iii) In the case of provision of services such as Managed Return Filing Services, use of ASP-GST software, where performance obligation is satisfied over time, revenue is recognised over time by measuring the progress to complete satisfaction of that performance obligation.
- (iv) In respect of revenue from licenses, where a customer obtains a "Right to use", the licenses are recognised at the point in time when the license is made available to the customer. Revenue from licenses, where a customer obtains a "Right to access", is recognised over the access period.
- (v) Revenue in the case of "Pay Per Use" service is recognised at the point in time when the performance obligation is satisfied.
- (vi) 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.
- (vii) Interest income is recognised on a time proportion basis, taking into account the principal amount outstanding and the effective interest rate applicable.

1.5 Inventories

Inventories are stated at lower of cost and net realizable value. Cost is determined using the weighted average method. Costs comprise cost of purchases 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 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 or production of qualifying assets are capitalised as a part of cost. All other repair and maintenance costs, including regular servicing, are recognised in the Statement of Profit and Loss as and when incurred.

All property, plant and equipment are stated at cost of acquisition or construction, less accumulated depreciation and impairment loss, if any. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for



its intended use. Capital Work-in-Progress is stated at cost, comprising of direct cost and related incidental expenditure.

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

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 recognised as intangible asset 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:

Asset	Useful Life applied (in years)
Computers	3.00
Furniture and Fixtures- Leased Premises	5.00
Plant and Equipment 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	Amortisation in years
Computer Software- ERP systems	4.00
Computer Software	4.00

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 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.

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.

De-recognition of financial assets

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

b) **Financial Liabilities and equity instruments**

Classification as debt or equity

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities, Equity 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.

De-recognition of Financial liabilities

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

1.12 Employee Benefits

i. Short term Employee Benefits

Short Term Employee Benefits are recognised 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 recognised 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.

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.

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.

1.18 Leases

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

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.



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

In the comparative period, leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments and receipts under operating leases are recognised as an expense and income respectively, on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

B. Other Notes

B.1. Employee Benefits

B.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 receive 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.

B.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 year ending	
	31-Mar-2020	31-Mar-2019
Present value of obligations at the beginning	15,23,130	13,35,656
Current Service Cost	227,239	2,33,104
Interest Expense or Cost	117,530	1,04,107
Actuarial (gains)/Losses- Financial assumptions	125,117	7,563
Actuarial (gains)/Losses- Experience	(45,015)	(1,28,347)
Actuarial (gains)/Losses- demographic assumptions	57	-
Benefits paid	(43,269)	(2,25,758)
Acquisition adjustment	-	1,96,805
Present value of obligations at the end	19,04,789	15,23,130

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

Particulars	For the year ending	
	31-Mar-2020	31-Mar-2018
1. Current service cost	2,27,239	2,33,104
2. Net Interest Cost/(Income) on the Net Defined Benefit Liability/ (Asset)	51,976	96,551
	2,79,215	3,29,655

(iii) Recognised in Other Comprehensive Income:

Particulars	For the year ending	
	31-Mar-2020	31-Mar-2019
Actuarial (gains)/losses: - changes in financial assumptions	1,25,117	7,563
Actuarial (gains)/losses: - changes in demographic assumptions	57	-
- experience variance (i.e. Actual experience vs assumptions)	(45,015)	(1,28,347)
- others	-	-
Return on plan assets, excluding amount recognised in net interest expense	11,560	(20,801)
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
	91,719	(1,41,585)



(iv) Changes in Fair value of Plan Assets:

Particulars	For the year ending	
	31-Mar-2020	31-Mar-2019
Fair value of Plan Assets at the beginning	8,49,548	96,949
Investment Income	65,554	7,556
Employer's Contribution	97,238	9,50,000
Employee's contribution	-	-
Benefits Paid	(43,269)	(2,25,758)
Return on plan assets, excluding amount recognised in net interest expense	(11,560)	20,801
Fair value of Plan Assets at the end	9,57,511	8,49,548

(v) Maturity Profile of defined benefit obligations:

Expected cash flows over the next (valued on undiscounted basis)	For the year ending	
	31-Mar-2020	31-Mar-2019
1 year	54,527	49,455
2 to 5 years	19,39,997	14,01,202
6 to 10 years	88,687	4,21,855
More than 10 years	5,84,321	5,81,080

(vi) Quantity sensitivity analysis for significant assumptions:

Particulars	For the year ending	
	31-Mar-2020	31-Mar-2019
Defined benefit obligations (base)	19,04,789	15,23,130
(i) One percentage point increase in discount rate	-4.5% or -84,830	-4.9% or -75,090
(ii) One percentage point decrease in discount rate	4.9% or 92,896	5.4% or 82,144
(iii) One percentage point increase in salary growth rate	4.8% or 91,230	5.4% or 81,905
(iv) One percentage point decrease in salary growth rate	-4.5% or -84,895	-5.0% or -76,242
(v) One percentage point increase in attrition rate	-1.2% or -23,168	-1.2% or -17,701
(vi) One percentage point decrease in attrition rate	1.3% or 25,698	1.2% or 17,755
(vii) One percentage point increase in mortality rate	0.0% or 53	0.0% or 34
(viii) One percentage point decrease in mortality rate	0.0% or -52	0.0% or -35



(vii) Assumptions:

Particulars	For the year ending	
	31-Mar-2020	31-Mar-2019
Discount rate (per annum)	6.15%	7.70%
Salary growth rate (per annum)	7.00%	7.00%
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%

B.2. Related Party Transactions

B.2.1 List of Related Parties:

Name of the Related Party	Relationship
WeP Solutions Limited	Parent company
Mr. Suresh Chandra Senapaty	Chairman
Mr. A L Rao	Director
Mr. G H Visweswara	Director
Ms. Mythily Ramesh	Director
Mr. Sandeep Kumar Goyal	Director
WeP Peripherals Limited	Promoter Group
WeP Solutions India Limited	Promoter Group
Ram N Agarwal	Chairman & Managing Director of Parent Company
Cimplifyfive Corporate Secretarial Services Private Limited	Company in which the Chairman of the Company and Director of the Parent Company are interested
Sanjev Arora	Managing Director & Chief Executive Officer
S.Pradeep	Chief Financial Officer
Sujata Lele	Company Secretary



B.2.2 Transactions with Related Parties:

Particulars	WeP Solutions Limited	
	For the year ended 31-Mar-2020	For the year ended 31-Mar-2019
Sale of Goods and Services	-	7,94,254
Interest Paid on borrowings (Gross of TDS)	458,731/-	6,64,759
Purchase of Goods and Services	15,90,860/-	21,81,139

Particulars	WeP Peripherals Limited	
	For the year ended 31-Mar-2020	For the year ended 31-Mar-2019
Interest paid on Borrowings (Gross of TDS)	286,209/-	-
Purchase of Services	1,00,000/-	1,00,000/-

Particulars	Cimplifyfive Corporate Secretarial Services Private Limited	
	For the year ended 31-Mar-2020	For the year ended 31-Mar-2019
Purchase of Services	-	1,50,000
Sale of Services	-	3,55,405

Particulars	Key Management Personnel	
	For the year ended 31-Mar-2020	For the year ended 31-Mar-2019
Salaries and other benefits	60,48,086	62,25,672

B.2.3 Amount receivable/payable from/to related parties:

Particulars	WeP Solutions Limited	
	As at 31st Mar 2020	As at 31st Mar 2019
Loan payable to WeP Solutions Limited	-	88,06,542/-
Receivable from WeP Solutions Limited	-	-
Expenses Payable to WeP Solutions Limited	462,218/-	2,25,623/-



Particulars	WeP Peripherals Limited	
	As at 31st Mar 2020	As at 31st Mar 2019
Loan payable to WeP Peripherals Limited	50,00,000/-	-
Expenses Payable to WeP Solution Limited	108,000/-	-

B.3. Revenue from Contracts with Customers

Disaggregated Revenue Information:

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

Particulars	For the year ending	
	31-Mar-2020	31-Mar-2019
Document Management Solutions	80,64,707	97,15,938
GST- Services	2,00,90,744	1,92,64,959
GST- Products	-	16,10,092
	2,81,55,451	3,05,90,989

B.4. 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 1.10 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 imports DMS licenses 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:

	As at 31-March-2020	As at 31-March-2019
Trade Payables in USD	7872/-	-
Trade Receivables in USD	2478/-	2842/-

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.

B.5. The Board of the Company, vide resolution passed in the meeting held on 13th February 2020, has resolved to amalgamate the company with its parent company



viz., WeP Solutions limited with 1st April 2020 as the appointed date subject to compliance with relevant provisions of the Companies Act, 2013.

- B.6. The Company has reassessed the deferred tax asset on unused tax losses at the year end and based on the additional uncertainty arising from Covid-19 impacting forecasted profits, the Company has deemed it fit to write down the deferred tax asset on unused tax losses of Rs 1,25,59,005/-.
- B.7. Figures for the previous year are regrouped/rearranged wherever necessary, to conform to the figures of the current year

