



Ref.No WSL/BSE/ AGM/209 /2017

4th August 2017

The General Manager,
Department of Corporate Services,
Bombay Stock Exchange Limited,
P.J. Towers, Dalal Street,
Mumbai 400 001.

Dear Sir,

Sub: 22nd Annual General Meeting ('AGM') and Voting Results

Ref. Scrip Code 532373 - Scrip Name: WEPSOLN.

We wish to inform you that the 22nd Annual General Meeting ('AGM') of the Company was held on Thursday, 3rd August 2017 at 3.00 PM at Rotary Club, Lavelle Road, Bangalore 560 001.

All the items of the business as mentioned in the Notice convening the said Annual General Meeting have been transacted and all the resolutions have been passed by the Shareholders with requisite majority by way of remote e-voting, ballot voting and Poll.

Other details regarding the attendance at the Annual General Meeting are provided below:

Sr. No	Description					
A	Date of Annual General Meeting	Thursday, 3 rd August 2017				
B	Book Closure Date	Friday 28 th July 2017 to Thursday, 3 rd August 2017 (Both days inclusive)				
C	Total Number of Shareholders on the Record Date	4385				
D	No. of Shareholders present in the Meeting either in Person or through Proxy	51				
	Shareholders	Present in Person	Present through Proxy	Total	Shares Held	% to Capital
	Promoter and Promoter Group	5	0	5	93,40,917	37.22
	Public	34	12	46	58,97,518	23.51
	Total	39	12	51	1,52,38,435	60.73
E	No. of Shareholders attended the meeting through Video Conferencing	Video Conferencing facility was not made available				



WeP Solutions Limited

Regd. Office : Basappa Complex, 40/1A, Lavelle Road, Bangalore - 560001 Tel : 91-80-66112000/01. Fax : 91-80-66112242
CIN :- L72200KA1995PLC025617, Email: corporate@wepsol.in, www.wepsolutions.co.in, www.wepindia.com



As required under the provisions of Section 108 of Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 in the following mode of voting:

- i. E-voting facility to all the Shareholders;
- ii. Physical Ballot to those Shareholders who do not have access to e-voting facility;

Ballot was conducted at the Annual General Meeting to enable the Shareholders attending the Meeting in person and who did not participate in the e-voting/physical ballot to exercise their voting rights;

The e-voting was held from Friday, 28th July 2017 (9.00 AM) to Wednesday, 2nd August 2017 (5.00 PM).

Chairman of the Company, provided the facility of voting through ballot paper to all those shareholders and proxy holders who attended the AGM and who did not participate in the E- voting , in proportion to their shareholding for all matters as contained in Item No. 1 to 4 of the Notice of the AGM.

The Scrutinizer, Vinay B L, Practicing Company Secretary from Bangalore submitted his report and the resolutions were declared as duly passed by requisite majority through e-voting, physical ballot and poll.

Item No	Items
1	Adoption of Standalone and Consolidated Audited Financial Statements for the year ended 31 st March 2017 along with Auditors Report and Boards Report.
2	Re-appointment of Prashee Agarwal as Director, who retires by rotation.
3	Ratification of the appointment of Statutory Auditors - M/s. N.M.Raiji & Co., Mumbai.
4	Approval of Grant of Options to the Employees/Directors of the Company's Subsidiary under ESOP-2016.

Accordingly we hereby report that all the resolutions moved at the 22nd Annual General Meeting held on Thursday, 3rd August 2017 were passed with requisite majority.

In this regard, please find enclosed the following in connection with the 22nd Annual General Meeting ('AGM') of the Company.

1. Voting Results as required under Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Annexure I.
2. Scrutinizer's Report dated Friday, 4th August 2017, pursuant to Section 108 of the Companies Act, 2013 and Rule 20(4) (xii) of the Companies (Management and Administration) Rules, 2014 - Annexure II.

WeP Solutions Limited

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3. Annual Report for the Financial Year 2016-17 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 duly approved and adopted by the members as per the provisions of Companies Act, 2013 – Annexure III.
4. Brief proceedings as required under Regulation 30 – PART A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Annexure IV.

The above mentioned Scrutinizer's Report is uploaded on the website of the Company at www.wepsolutions.co.in and on the website of Karvy Computershare Private Limited, e-voting agency at <https://evoting.karvy.com>.

We request you to kindly take note of the same and also update your website for the information of our shareholders and investors.

Kindly acknowledge receipt.

Regards,
For WeP Solutions Limited

Sandeep Goyal
Chief Financial Officer

Encl: As above.



WeP Solutions Limited

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WeP Solutions Limited

Annexure I
 Declaration in accordance with Regulation 44 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 for the business transacted by the Company through the facility of E-Voting/Ballot Paper is furnished below:

Date of Annual General Meeting: Thursday, 3rd August 2017

Date of Declaration of Results: Friday, 4th August 2017

Total Shareholders as on Friday, 21st July 2017: 4,385

Details of voting on the Ordinary/Special Resolution as detailed in the Notice of 22nd Annual General Meeting:

Resolution No	Promoter/Public	No. of Shares Held	No. of votes polled	% of votes polled on Outstanding Shares	No. of votes in favour	% of votes in favour - on votes polled	No. of votes against	% of votes against - on votes polled
Resolution No 1 - Ordinary Resolution Adoption of Audited Financial Statements and reports of the Company, for the Financial year ended 31st March, 2017, as circulated to the shareholders; Standalone and Consolidated Financial Statements; Reports of the Auditors on the Standalone and Consolidated Financial Statements; and Report of the Board of Directors on the Standalone Financial Statement.	Promoter and Promoter Group	98,03,010	98,03,010	100.0000	98,03,010	100.0000	0	0.0000
	Public - Institutional Holders	0	0	0.0000	0	0.0000	0	0.0000
	Public - Others	1,52,88,362	60,06,897	39.2907	60,06,897	99.9999	13	0.0001
	Total	2,50,91,372	1,58,09,907	63.0093	1,58,09,907	99.9999	13	0.0001
Resolution No 2 - Ordinary Resolution Appointment of Prashee Agarwal, who retires by rotation, and eligible seeks re-appointment.	Promoter/Public	No. of Shares Held	No. of votes polled	% of votes polled on Outstanding Shares	No. of votes in favour	% of votes in favour - on votes polled	No. of votes against	% of votes against - on votes polled
	Promoter and Promoter Group	98,03,010	98,03,010	100.0000	98,03,010	100.0000	0	0.0000
	Public - Institutional Holders	0	0	0.0000	0	0.0000	0	0.0000
	Public - Others	1,52,88,362	60,06,897	39.2907	60,06,897	99.9999	26	0.0001
Total	2,50,91,372	1,58,09,907	63.0093	1,58,09,907	99.9999	26	0.0001	



Resolution No	Resolution	Promoter/Public	No. of Shares Held	No. of votes polled	% of Polling votes casted in Standing Shares	No. of votes in favour	% of votes in favour - on votes polled	No. of votes against	% of votes against on vote polled
Resolution No 3 - Ordinary Resolution		Promoter and Promoter Group	98,03,010	98,03,010	100.0000	98,03,010	100.0000	0	0.0000
		Public - Institutional Holders	0	0	0.0000	0	0.0000	0	0.0000
		Public - Others	1,52,88,362	60,02,897	39.2907	60,02,897	99.9999	13	0.0000
		Total	2,50,91,372	1,58,05,907	63.0093	98,63,907	99.9999	13	0.0000
Resolution No 4 - Special Resolution		Promoter/Public	No. of Shares Held	No. of votes polled	% of Polling votes casted in Standing Shares	No. of votes in favour	% of votes in favour - on votes polled	No. of votes against	% of votes against on vote polled
		Promoter and Promoter Group	98,03,010	98,03,010	100.0000	98,03,010	100.0000	0	0.0000
		Public - Institutional Holders	0	0	0.0000	0	0.0000	0	0.0000
		Public - Others	1,52,88,362	60,02,897	39.2907	60,02,897	99.9999	13	0.0000
		Total	2,50,91,372	1,58,05,907	63.0093	98,63,907	99.9999	13	0.0000





Vinay B. L. B.Com., F.C.S., LL.B.,
Company Secretary

#104, 1st Floor, Sarvaboumanagara,
Chikkalasandra II Main,
Bangalore - 560061.
Ph : 080 - 41105366
E-mail : vinay@vinaybl.com
Website : www.vinaybl.com

Amended - II

FORM NO: MG113

Report of Scrutinizer(s)

[Pursuant to rule section 109 of the Companies Act, 2013 and rule 21(2) of the
Companies (Management and Administration) Rules, 2014]

To,
The Chairman,
WeP Solutions Limited,
40/1 A, Basappa Complex, Lavelle Road, Bangalore 560 001
CIN: L72200KA1995PLC025617

**22nd Annual General Meeting of the Equity Shareholders of WeP Solutions Limited
Held on Thursday, 3rd August 2017 at Rotary Club, Lavelle Road, Bangalore 560 001 at 3.00 PM**

Dear Sir,

Sub: Submission of Scrutinizer's Report - 22nd Annual General Meeting

I Vinay B L, Practicing Company Secretary, have been appointed as the Scrutinizer by the Board of Directors of the Company for the purpose of scrutinizing the e-voting, ballots received in postal mode and polls made at the Annual General Meeting under the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended. Company had appointed Karvy Computershare Private Limited for providing e-voting facility to its shareholders. The e-voting started on Friday, 28th July 2017 at 9:00 AM and closed on Wednesday, 2nd August 2017 at 5:00 PM, the day preceding the Annual General Meeting.

As a scrutinizer for the e voting process, for ballots received in postal mode and polls made at the Annual General Meeting, my responsibility is limited to make a Report of the votes case "in favour" or "against" the resolutions stated in the Notice sent to the shareholders calling for the Annual General Meeting, based on the reports generated from the e-voting system provided by Karvy Computershare Private Limited, and the verification of physical ballot papers received at the Annual General Meeting.

It may be noted that the Management of the Company is responsible to ensure the compliance with the requirements of the Companies Act, 2013 and Rules relating to e voting and voting through physical ballot/poll on the resolutions contained in the notice to the Annual General Meeting of the members of the company.

I submit the report as under:

The 22nd Annual Report and the Notice of 22nd Annual General Meeting was sent by electronic mode to those members whose e-mail ids were registered with the Depository Participants and for other members, hard copy of 22nd Annual Report and the Notice of 22nd Annual General Meeting was sent by book post.



The prescribed particulars with regard to the remote e-voting were duly advertised on 14th July 2017 in Business Standard and on 15th July 2017 in HosaDiganta.

The 22nd Annual Report and the Notice of the 22nd Annual General Meeting was also uploaded on the website of the Company - www.wepsolutions.co.in

➤ **Remote E-voting:**

The Company had availed the e-voting facility offered by Karvy Computershare Private Limited for conducting remote e-voting by the Shareholders of the Company.

The Equity Shareholders holding Shares as on Friday, 21st July 2017, "cut-off" date were entitled to vote on the resolutions stated in the Notice of the 22nd Annual General Meeting.

The voting period for remote E-voting remained open from Friday, 28th July 2017 (9.00 AM) to Wednesday, 2nd August 2017 (5.00 PM). The e-voting platform was blocked thereafter and the votes cast under e-voting facility were then unblocked after the conclusion of the 22nd Annual General Meeting in the presence of two witnesses who are not in the employment of the Company.

Only the Votes cast by the Corporate/Institutional Members who have e-mailed the scanned certified true copy of Board Resolution/Power of Attorney/ Authorisation Letter etc. at the e-mail id vinay@vinaybl.com ; e-voting@karvy.com ; investor@wepsol.in or who have uploaded on the website of Karvy Computershare Private Limited i.e. <https://evoting.karvy.com> have been considered valid.

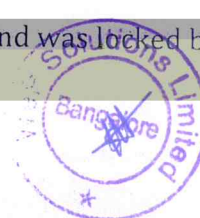
In the view of Regulation 44(1) and 44(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as prescribed under Rule 20 (4) (xiii) of the Companies (Management and Administration) Amendment Rules, 2015, for the purpose of ensuring that Members who have cast their votes through remote e-Voting do not vote again at the 22nd Annual General Meeting, the Scrutinizer shall have access after the closure of period of remote e-voting and before the start of the 22nd Annual General Meeting, to only such details relating to Members who have cast their votes through e-voting, such as their Names, DP ID/Client ID, Number of Shares held but not the manner in which they have voted.

Accordingly, Karvy Computershare Private Limited, the e-voting agency provided us with the Names, DP ID/Client ID and Shareholding of the Members who had cast their votes through remote e-voting.

➤ **Poll:**

Poll was carried out at the Annual General Meeting by distributing ballot papers to enable those members attending the Annual General Meeting in person or through proxy, who had not voted through remote e-voting to exercise their voting rights.

Ballot box used for poll process was displayed to the members and was locked by me



On completion of the ballot process, I opened the ballot box in presence of two witnesses who are not in employment of the Company.

The Poll papers were reconciled with the records maintained by the Cameo Corporate Services Limited, Registrar and Share Transfer Agent of the Company and the authorizations/proxies lodged by the Company.

Results:

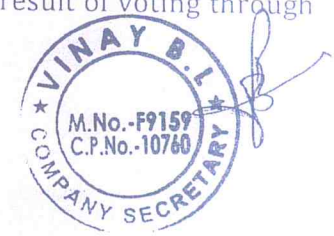
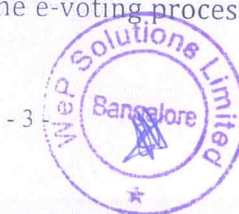
As per Regulation 44(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Date of Annual General Meeting	Thursday, 3 rd August 2017
Total Number of Shareholders as on record date, 21st July, 2017	4,385
No. of Shareholders present in the Meeting either in person or through proxy	51
Promoter and Promoter Group	5
Public	46

The items of business set out in the notice and covered by the e-voting/physical ballot/poll are as mentioned below:

Sl. No	Type of Resolution	Subject Matter
1	Ordinary	To consider and give assent or dissent to the following: "RESOLVED THAT the following Audited Financial Statements and reports of the Company, for the financial year ended 31st March 2017, as circulated to the shareholders be and are hereby adopted: a. Standalone and Consolidated Financial Statements; b. Reports of the Auditors on the Standalone and Consolidated Financial Statements; and c. Report of the Board of Directors on the Standalone Financial Statements.
2	Ordinary	To re-appoint Prashee Agarwal, who retires by rotation at this meeting and being eligible, offers herself for re-appointment.
3	Ordinary	Ratification of the appointment of M/s N.M. Raiji & Co, Chartered Accountants, Mumbai as Statutory Auditors.
4	Special	Approval of grant of Options to the Employees/Directors of the Company's Subsidiary under WeP Solutions Limited - Employee Stock Option Plan - 2016

On the basis of the information furnished by Cameo Corporate Services Limited, the Company's Share Transfer Agent, on the Poll conducted at the venue of the 22nd Annual General Meeting and based on the Data downloaded from the official website of Karvy Computershare Private Limited for the e-voting process, the result of voting through



remote e-voting, ballots received in postal mode and polls made at the Annual General Meeting venue are as under:

Resolution No	Total ballots/Votes		Valid Ballots/Votes cast in favour of the resolution		Valid Ballots/Votes cast in, against the resolution			Invalid/rejected ballots/Votes		
	Ballots received	No. Of shares held	No. Of shares	% to the votes polled	No. Of ballots	No. Of shares	% to the votes polled	No. Of ballots	No. Of shares	% to the votes polled
1	62	1,58,09,907	1,58,09,894	99.9999	1	13	0.0000	0	0	0.0000
2	62	1,58,09,907	1,58,09,881	99.9998	2	26	0.0000	0	0	0.0000
3	62	1,58,09,907	1,58,09,894	99.9999	1	13	0.0000	0	0	0.0000
	62	1,58,09,907	1,58,09,894	99.9999	1	13	0.0000	0	0	0.0000

In cases where Votes are casted in both, Remote E-voting and Poll at the venue of the 22nd Annual General Meeting, only the votes casted in e-voting are taken into account in respect of such shareholders.

The first three resolutions were passed as ordinary resolutions and the fourth resolution has been passed as Special Resolution.

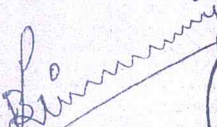
A list of Equity Shareholders who voted "FOR", "AGAINST" and those whose votes were declared invalid for each resolution is sent to the Company Secretary of the Company by way of an e mail.

The relevant records were sealed and handed over to the Company Secretary authorized by the Board for safe keeping.

You may accordingly declare the result of voting.

Thanking you,

Yours faithfully,


Vinay B L
 Company Secretary in Practice
 M No: F9159, C P No: 10760



Date: Friday, 4th August 2017

Place: Bangalore



We're part of the future.
We're part of the digital revolution.

WeP Solutions Limited
Twenty Second Annual Report 2016-17



Corporate Information

Board of Directors

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

Share Transfer Agent

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

Bankers

Axis Bank Limited
Corporation Bank
HDFC Bank Limited

Statutory Auditors

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

Secretarial Auditor

S Kannan and Associates, Practicing Company Secretary,
Bengaluru

Cost Auditor

M/s. Rao, Murthy and Associates, Cost Accountants, Bengaluru

Internal Auditors

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

Corporate Identity Number (CIN)

L72200KA1995PLC025617

Listed on

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

Website

www.wepsolutions.co.in
www.wepdigital.com

Investor E-mail ID

investor@wepsol.in

Registered Office

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

Manufacturing Locations

- Karnataka:**
No. 312/313, Hebbal Industrial Area, Mysore 570 016.
- Himachal Pradesh:**
Plot No. 87, EPIP, Phase I, Jharmajri, District: Solan,
Himachal Pradesh -174 103.

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Letter to the Shareholders

Dear Shareholders,

Recently several initiatives are being taken in the country to promote Digitisation of the economy. One of the prime objectives of these is to provide opportunities for the micro and small enterprises to be a part of main stream economic activities and to be counted. Many of these will bring discernible positive results in the medium and long term. All these measures will enable and encourage building of 'Made in India' digital solutions which will be very beneficial to Indian economy and society. WeP has a vision to participate aggressively and comprehensively in this unfolding opportunity and to help these enterprises to conduct their business efficiently by providing state of art Digital Solution. We are rapidly getting ready for this vast digital challenge and opportunities.

I am happy to report that we were successful in 'WeP Digital' business by getting empanelment from GSTN as an approved GST Suvidha Provider (GSP). We also demonstrated digital devices which have GST ready solution. These digital devices will help the MSME businesses to file their GST returns with minimal pain. WeP also acquired first set of customers for Aadhaar Authentication. I am happy to report that we have received additional investment by way of Preferential Issue at a premium to help us grow this Digital Business Segment.

The transformation at WeP, which was initiated during the year 2015-16, continued to gather momentum:

- *MPS Business grew by 6% on yearly basis.*
- *Retail Printing Solution Business grew by 20% on YoY basis in spite of Demonization bump.*
- *Cost reduction in traditional businesses helped us to contain losses at last year levels in spite of significant planned reduction in Impact Printer sales revenues.*
- *Good news is that in second half of the year, Printer Business Operating loss was reduced to only Rs.1.9 mn in comparison to Rs.29 mn in the first half.*

As indicated in the last year's Annual Report, our sales revenue growth should begin from the year 2017-18 onwards.

We will continue to provide 'WoW' to our customers in form of WeP Products and Services with long term returns to our shareholders and challenging/exciting workplace to all our employees.

I convey my gratitude and place on record appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year. I sincerely convey their appreciation to Customers, Shareholders, Vendors, Bankers, Business Associates, Regulatory and Government authorities for their continued support and cooperation.

We rededicate ourselves to everyone who have reposed their faith and trust on us.

With Best Regards,



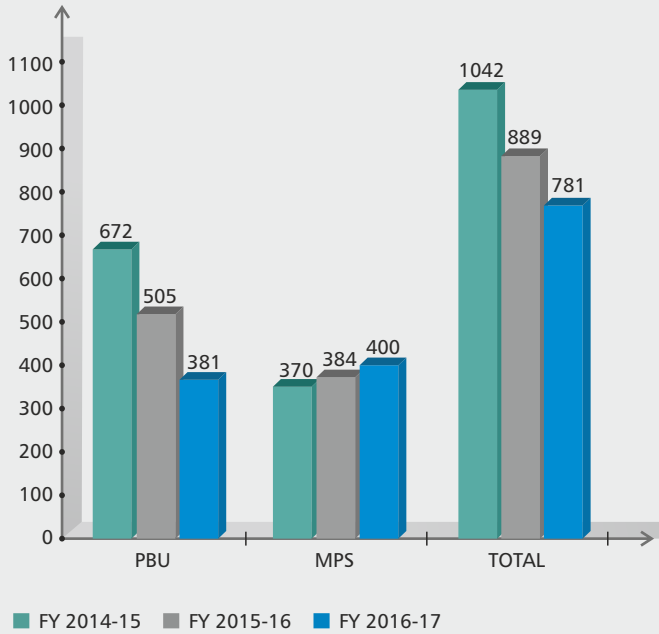
Ram N Agarwal



Standalone Highlights

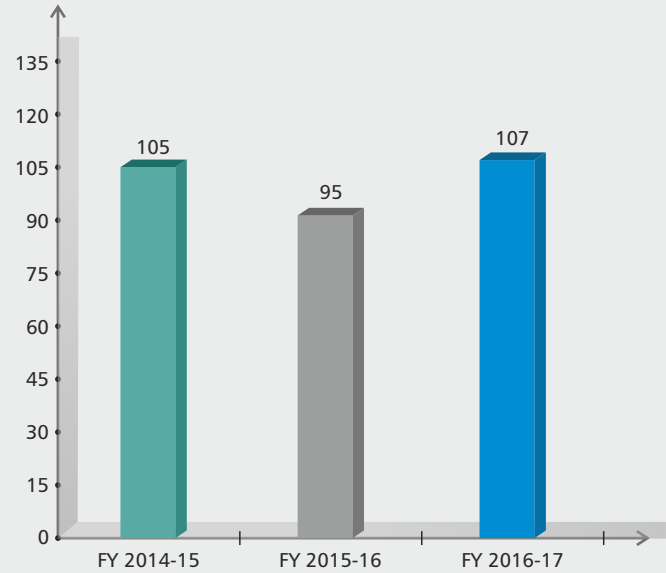
Revenue

₹ in Mn.



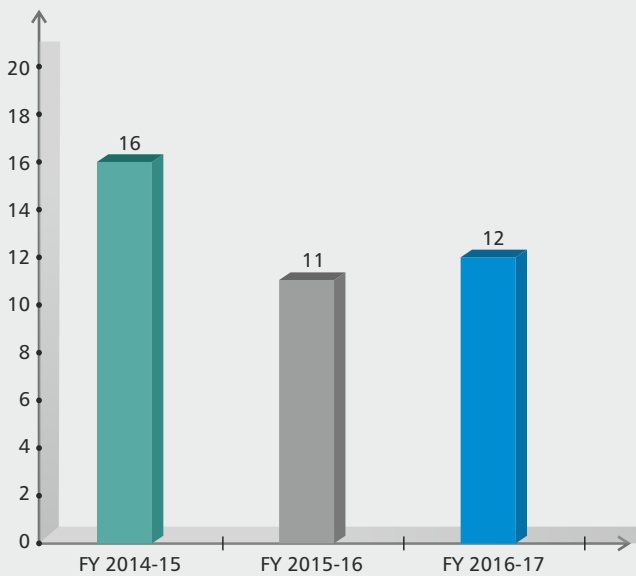
Gross Earnings (EBITDA)

₹ in Mn.



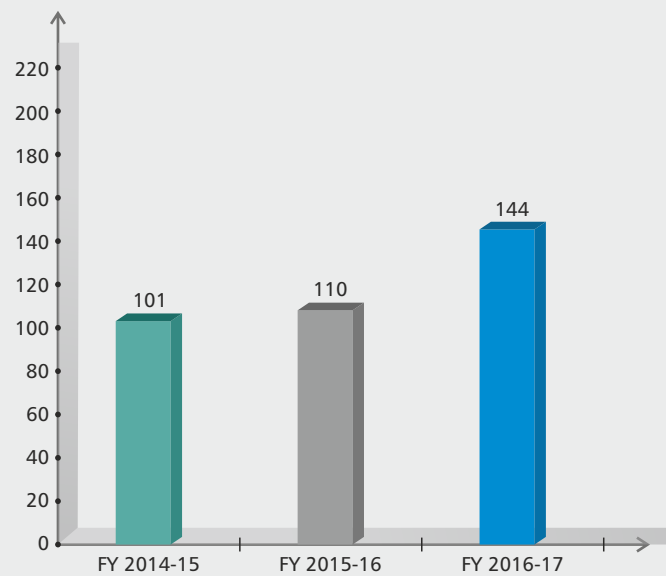
Profit After Tax

₹ in Mn.



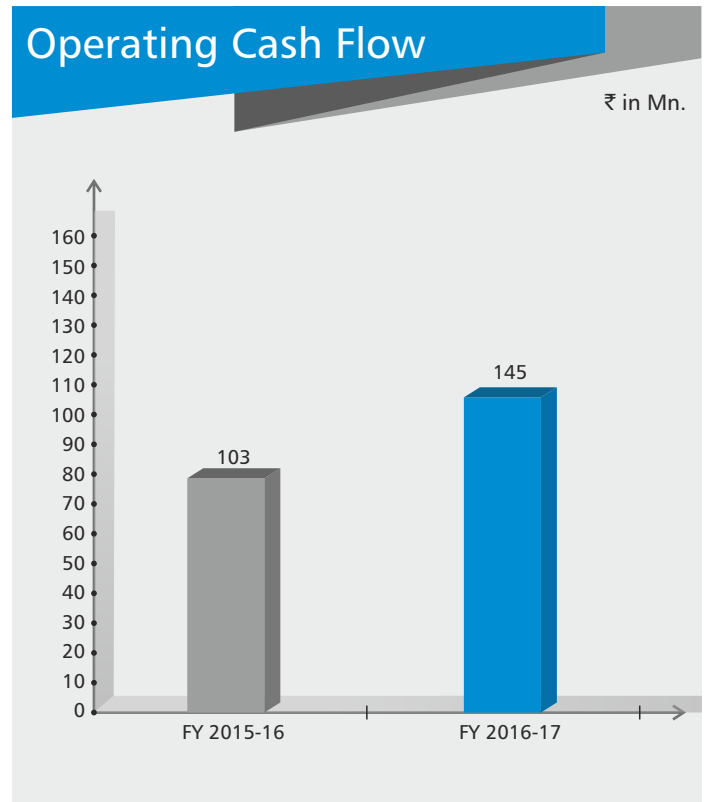
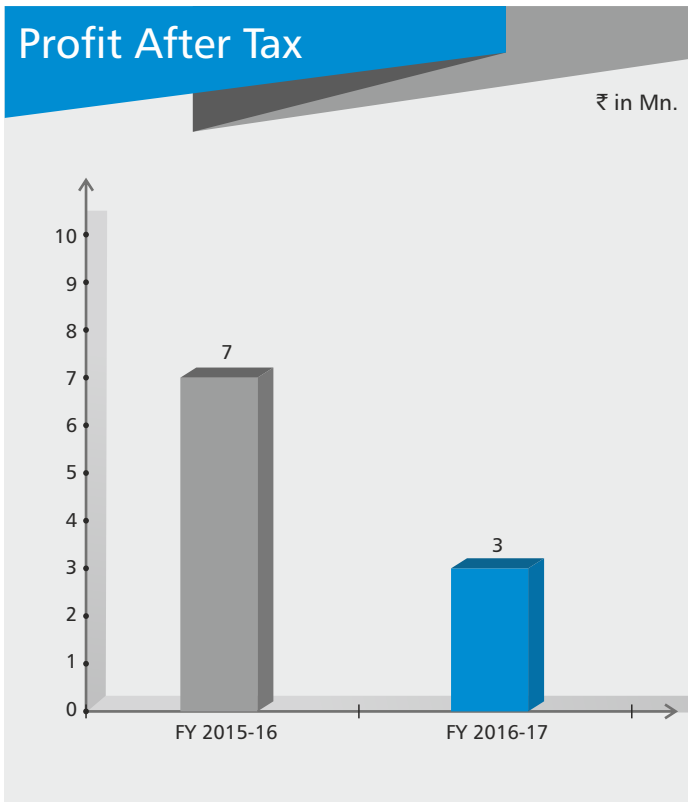
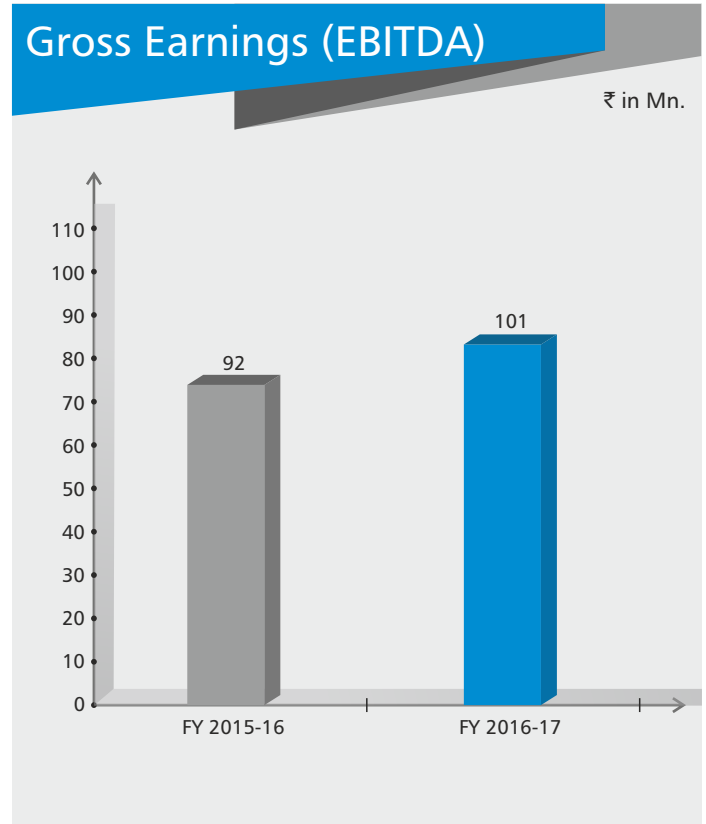
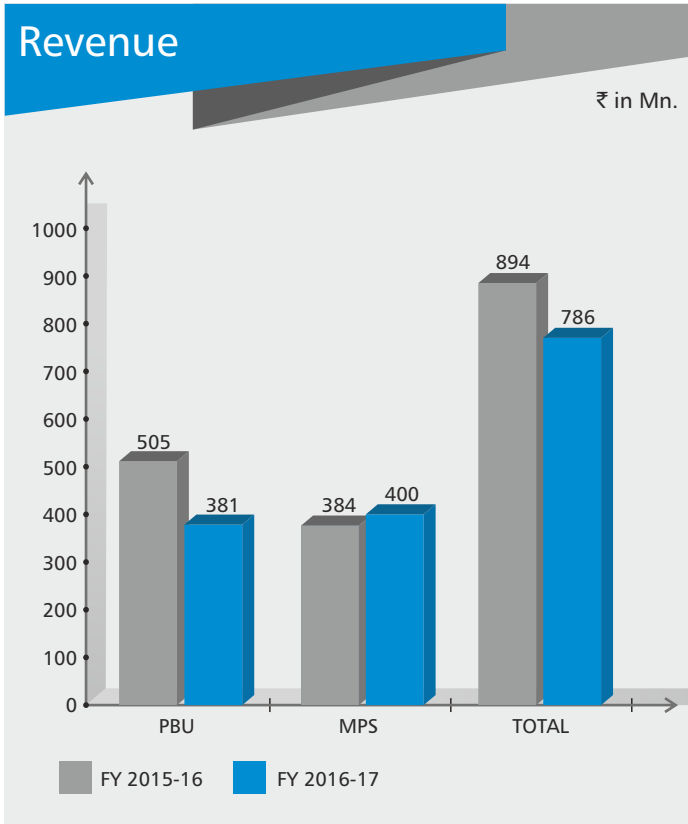
Operating Cash Flow

₹ in Mn.





Consolidated Highlights

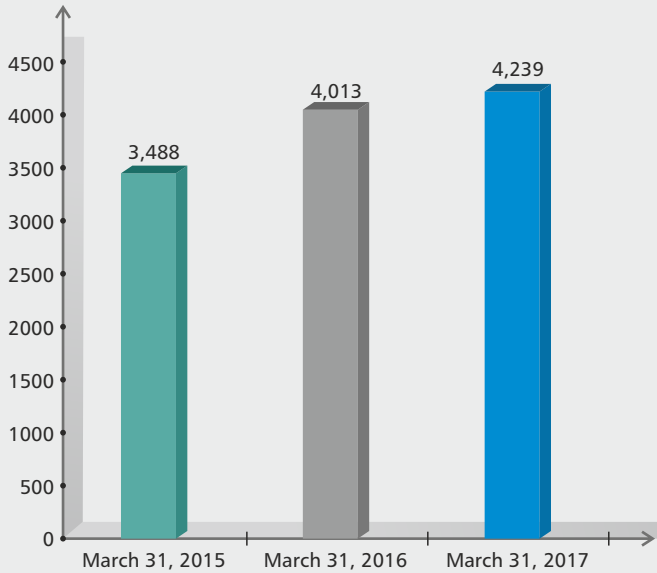




Shareholders Analytics

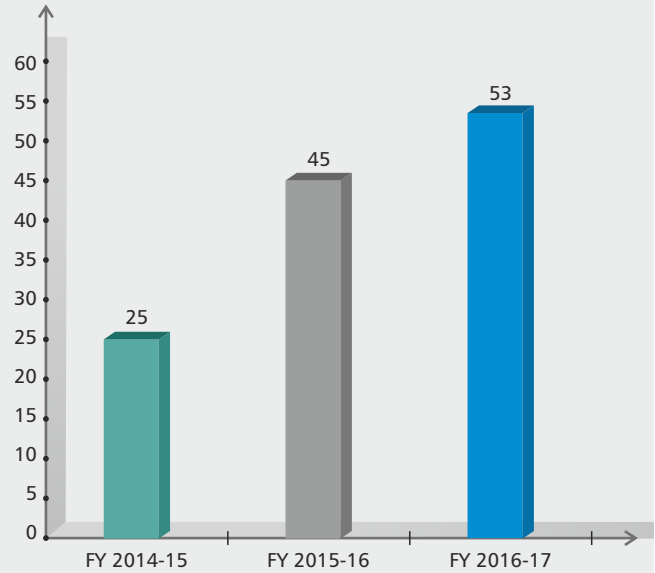
No. of Shareholders

in Nos.



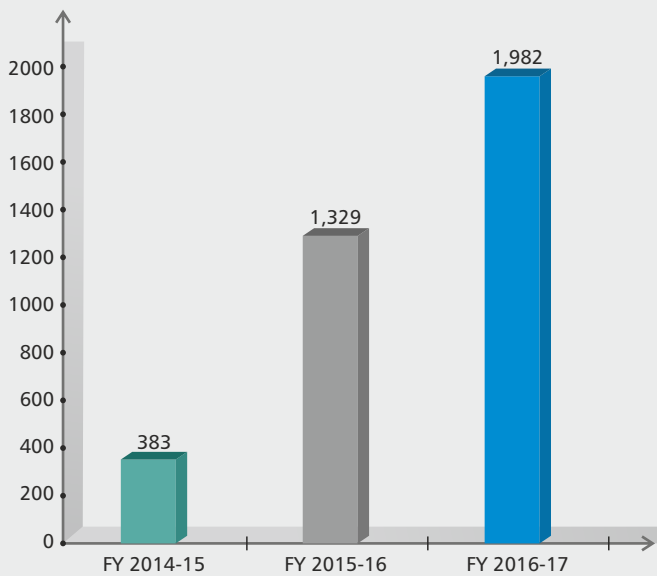
No. of Shares Traded

in Lacs



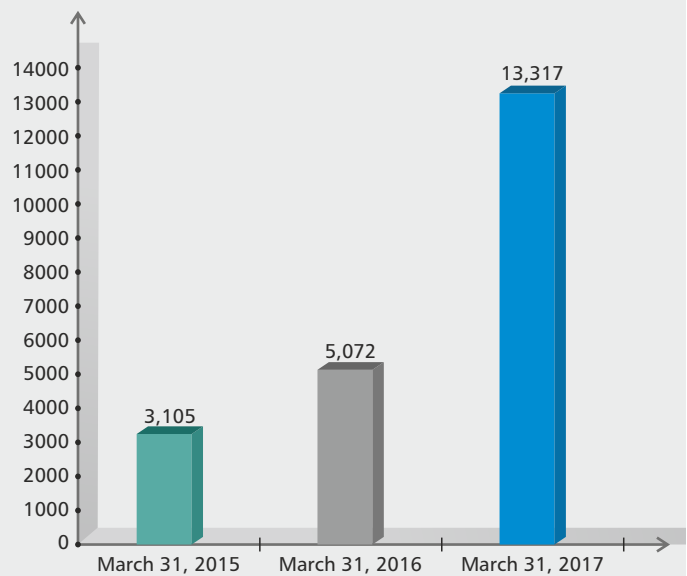
Value Traded

₹ in Lacs



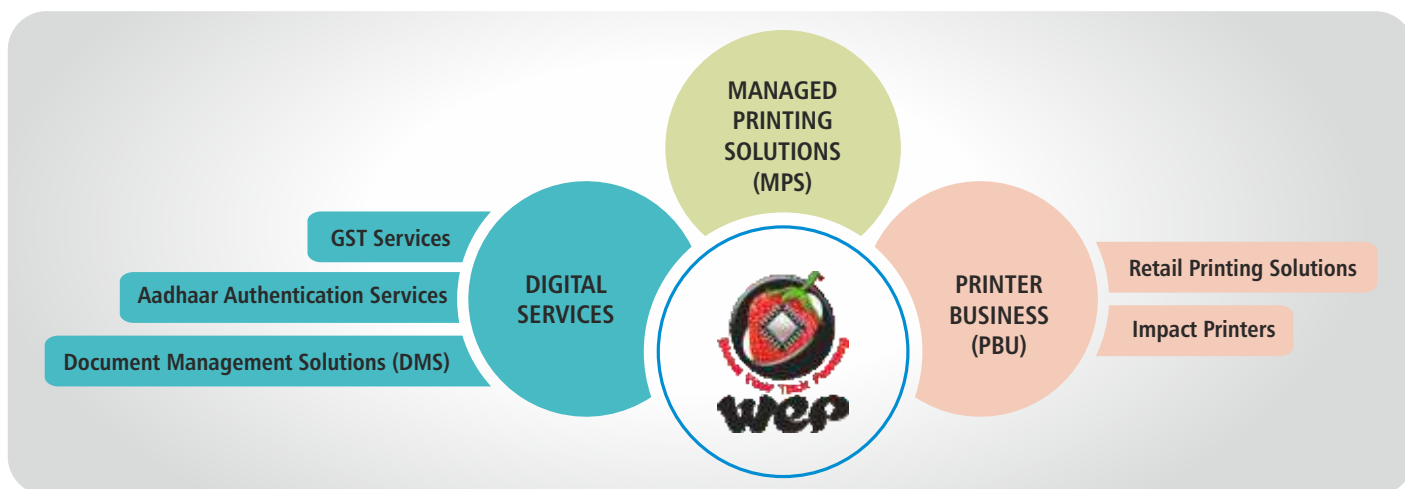
Market Capitalisation

₹ in Lacs



(Source: www.bseindia.com)

Business Overview



I. DIGITAL SERVICES

WeP Solutions has been taking innovative initiatives to transform our company into newer areas of growth particularly, towards a Digital future, a future which is being accelerated by our visionary Prime Minister. During the year, steps have been taken to sign up for many Government of India Digital Infrastructure initiatives like Aadhaar, eSign and GST. Now that we are at a threshold of an explosive growth, we feel it appropriate that we reorganize ourselves so as to provide focus on customers and opportunities which arise with them.

A new business named WeP Digital is being launched. Mission of 'WeP Digital' is to empower our business customers by providing innovative Digital Services which are omnipresent and which help the customers to operate on 'cashless' and 'paperless' basis. These services are being launched for applications in the areas of GST Tax filing, Document management and Aadhaar Authentication.

a. GST Services

- 2017 is an important year for Indian economy. The entire taxation system is about to change with the advent of Goods and Services Tax in India.



- Keeping up with this important change in Indian history, WeP Digital has started GST services.
- WeP Solutions is one of the 34 Companies appointed as a GST Suvidha Provider (GSP) by the GSTN (Goods and Services Tax Network).

GST Introduction:

- GST is one indirect tax for the whole nation.
- GST is a single tax on the supply of goods and services.
- Applicable on all stages starting from Manufacturer and ending at consumer.
- Tax is applicable only on Value addition. This is achieved by providing set off of taxes paid at earlier stages.
- The final consumer will bear only the GST charged by the last dealer in the supply chain.

Our Mission

- Simple, Robust and easy to use E-filing GST Software (ASP Platform)
- One Stop Solution for all GST Compliances
- Removing all road blocks for transition to GST
- GSP services- For businesses who want to use only our GSP platform
- ASP & GSP services- For businesses and aggregators who want to use our ASP and GSP platform
- Complete GST package- For retailers, who will use our GST ready devices
- India's first GST ready devices- We have developed our own
 - ➔ GST Ready Billing Device- Easy Bill DR1
 - ➔ GST Ready POS tablet- Easy Bill P3



b. Aadhaar Authentication Services

WeP Aadhaar Authentication enables Aadhaar-holders to prove their identity and for service providers to confirm the resident’s identity claim in order to provide services and give access to benefits.

WeP Aadhaar Authentication shall make life simpler for the resident as it is meant to be a convenient system to prove one’s identity without having to provide identity proof documents whenever a resident seeks a service.

WeP Aadhaar Authentication is the process wherein, Aadhaar number along with the Aadhaar holder’s personal identity data such as biometric/demographic information is submitted to UIDAI (Central Identities Data Repository-CIDR) for matching, following which the UIDAI verifies the correctness thereof on the basis of the match with the Aadhaar holder’s identity information available with it. UIDAI confirms either proof of identity or verifies the information provided by the resident based on the data available at the time of Authentication. To protect resident’s privacy, Aadhaar authentication service responds only with a “Yes / No” and no Personal Identity Information (PII) is returned as part of the response

WeP Aadhaar Authentication enable residents to prove their identity based on the biometric and / or demographic information, thus making the process of identification convenient and accurate.

WeP Aadhaar Authentication system supports the following Authentication types:

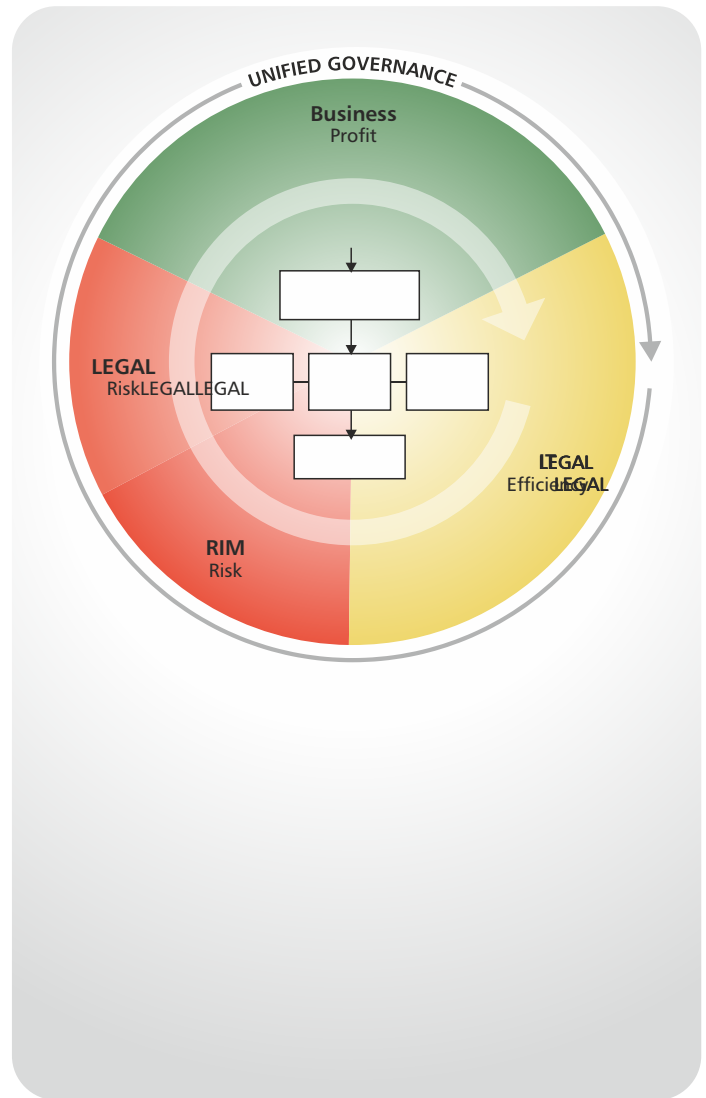
- ◆ Biometric Matching
- ◆ Finger Print Authentication
- ◆ IRIS Authentication
- ◆ Demographic Matching
- ◆ Additional features such as One-Time-PIN (OTP)

c. Document Management Solutions (DMS)

WeP Digital uses the latest scanning technology, combined with intelligent data capture software. This Provides fast, efficient document scanning with OCR, Physical traceability and retrieval of indexed documents. All types of data can be captured such as receipts, travel forms, employee documents, Pharma records and many more.

WeP Document Management Solutions consists of:

1. **Scanning and Indexing:** The documents are retrieved, Indexed and uploaded as required by the client. The retrieved documents are Indexed and uploaded through a secure ftp site.
2. **Documents Repository:** After the documents are scanned, quality checked and indexed, they are stored in the WeP Digital’s repository or in the in-house repository.
 - a. **Workflow:** The documents are scanned by professional scanner operators with high care and are stored in PCs. After that the documents are quality checked based on the required fields specified by the clients. Then the



Indexing is done and the indexed documents are converted into PDF/A format.

b. **Scanning:** → Quality Check → Indexing → Converting to PDF/A → Repository

3. **Data Entry Services:** WeP DMS provides high volume- low cost, accurate data entry services. We use specialised quality checking software for data entry. Data entry services can be used for forms processing such as survey or customer satisfaction forms, membership scheme administration and ticket forms processing.

Features of WeP Document Management Services:

- ◆ Paper-less
- ◆ Hassle-free
- ◆ Efficient
- ◆ Affordable
- ◆ Secure

II. MANAGED PRINTING SOLUTIONS (MPS)

MPS is a solution which is provided to various business concerns for making the job of document output in a well-organized pattern. It is the efficient and effective management of printing documents in an organization. MPS helps in saving



the costs, ease printer maintenance, provides control on printer resources and provides insights on printer utilization. Managed print also helps to improve environmental sustainability and document security and cut the organization cost by as much as 30%.



WeP Solutions Limited is well known for the Managed Print Services as it is the first company in India which has introduced the concept of MPS. WeP is also known for its innovative and productive services to its customers. It is having well spread customer base all over India. WeP is also doing its MPS operations with the motto of go green, which is beneficial for the customers as well as the economy as a whole. WeP MPS grows with innovation and with the most updated technology in printing. For the last few years MPS business of WeP Solutions witnessed significant growth in the revenue as well as the customer portfolio on a country wide basis. MPS is having a customer base of more than 500 Customers PAN India in which more than 20,000 printers and copiers are deployed.

With the efficient handling of consumables, printers, spares, and support, WeP helps its customers to ease the handling of documents. WeP MPS can reduce customer overall costs while improving efficiencies and employee productivity.

WeP Provides value added services like Print Management Software, Device Management Software, Customer Portal, etc., in order to make customers delight.

WeP MPS Offerings:

Asset Plus Solutions and Services (APSS): The Printers, Scanners will be provided to the clients as and when required with all the toner, support, spare parts and maintenance at any location across the country. This will allow the Customers to get a complete pack of solution with zero capital investment.

Full Service Solutions (FSS): Customers with existing printers are also given solution by WeP MPS. WeP provides a complete solution of support, toner, spares, and maintenance for the customers who had already invested on the printers and who want to own the printers.

Bulk Printing Solutions (BPS): Customers would have peak print requirement. It is not required to build the infrastructures

for one time print requirements. WeP offers to build the infrastructure onsite or offsite for customers to complete the job.

New Offerings under WeP MPS: WeP Introduced Line Matrix Printers under Managed Print Services.

- Printer can take volume of > 3000 pages in a day
- 24x7 Non-Stop Printing
- Printing on Multiple types of Stationary
- Fast Printing in Local Languages in Resident fonts / Graphics
- Fastest available printing in Multi-Copier
- Total control of country-wide print operations

WeP Value Added Services under MPS:

Print Management Software: An advanced and the updated technology solution which helps customer protect confidential information while printing. It enables customer to control, optimize and reduce wastage by analyzing user behaviour, implementing various print policies, thereby saving cost. Some of the Print Management Software features are as follows.

- ◆ Reporting and monitoring
- ◆ Quota and budget tracking
- ◆ Restrictions and rule settings
- ◆ Print Authentication
- ◆ Mobile Print

Device Management Software: A device management software solution provides opportunity to track and manage the entire print fleet through a single console. It enhances the printer management techniques resulting in higher printer uptime, pro-active actions on print failure, reduces the operational hassles and operational cost, increases productivity.

Customer Portal: It is a customized solution for each customer. It gives flexibility to customer to track their billing, SLAs, call management in a real time environment.

Server Less Solution: Consolidating print servers can reduce administration costs, energy use and lead to a more flexible and scalable IT infrastructure. WeP is providing the solutions where Printers are managed with just one central server. WeM



Mobile Apps: WeP introduced an android based mobile App for its field engineers. App gives option for engineers to manage the calls on the go, thus improving the response time. This is a step towards WeP values of providing cutting edge solutions to its customers.

Color Revolution: A Color print is far more effective in communicating a message compared to a black & white print. It has many advantages in helping customers grow their businesses. WeP has initiated special schemes for making color printing affordable to Indian market with variety of print options.

III. PRINTER BUSINESS

a. Retail Printing Solutions



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

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

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

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



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

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

b. Impact Printers

The Impact Printer market continued its expected decline in 2016-17. The market is now more niche application based, as printing for general applications continues to migrate to alternate technologies namely, lasers in offices and thermals in retail stores. Adoption of digitization especially among corporates and banks has also impacted the quantum of hardcopy printing today. However, niche applications like printing of receipts at medical stores, cheque / demand drafts in banks, gate pass and invoices in warehouses and depots continue to rely on the multi-copy capability and low cost per page advantage of dot matrix printing. WeP's forte has been its product performances which is more suited for such specific applications. A recent trend in this segment is the adoption of higher resolution (laser-like quality) printing which has found important use in education, finance, manufacturing and logistics. This segment will continue to decline in coming years and WeP has planned for this decline in the future strategy and is focused on reducing capital deployment and costs in this segment of business.

Directors' Report

Dear Members,

Your Directors are pleased to present 22nd Annual Report and the Company's Audited Financial Statements for the Financial Year ended March 31, 2017.

Financial Performance

The Company's financial performance, both Standalone and Consolidated, for the year ended March 31, 2017 is summarised below:

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
Revenue from Operations	7,801.84	8,890.47	7,856.39	8,935.22
Other Income	88.21	41.78	80.48	39.92
Total Revenue	7,890.05	8,932.25	7,936.87	8,975.14
Profit Before Depreciation, Interest and Taxes	1,068.86	951.05	1,014.45	924.25
Finance Cost	119.50	175.39	119.63	175.47
Depreciation and Amortisation	774.04	619.78	798.58	638.71
Profit Before Tax	175.32	155.88	96.23	110.06
Provision for Tax	54.13	50.57	68.29	36.42
Profit / (Loss) for the Year	121.19	105.30	27.95	73.65
Earnings Per Share (Equity share par value ₹ 10/- each) Basic / Diluted (₹ per share)	0.52	0.46	0.12	0.32

Consolidated Accounts

The Consolidated Financial Statement of your Company for the Financial Year 2016-17 are prepared in compliance with the applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, applicable Accounting Standards and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Subsidiary Company

M/s. WeP Digital Services Limited (Formerly known as eRM Solutions Private Limited) functioning as a 100% Subsidiary of WeP Solutions Limited has plans to foray in the digital space. The Company is moving towards being a 'Total Digital Solution Provider'. The name of the subsidiary company has been changed from M/s. eRM Solutions Private Limited to M/s. WeP Digital Services Limited with effect from 26th May, 2017 pursuant to the approval received from Registrar of Companies, Karnataka.

During the year, the Board of Directors ('the Board') reviewed the affairs of the subsidiary. Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Section 129 (3) of the Companies Act, 2013, the Consolidated Financial Statements of your Company and its subsidiary is provided in this Annual Report.

Further, a statement containing the salient features of the financial statement of our subsidiary in the prescribed format **AOC-1** is included in this Report as **Annexure – III** and forms an integral part of this Report.

The Financial Statement of the subsidiary company and the related information is available for inspection by the members at the registered office of the Company during the business hours on all days except Saturday, Sunday and Public Holidays upto the date of Annual General Meeting as required under Section 136 of the Companies Act, 2013.

Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming an integral part of this Annual Report.



Dividend and Reserves

In order to conserve the available resources for future, the Board of Directors of the Company have not recommended any Dividend for the Financial Year 2016-17.

Unpaid / Unclaimed Dividends

During the year under review, the Ministry of Corporate Affairs notified provisions relating to unpaid / unclaimed dividends under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016.

As per the new Rules, dividends not encashed / claimed within seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund (IEPF) Authority. The new IEPF Rules mandate companies to transfer shares of shareholders whose dividends remain unpaid / unclaimed for a continuous period of seven years to the Demat account of IEPF Authority. The shareholders whose dividend / shares are transferred to the IEPF Authority can now claim their dividend / shares from the Authority.

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

The details of the consolidated unclaimed / unpaid dividend details as required by the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, for all the unclaimed / unpaid dividend accounts outstanding (upto the date of 21st Annual General Meeting on 22nd September, 2016) in terms of the Ministry of Corporate Affairs Notification No. G.S.R 352 (E) dated May 10, 2012 has been uploaded on the Company's website www.wepsolutions.co.in.

Share Capital

During the year under review, the Company allotted 20,00,000 Equity Shares of ₹ 10/- each issued at a premium of ₹ 40/- per share to Non-Promoters on a preferential basis. Further during the year under review, the Company allotted 76,200 Equity Shares of ₹ 10/- each pursuant to exercise of stock options under the Employees Stock Option Plan 2011. Consequently, the paid up equity share capital of the Company stood at ₹ 25,07,96,720 consisting of 2,50,79,672 Equity Shares of ₹ 10/- each.

Public Deposit

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

Corporate Governance

Pursuant to Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your company adheres to all the Corporate Governance Code as prescribed by the Bombay Stock Exchange (BSE) and Securities and Exchange Board of India (SEBI). A detailed Corporate Governance Report is made a part of this Annual Report. A certificate from Practicing Company Secretary regarding Compliance of the conditions of Corporate Governance as stipulated in Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this Report.

Board of Directors

Company's Policy relating to appointment / re-appointment of Directors, Payment of Managerial Remuneration, Induction, Performance Evaluation and other related matters are as mentioned below:

A. Inductions

During the year under review there was no change in Directors of your Company. In the 21st Annual General Meeting held on Thursday, 22nd September 2016, Shareholders approved appointment of G H Visweswara as an Independent Director on the Board. We thank the Shareholders for their support in confirming G H Visweswara's appointment at the Annual General Meeting held on Thursday, 22nd September, 2016.

B. Re-appointment

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

Prashee Agarwal, Non-Executive Director is liable to retire by rotation at the ensuing Annual General Meeting. Prashee Agarwal, Non-Executive Director has confirmed her eligibility and willingness to accept the office of the Director of your Company, if confirmed by the Members at the ensuing Annual General Meeting. In the opinion of your Directors, Prashee Agarwal has requisite qualifications and experience which would be useful for your Company and would enable her to contribute effectively to your Company in her capacity as the Director of your Company.



C. Performance Evaluation of Director

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, performance evaluation of the Board, its Committees and individual Directors was conducted. A structured questionnaire covering various aspects like functioning of the Board, processes followed at the meeting are in place. Similarly, for evaluation of individual Directors' performance, the questionnaire covering various aspects like his/her profile, contribution in Board and Committee Meetings, execution and performance of specific duties, obligations, regulatory compliances are in place. Board Members have submitted their response for evaluating the entire Board, including Chairman of the Board.

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

D. Committees of the Board

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

E. Independent Directors' Declaration

Independent Directors have submitted a declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, there has been no change in the circumstances which may affect their status as 'Independent Director' during the year under review.

F. Familiarization Program for Independent Directors

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

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

G. Statutory Disclosures

None of the Directors of your company are disqualified as per the provisions of Section 164(2) of the Companies Act, 2013. Your Directors have made necessary disclosures as required under various provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Directors' Responsibility Statement

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

- a) In the preparation of the Annual Accounts for the Financial Year 2016-17, the applicable accounting standards had been followed and there are no material departures;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the annual accounts on a going concern basis;
- e) The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Material Changes and Commitments

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this Report.



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

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure - I** and is attached to this Report.

Number of Meetings of the Board

The Board met Five times during the Financial Year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

Extract of Annual Return

Pursuant to the provisions of the Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return of the Company in **Form MGT – 9** for the Financial Year ended 31st March 2017 is included in this report as **Annexure – II** and forms an integral part of this Report.

Corporate Social Responsibility Initiatives

Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable to the Company.

Particulars of Loans, Guarantees and Investments

Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013 forms part of the notes to the financial statements provided in this Annual Report.

Statutory Auditors and Their Report

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and rules framed thereunder, M/s. N.M. Rajji & Co, Chartered Accountants, Mumbai (Firm Registration Number: 108296W) were appointed as the Statutory Auditors of the Company in the 21st Annual General Meeting of the Company until the conclusion of 26th Annual General Meeting, subject to ratification of their appointment at every Annual General Meeting.

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

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

Cost Auditors

The Cost Audit Report for the Financial Year 2015-16 in respect of various products / service prescribed under Cost Audit Rules, 2011 was filed on 31st August, 2016.

Secretarial Auditors

Pursuant to the provision of Section 204 of the Companies Act, 2013 and rules made there under, the Company has appointed S Kannan and Associates, Practicing Company Secretary, Bengaluru (Firm Registration No.: S2017KR473100) as the 'Secretarial Auditor' of the Company to conduct the Secretarial Audit as prescribed under Section 204 of the Companies Act, 2013.

The Secretarial Audit Report for the Financial Year ended 31st March, 2017 in **Form MR - 3** is presented in **Annexure - IV** attached to this Report.

Related Party Transactions

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provision of Section 188(1) of the Companies Act, 2013 are not attracted. Further, there are no material related party transactions during the year under review with the Promoters, Directors, and Key Managerial Personnel. Related Party Transactions are placed before the Audit Committee and the Board for review and approval on annual basis. **Form AOC - 2** pursuant to clause (h) of Section 134(3) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure - V** attached to this Report. The Policy to determine materiality of related party transactions and dealing with related party transactions as approved by the Board of Directors is available on the Company's website www.wepsolutions.co.in.



Risk Management

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

Internal Control System and Their Adequacy

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

The Company has well placed, proper and adequate Internal Financial Control (IFC) system which ensures that all assets are safeguarded, transactions are authorised, recorded and reported correctly. The Internal Auditors of the company M/s. Gnanoba & Bhat, Chartered Accountants, Bengaluru independently evaluates the adequacy of internal controls and concurrently does the audit of majority of transactions in value terms.

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

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

Significant / Material Orders Passed by the Regulators or Courts

There are no significant material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status of the Company and its future operations.

Employee Stock Option Plan

The Company has Employee Stock Option Plan under 'ESOP Scheme 2011' which is administered by the Nomination and Compensation Committee for the benefit of employees. During the Financial Year 2016-17, there has been no change in the Employees Stock Option Plan 2011 of the Company.

During the Financial Year 2016-17, 2,48,000 Options were granted to eligible employees of the Company under Employees Stock Option Plan 2011. During the year, 76,200 Options were exercised by the employees after vesting. Accordingly, the Company has made the allotment of 38,400 Equity Shares on 29th July 2016; 12,600 Equity Shares on 4th November 2016 and 25,200 Equity Shares on 23rd December 2016.

Pursuant to Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and as required under the Securities and Exchange Board of India Guidelines, the applicable disclosures as on 31st March 2017 is as tabulated below:

Options at the beginning of the period (1 st April 2016)	5,04,000
Options granted during the period	2,48,000
Price Per Share (₹)	10
Pricing Policy	Face Value
Options Vested	80,700
Options Lapsed	2,83,500
Options available for exercise	80,700
Options Exercised	76,200



Vigil Mechanism / Whistle Blower Policy

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. Your Company has a Whistle Blower Policy under which the employees are free to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethical policy. Employees may also report illegal or unethical behavior to the Chairman of Audit Committee. During the year under review, no employee was denied access to the Audit Committee. During the Financial Year 2016-17, Company has not received any complaint. The Whistle Blower Policy as approved by the Board of Directors is available on the Company's website www.wepsolutions.co.in.

Prevention of Sexual Harassment Policy

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment of woman at workplace and to provide a platform for redressal of complaints and grievances against sexual harassment. During the Financial Year 2016-17, Company has not received any complaint on sexual harassment.

Research and Development

WeP has dedicated Research & Development team focused on Retail, Printer and Application Specific Printer products solutions. WeP R&D has complete in-house facility for executing projects from concept to product involving various engineering domains like Electro-Magnetics, Power Electronics, Thermal and Vibration. WeP with rich experience in design and development of mechatronics products has delivered 320 varieties of products. WeP design team has delivered products that deals with dynamics of mechanical components and its behavioral study with electronics for all extreme conditions and adherence to the International Standards and Certifications. R&D team has executed several application specific printer projects for Voting Machine, Petrol Bunk, Retail Automation, Pharmacy and Dairy Segments.

Policies of Company

Your Company has posted the below mentioned policies on its website www.wepsolutions.co.in under the heading '*Investor Corner*'.

1. Code of Conduct for Directors and Senior Management Personnel
2. Whistle Blowers Policy
3. Anti – Sexual Harassment Policy
4. Related Party Transaction Policy
5. Compensation Policy
6. Risk Management Policy
7. Internal Code for Prevention of Insider Trading
8. Policy for Determining Material Subsidiaries
9. Policy for Determining Materiality of Event or Information
10. Policy for Preservation of Documents
11. Familiarization Program for Independent Director

Particulars of Employees

The information required pursuant to Section 197 of Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, shall be provided on request. The Company is not having any employee drawing remuneration exceeding the limits as specified under the Companies Act, 2013. The applicable disclosures as on 31st March, 2017 pursuant to the provisions of Companies Act, 2013 is furnished in *Annexure - VI* and is attached to this Report.

Depository Systems

The Company's shares are tradable compulsorily in electronic mode. In India there are two depositories i.e. National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL). To facilitate trading in DEMAT form, Company has established connectivity with both the depositories. Currently about 96.24 % of the Issued Capital is held in electronic mode.

Listing Fees

In Compliance with Regulation 14 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Annual Listing fees for the Financial Year 2017-18 has been paid to Bombay Stock Exchange Limited (BSE).



Human Resources

As a part of company's drive to continue to nurture talent, your company has developed structured HR policies and programs in the area of resourcing, performance management system, competency based training and development and talent management to support the current and future need of the organisation. Your Directors take this opportunity to record their appreciation for the contribution of all employees of your company during the year.

Industrial Relations

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

Green Initiative

Ministry of Corporate Affairs ("MCA") has announced "Green Initiative in Corporate Governance" by allowing paperless compliances by companies vide circular dated April 21, 2011 stating that a Company is in compliance with Section 20 of the Companies Act, 2013, if the service of documents has been made through electronic mode.

Electronic Copies of the Annual Report 2016-17 and the Notice of 22nd Annual General Meeting are sent to the members whose e-mail addresses are registered with Company / Depository Participant(s). For members who have not registered their e-mail addresses, physical copy of the Annual Report 2016-17 and the Notice of 22nd Annual General Meeting are sent in the permitted mode. Members requiring physical copy can send a request to the Company.

Acknowledgments

Your Directors wish to convey their gratitude at place on record their appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year.

Your Directors sincerely convey their appreciation to Customers, Shareholders, Vendors, Bankers, Business Associates, Regulatory and Government authorities for their continued support and cooperation.

For and on Behalf of the Board of Directors

Date: 30th June, 2017

Place: Bengaluru

Ram N Agarwal

Chairman and Managing Director

Directors' Report





c. Future Plan of action:

- Expansion of Retail Products range and solutions with augmentation of features.
- Expansion of GPRS, Ethernet connectivity application devices.
- Retail Solutions for Billing machine and Smart phone connectivity.
- Retail Smart solutions for service application model.
- POS System development for MicroATM and UID applications.

2. Technology Absorption, Adaptation and Innovation

i. Efforts in brief made towards technology absorption, adaptation and innovation

Technology demonstrations in the following areas were made towards absorption, adoption and innovation.

- Ethernet, GSM/GPRS Communication for remote management of printers.
- Thermal Printer technology absorption for retail applications.
- Retail Product Solutions for F&B, Wholesale, Pharmacy and Diary Societies
- Embedded system optimization for easy configurability and usability of retail products.
- Adoption of variability and tolerance analysis for high precision parts design.

ii. Benefit derived as a result of above efforts

Inspired by trends and the consumers' latent desires, we are proactively re-fashioning our R & D outlook to deliver consumer sensitivity in our product design and development. We have a dedicated Research & development team focusing on Retail product solutions and Application Specific Printers. Due to this our R & D team is developing customer centric technical solutions to deliver our customer promise of "TECH FANTASY".

iii. In case of imported technology (imported during the last five years reckoned from the beginning of the financial year) following information be furnished: NA

C. Foreign Exchange Earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflow:

(₹ in '000)

Particulars	Year ended 31 st March 2017	Year ended 31 st March 2016
Foreign Exchange Earnings	3637.89	2,262.72
Foreign Exchange Outgo	1,78,616.34	2,15,807.46



Annexure - II

Form MGT – 9

Extract of Annual Return as on the Financial Year ended on 31st March, 2017
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1	CIN	L72200KA1995PLC025617
2	Registration Date	1 st March, 1995
3	Name of the Company	WeP Solutions Limited
4	Category / Sub-Category of the Company	Category: Company Limited by Shares Sub-Category: Indian Non – Government Company.
5	Address of the Registered Office and Contact Details	Address: 40/1A, Basappa Complex, Lavelle Road, Bengaluru 560 001, Karnataka State Contact Details: a) Telephone : 080 - 66112000 b) Email : investor@wepsol.in
6	Whether Listed Company (Yes / No)	Yes, Listed on Bombay Stock Exchange (BSE)
7	Name, Address and Contact Details of Registrar and Transfer Agent, if any	Name: Cameo Corporate Services Limited Address: #1, Subramanian Building, Club House Road, Anna Salai, Chennai – 600 002. Tamil Nadu State Contact Details: a) Telephone : 044 - 28460390 b) Email : investor@cameoindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of Main Product / Services	NIC Code of the Product / Services	% to total turnover of the Company
1	Manufacturing and Distribution of Computer Peripherals	3670	48.78
2	Managed Printing and Document Services	3670	51.22

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1	Name: M/s. WeP Digital Services Limited* (Formerly known as eRM Solutions Private Limited) Address: 40/1 A, Basappa Complex, Lavelle Road, First Floor, Bengaluru 560 001	U74900KA2015PLC080570	Subsidiary	100	Section 2 (87) of the Companies Act, 2013

Note: *The name of the Subsidiary Company has been changed from M/s. eRM Solutions Private Limited to M/s. WeP Digital Services Limited with effect from 26th May, 2017 pursuant to the approval received from Registrar of Companies, Karnataka.



IV. SHAREHOLDING PATTERN:

(Equity Share Capital breakup as percentage of Total Equity)

i. Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% Change during the year	
	DEMAT	Physical	Total	% of Total Shares	DEMAT	Physical	Total	% of Total Shares		
A	Promoters									
1	Indian									
	a) Individual/HUF	36,67,149	0	36,67,149	15.94	34,67,149	0	34,67,149	13.83	-2.11
	b) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
	c) State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
	d) Bodies Corporate	61,35,861	0	61,35,861	26.67	63,35,861	0	63,35,861	25.26	-1.41
	e) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
	f) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (A) (1)	98,03,010	0	98,03,010	42.62	98,03,010	0	98,03,010	39.09	-3.52
2	Foreign									
	a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
	b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
	c) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00
	d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
	e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	98,03,010	0	98,03,010	42.62	98,03,010	0	98,03,010	39.09	-3.52
B	Public Shareholding									
1	Institutions									
	a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
	b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
	c) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
	d) State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
	e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
	f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
	g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
	h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
	i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (B) (1)	0	0	0	0.00	0	0	0	0.00	0.00



Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% Change during the year
	DEMAT	Physical	Total	% of Total Shares	DEMAT	Physical	Total	% of Total Shares	
2 Non - Institutions									
a) Bodies Corporate									
(i) Indian	25,46,780	40,000	25,86,780	11.25	27,14,776	40,000	27,54,776	10.98	-0.27
(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
(i) Individual Shareholders holding nominal share capital upto ₹ 1 Lakh	33,13,690	6,41,433	39,55,123	17.19	32,87,700	6,40,327	39,28,027	15.66	-1.53
(ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakh	54,34,067	1,42,292	55,76,359	24.24	72,21,676	1,42,292	73,63,968	29.36	5.12
c) Others (specify)									
(i) Clearing Members	14,051	0	14,051	0.06	32,920	0	32,920	0.13	0.07
(ii) Hindu Undivided Families	1,64,935	100	1,65,035	0.72	1,94,418	100	1,94,518	0.78	0.06
(iii) Non Resident Indians	7,82,931	1,20,082	9,03,013	3.93	8,82,270	1,20,082	10,02,352	4.00	0.07
(iv) Trusts	0	101	101	0.00	0	101	101	0.00	0.00
Sub-total (B) (2)	1,22,56,454	9,44,008	1,32,00,462	57.38	1,43,33,760	9,42,902	1,52,76,662	60.91	3.52
Total Public Shareholding (B)= (B)(1)+(B)(2)	1,22,56,454	9,44,008	1,32,00,462	57.38	1,43,33,760	9,42,902	1,52,76,662	60.91	3.52
C Shares held by Custodian for GDRs and ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	2,20,59,464	9,44,008	2,30,03,472	100.00	2,41,36,770	9,42,902	2,50,79,672	100.00	0.00



ii. Promoters Shareholding:

Sl. No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2016)			Shareholding at the end of the year (31.03.2017)			% Change in Shareholding during the year
		Number of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	Number of Shares	% of Total Shares of the Company*	% of Shares Pledged/ Encumbered to Total Shares	
1	RNAWEP Investments Private Limited	32,60,403	14.17	0.00	32,60,403	13.00	0.00	-1.17
2	WeP Peripherals Limited	21,24,994	9.24	0.00	20,24,994	8.07	0.00	-1.17
3	wep solutions india limited	7,50,464	3.26	0.00	10,50,464	4.19	0.00	0.93
4	Ram N Agarwal	32,05,056	13.94	0.00	30,05,056	11.98	0.00	-1.96
5	Sarita Agarwal	1,21,568	0.53	0.00	1,21,568	0.48	0.00	-0.05
6	Suman Jain	3,40,525	1.48	0.00	3,40,525	1.36	0.00	-0.12
	Total	98,03,010	42.62	0.00	98,03,010	39.09	0.00	-3.53

Note: * % of total shares of the Company under Shareholding at the end of the year is based on the Paid Up Capital as on 31st March, 2017 i.e. 2,50,79,672.

iii. Change in Promoters' Shareholding:

Sl. No.	Particulars	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year	
		Number of Shares	% of Total Shares of the Company	Number of Shares	% of Total Shares of the Company*
1	RNAWEP Investments Private Limited				
	At the beginning of the year	32,60,403	14.17	32,60,403	13.00
	At the end of the year			32,60,403	13.00
2	WeP Peripherals Limited				
	At the beginning of the year	21,24,994	9.24	21,24,994	8.47
	Sold on 17 th March, 2017	1,00,000	0.40	20,24,994	8.07
	At the end of the year			20,24,994	8.07
3	wep solutions india limited				
	At the beginning of the year	7,50,464	3.26	7,50,464	2.99
	Purchased on 16 th March, 2017	2,00,000	0.80	9,50,464	3.79
	Purchased on 17 th March, 2017	1,00,000	0.40	10,50,464	4.19
	At the end of the year			10,50,464	4.19
4	Ram N Agarwal				
	At the beginning of the year	32,05,056	13.94	32,05,056	12.78
	Sold on 16 th March, 2017	2,00,000	0.80	30,05,056	11.98
	At the end of the year			30,05,056	11.98
5	Sarita Agarwal				
	At the beginning of the year	1,21,568	0.53	1,21,568	0.48
	At the end of the year			1,21,568	0.48
6	Suman Jain				
	At the beginning of the year	3,40,525	1.48	3,40,525	1.36
	At the end of the year			3,40,525	1.36

Note: * % of total shares of the Company under Cumulative Shareholding is based on the Paid Up Capital as on 31st March, 2017 i.e. 2,50,79,672.



iv. Shareholding Pattern of top ten Shareholders:

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

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year	
		Number of Shares	% of Total Shares of the Company	Number of Shares	% of Total Shares of the Company*
1	Wipro Limited				
	At the beginning of the year	18,36,000	7.98	18,36,000	7.32
	At the end of the year			18,36,000	7.32
2	Sharad Kanayalal Shah				
	At the beginning of the year	2,56,176	1.11	2,56,176	1.02
	Purchased on 30 th June, 2016	5,000	0.02	2,61,176	1.04
	Purchased on 15 th July, 2016	10,000	0.04	2,71,176	1.08
	Purchased on 29 th July, 2016	9,477	0.04	2,80,653	1.12
	Purchased on 26 th August, 2016	10,000	0.04	2,90,653	1.16
	Purchased on 23 rd September, 2016	182	0.00	2,90,835	1.16
	Purchased on 21 st October, 2016	10,000	0.04	3,00,835	1.20
	Purchased on 4 th November, 2016	1,00,000	0.40	4,00,835	1.60
	Purchased on 11 th November, 2016	6,200	0.02	4,07,035	1.62
	Purchased on 23 rd December, 2016	5,000	0.02	4,12,035	1.64
	Allotment of Shares - Preferential Allotment on 6 th February, 2017	10,00,000	3.99	14,12,035	5.63
	At the end of the year			14,12,035	5.63
3	Dipak Kanayalal Shah				
	At the beginning of the year	1,48,000	0.64	1,48,000	0.59
	Purchased on 24 th June, 2016	2,000	0.01	1,50,000	0.60
	Purchased on 5 th August, 2016	5,186	0.02	1,55,186	0.62
	Purchased on 12 th August, 2016	5,000	0.02	1,60,186	0.64
	Purchased on 23 rd December, 2016	1,00,367	0.40	2,60,553	1.04
	Allotment of Shares - Preferential Allotment on 6 th February, 2017	10,00,000	3.99	12,60,553	5.03
	At the end of the year			12,60,553	5.03
4	Rakesh M Bohra				
	At the beginning of the year	6,12,857	2.66	6,12,857	2.44
	Sold on 3 rd February, 2017	12,250	0.05	6,00,607	2.39
	Sold on 10 th February, 2017	27,750	0.11	5,72,857	2.28
	Sold on 24 th February, 2017	1,400	0.00	5,71,457	2.28
	Sold on 31 st March, 2017	40,000	0.16	5,31,457	2.12
	At the end of the year			5,31,457	2.12
5	Deepak A Chari				
	At the beginning of the year	2,92,898	1.27	2,92,898	1.17
	At the end of the year			2,92,898	1.17
6	Sattva Developers Private Limited				
	At the beginning of the year	2,71,774	1.18	2,71,774	1.08
	At the end of the year			2,71,774	1.08



Sl. No.	Name of Shareholders	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year	
		Number of Shares	% of Total Shares of the Company	Number of Shares	% of Total Shares of the Company*
7	P K Gopalakrishnan				
	At the beginning of the year	2,40,260	1.04	2,40,260	0.96
	Sold on 16 th December, 2016	31,000	0.13	2,09,260	0.83
	Sold on 24 th March, 2017	10,000	0.04	1,99,260	0.79
	Sold on 31 st March, 2017	10,000	0.04	1,89,260	0.75
	At the end of the year			1,89,260	



v. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Director / Key Managerial Personnel (KMP)	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year	
		Number of Shares	% of Total Shares of the Company	Number of Shares	% of Total Shares of the Company*
1	Ram N Agarwal - Chairman and Managing Director				
	At the beginning of the year	32,05,056	13.94	32,05,056	12.78
	Sold on 16 th March, 2017	2,00,000	0.80	30,05,056	11.98
	At the end of the year			30,05,056	11.98
2	Shankar Jaganathan - Independent Director				
	At the beginning of the year	2,228	0.01	2,228	0.01
	At the end of the year			2,228	0.01
3	Mythily Ramesh - Independent Director				
	At the beginning of the year	14,040	0.06	14,040	0.06
	At the end of the year			14,040	0.06
4	Dr. A L Rao - Non Executive Director				
	At the beginning of the year	3,85,542	1.68	3,85,542	1.54
	At the end of the year			3,85,542	1.54
5	B R Ganesh - Small Shareholders & Independent Director				
	At the beginning of the year	1,666	0.01	1,666	0.01
	At the end of the year			1,666	0.01
6	Prashee Agarwal - Non-Executive Director				
	At the beginning of the year	5,181	0.02	5,181	0.02
	At the end of the year			5,181	0.02
7	Sandeep Goyal - Chief Financial Officer (KMP)				
	At the beginning of the year	5,028	0.02	5,028	0.02
	ESOP Allotment on 29 th July, 2016	18,000	0.07	23,028	0.09
	ESOP Allotment on 23 rd December, 2016	10,800	0.04	33,828	0.13
	At the end of the year			33,828	0.13

Note:

- *% of total shares of the Company under Cumulative Shareholding is based on the Paid Up Capital as on 31st March, 2017 i.e. 2,50,79,672.
- The following Directors / Key Managerial Personnel (KMP) did not hold any Share during the Financial Year 2016-17.
H V Gowthama - Independent Director
G H Visweswara - Independent Director
Sudhir Prakash - Independent Director
Sujata Arvind Lele - Company Secretary (KMP)



V. INDEBTNESS

(in ₹)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	12,23,34,009	NIL	NIL	12,23,34,009
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	12,23,34,009	NIL	NIL	12,23,34,009
Change in indebtedness during the Financial Year				
Addition	NIL	NIL	NIL	NIL
Reduction	8,65,28,357	NIL	NIL	8,65,28,357
Net Change	8,65,28,357	NIL	NIL	8,65,28,357
Indebtedness at the end of the Financial Year				
i) Principal Amount	3,58,05,652	NIL	NIL	3,58,05,652
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole Time Director and/or Manager

Name of Managing Director: RAM N AGARWAL

(in ₹)

Sl. No.	Particulars of Remuneration		Amount
1		Gross Salary	
	a	Salary as per provisions contained in section 17(1) of the Income - Tax Act, 1961	NIL
	b	Value of perquisites u/s 17(2) of the Income - Tax Act, 1961	NIL
	c	Profit in lieu of Salary u/s 17(3) of the Income - Tax Act, 1961	NIL
2		Stock Option	NIL
3		Sweat Equity	NIL
4		Commission	
	a	As a % of Profit	5,06,497
	b	Others, specify	NIL
5		Others, specify	NIL
		Total (A)	5,06,497

B. Remuneration to Other Directors

(in ₹)

Sl. No.	Particulars of Remuneration	H V Gowthama	Sudhir Prakash	Shankar Jaganathan	Mythily Ramesh	B R Ganesh	G H Visweswara	Total
1) Non Executive Director (Independent)								
1	Fees for attending Board / Committee Meetings	90,000	40,000	1,40,000	1,10,000	1,40,000	1,10,000	6,30,000
2	Commission	0	0	0	0	0		0
3	Others (specify)	0	0	0	0	0		0
Total (1)		90,000	40,000	1,40,000	1,10,000	1,40,000	1,10,000	6,30,000



Sl. No.	Particulars of Remuneration	Dr. A L Rao	Prashee Agarwal	Total
2) Other Non-Executive Director				
1	Fees for attending Board / Committee Meetings	80,000	0	80,000
2	Commission	0	0	0
3	Others (specify)	0	0	0
Total (2)		80,000	0	80,000
Total (B) = (1)+(2)		0	0	710,000

C. Remuneration to Key Managerial Personnel other than Managing Director / Manager / Whole Time Director

(₹5n Lakhs) Compoun

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Sandeep Goyal	Sujata Arvind Lele
		Chief Financial Officer	Company Secretary
1	Gross Salary		
	a Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	43.15	4.89
	b Value of perquisites u/s 17(2) of the Income - Tax Act, 1961	-	-
	c Profit in lieu of Salary u/s 17(3) of the Income - Tax Act, 1961	-	-
2	Stock Option (Granted during the year)	50,000	5,000
3	Sweat Equity	-	-
4	Commission		
	a As a % of Profit	-	-
	b Others, specify	-	-
5	Others, specify	-	-

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



Annexure - III

FORM AOC – 1

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

Statement containing salient features of the Financial Statement of Subsidiaries / Associate Companies / Joint Ventures

Part "A": Subsidiaries

1	Name of the Subsidiary	WeP Digital Services Limited* (Formerly known as eRM Solutions Private Limited)
2	Reporting period for the Subsidiary concerned, if different from the Holding Company's reporting period	1 st April to 31 st March
3	Reporting Currency and Exchange rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries	INR
4	Share Capital	81,00,000
5	Reserves & Surplus	(1,24,89,855)
6	Total Assets	74,53,932
7	Total Liabilities	74,53,932
8	Investments	NIL
9	Turnover	56,24,496
10	Profit / Loss before Taxation	(79,08,386)
11	Provision for Taxation	14,15,674
12	Profit / Loss after Taxation	(93,24,060)
13	Proposed Dividend	NIL
14	% of Shareholding	100%

Note: *The name of the Subsidiary Company has been changed from M/s. eRM Solutions Private Limited to M/s. WeP Digital Services Limited with effect from 26th May, 2017 pursuant to the approval received from Registrar of Companies, Karnataka.

Part "B": Associates and Joint Ventures

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

1	Name of Associates / Joint Ventures	Not Applicable
2	Latest Audited Balance Sheet Date	Not Applicable
3	Shares of Associate / Joint Ventures held by the company on the year end	Not Applicable
	Number of Shares	Not Applicable
	Amount of Investment in Associates / Joint Venture	Not Applicable
	Extend of Holding %	Not Applicable
4	Description of how there is significant influence	Not Applicable
5	Reason why the associate / joint venture is not consolidated	Not Applicable
6	Networth Attributable to Shareholding as per latest Audited Balance Sheet	Not Applicable
7	Profit / Loss for the year	Not Applicable
	i. Considered in Consolidation	Not Applicable
	ii. Not Considered in Consolidation	Not Applicable

For and on behalf of the Board of Directors

H V Gowthama
DirectorRam N Agarwal
Chairman and Managing DirectorPlace: Bengaluru
Date: 30th June, 2017Sandeep Goyal
Chief Financial OfficerSujata Lele
Company Secretary



Annexure - IV

Secretarial Audit Report

Form No. MR-3

For the Financial Year ended 31st March, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014]

To,

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

I have conducted the Secretarial Audit of the compliance of applicable Statutory Provisions and adherence to good corporate practices by WeP Solutions Limited (herein after referred to as "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the Financial Year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2017 according to the provisions of:

1. The Companies Act, 2013, (the Act) and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) as amended up to the date of audit;
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2009;
 - d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
6. Employees Provident Fund and Miscellaneous Provisions Act, 1952;
7. Employees State Insurance Act, 1948;
8. Environment Protection Act, 1986 and other applicable environmental laws;
9. Indian Contract Act, 1872;
10. Income Tax Act, 1961 and other related laws;
11. Indian Stamp Act, 1999;
12. Payment of Bonus Act, 1965;
13. Payment of Gratuity Act, 1972 and such other applicable labour laws;
14. The Information Technology Act, 2000.

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

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

During the period under the review the Company has largely complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.



I further report that:

- i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- ii) Adequate notice is given to all Directors to schedule the Board and other Committee meetings. Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- iii) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- iv) There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- v) During the audit period the company has no major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013, having major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.
- vi) During the audit period, the Company has issued 20,00,000 Equity Shares on Preferential Basis in terms of Chapter VII of SEBI (ICDR) Regulations, 2009 to identified investors.
- (vii) During the period under review, except what is stated in (vi) above, there were no instances of:
 - a) Public/Rights/Debentures/Sweat equity.
 - b) Redemption Buy Back of Securities
 - c) Merger/Amalgamation/Reconstruction etc.,
 - d) Foreign Technical Collaborations.

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

For S. Kannan And Associates

S Kannan
Proprietor
FCS No. 6261 / C P No.: 13016
Firm No. S2017KR473100

Place: Bengaluru
Date: 26th June, 2017

Annexure - A

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

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

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

For S. Kannan And Associates

S Kannan
Proprietor
FCS No. 6261 / C P No.: 13016
Firm No. S2017KR473100

Place: Bengaluru
Date: 26th June, 2017



Annexure - V

FORM AOC – 2

(Pursuant to clause (h) of Section 134(3) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

This Form pertains to the disclosure of particulars of contract/arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of contracts and arrangements or transactions not at arm's length basis:

1	Name(s) of the related party	NIL
2	Nature of Relationship	NIL
3	Nature of contract / arrangements / transactions	NIL
4	Duration of the contracts / arrangements / transactions	NIL
5	Salient terms of the contracts / arrangement / transactions including the value, if any	NIL
6	Justification for entering into such contracts or arrangements or transactions	NIL
7	Date of approval by the Board, if any	NIL
8	Amount paid as advances, if any	NIL
9	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	NIL

2. Details of material contracts or arrangement or transaction at arm's length basis:

1	Name(s) of the related party	WeP Peripherals Limited	WeP Digital Services Limited* (Formerly known as eRM Solutions Private Limited)
2	Nature of Relationship	Promoter Company	Subsidiary Company
3	Nature of contract / arrangements / transactions	Purchase of Goods and Services.	Purchase of Goods and Services, Loan and Interest received on Loan.
4	Duration of the contracts / arrangements / transactions	3 years	1 year
5	Salient terms of the contracts / arrangement / transactions including the value, if any	Purchase of Goods and Services ₹ 81,19,404/-	Purchase of Goods and Services ₹ 1,69,211/- Interest received on Loan (Gross of TDS) ₹ 7,89,142/- Loan (inclusive of interest) ₹ 1,00,00,000/-
6	Justification for entering into such contracts or arrangements or transactions	Purchase of Goods and Services.	Purchase of Goods and Services and Loan to meet the working capital requirements.
7	Date of approval by the Board, if any	28 th May, 2016	27 th July, 2016
8	Amount paid as advances, if any	NIL	NIL

Note:

- *The name of the subsidiary company has been changed from M/s. eRM Solutions Private Limited to M/s. WeP Digital Services Limited with effect from 26th May, 2017 pursuant to the approval received from Registrar of Companies, Karnataka.
- Appropriate approvals have been taken from Audit Committee for related party transactions.

For and on behalf of the Board of Directors

Place: Bengaluru
Date: 30th June, 2017

Ram N Agarwal
Chairman and Managing Director



Annexure - VI

**Details Pertaining to Remuneration as Required under Section 197(12)
of The Companies Act, 2013 Read with Rule 5(1) of The Companies (Appointment
and Remuneration of Managerial Personnel) Rules, 2014**

The information required under Section 197 of the Companies Act, 2013 and the Rules made there-under, in respect of the employees of the company are as mentioned below:

- a) The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the Financial Year 2016-17:

Name of Director	Title	Ratio of Median Remuneration
Ram N Agarwal	Chairman and Managing Director	1.30
H V Gowthama	Independent Director	0.23
Sudhir Prakash	Independent Director	0.10
Shankar Jaganathan	Independent Director	0.36
Mythily Ramesh	Independent Director	0.28
G H Visweswara	Independent Director	0.28
B R Ganesh	Small Shareholders and Independent Director	0.36
Dr. A L Rao	Non – Executive Director	0.20
Prashee Agarwal	Non – Executive Director	NIL

- b) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any in the Financial Year 2016-17:

Name of Director / Key Managerial Personnel	Title	Percentage Increase in Remuneration
Ram N Agarwal	Chairman and Managing Director	Not Applicable
H V Gowthama	Independent Director	Not Applicable
Sudhir Prakash	Independent Director	Not Applicable
Shankar Jaganathan	Independent Director	Not Applicable
Mythily Ramesh	Independent Director	Not Applicable
G H Visweswara	Independent Director	Not Applicable
B R Ganesh	Small Shareholders and Independent Director	Not Applicable
Dr. A L Rao	Non – Executive Director	Not Applicable
Prashee Agarwal	Non – Executive Director	Not Applicable
Sandeep Goyal	Chief Financial Officer	4.80%
Sujata Arvind Lele	Company Secretary	18.00%

- c) The percentage increase in the median remuneration of employees in the Financial Year 2016-17: 15%
- d) The number of permanent employees on the rolls of company in the Financial Year 2016-17: 154
- e) The explanation on the relationship between average increase in remuneration and company performance:

On an average, employees received an increase of 15%. The increase in remuneration is in line with the market trends. In order to



f) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

(₹ in Lakhs)

Remuneration of Key Managerial Personnel (KMP) during the Financial Year 2016-17 (aggregated)	60.20
Revenue from Operations	7856.39
Remuneration (as % of Revenue)	0.77%
Profit Before Tax (PBT)	96.23
Remuneration (as % of PBT)	62.56%

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

Particulars	Unit	As on 31 st March 2017	As on 31 st March 2016	Variation
Closing rate of Shares at Bombay Stock Exchange (BSE)	₹	53.10	22.05	140.82%
EPS (Consolidated)	₹	0.12	0.32	-62.50%
Market Capitalization	₹	13,317.31 Lakhs	5,072.27 Lakhs	162.55%
Price Earning Ratio	Ratio	442.50	68.90	542.24%

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

The average increase in Salaries of employees other than Managerial Personnel in 2016-17 was 15%. There was no increase in the Managerial Remuneration during the year.

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

(₹ in Lakhs)

Particulars	Managing Director	Chief Financial Officer	Company Secretary
Remuneration	5.06	43.15	4.89
Revenue	7856.39	7856.39	7856.39
Remuneration (as % of revenue)	0.06%	0.55%	0.06%
Profit Before Tax (PBT)	96.23	96.23	96.23
Remuneration (as % of PBT)	5.26%	44.84%	5.08%

j) The key parameters for any variable component of remuneration availed by the Director:

The remuneration payable to the Chairman and Managing Director is based on a percentage share of profit made by the Company.

k) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: NA

l) Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms remuneration is as per the remuneration policy of the Company.



Management Discussion and Analysis

Investors are cautioned that this discussion contains statements that involve risks and uncertainties. Statements in this report on Management discussion and analysis relating to the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based upon certain assumptions and expectations of future events. Actual results could however differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand supply conditions, selling prices, raw material costs and availability, changes in government regulations and tax structure, general economic developments in India and abroad, factors such as litigation, industrial relations and other unforeseen events. The Company assumes no responsibility in respect of forward looking statements made herein which may undergo changes in future on the basis of subsequent developments, information or events.

1. Overview

The year 2016-17 will be remembered as a year of Demonetization & Digitization. November 8, 2016 changed the perception of every Indian towards cash transactions and the importance of moving towards Digital Economy. The Digital push by the Government of India is a transformational move which could empower every segment of the economy particularly in the rural areas. Several initiatives are being undertaken by the Government to make all parts of India connected with better infrastructure to bolster the vision of Digital India. E-commerce and Digital Economy are redefining the way business is being done in India. Retail businesses are swiftly adapting to counter the onslaught of the new age E-commerce companies. This is forcing every segment of Retail business right from the bottom i.e. Kirana Stores / General Stores to Super Markets to adopt technology to remain relevant in the value chain.

Your company believes that the success of the Digital India initiative depends on how well and how quickly the lowest end of the retail chain adopts technology and hence is focused on automating this segment through its range of Retail Billing Printers. It has developed and designed customized applications for meeting the needs of variety of retail segments like Foods & Beverage, General stores etc.

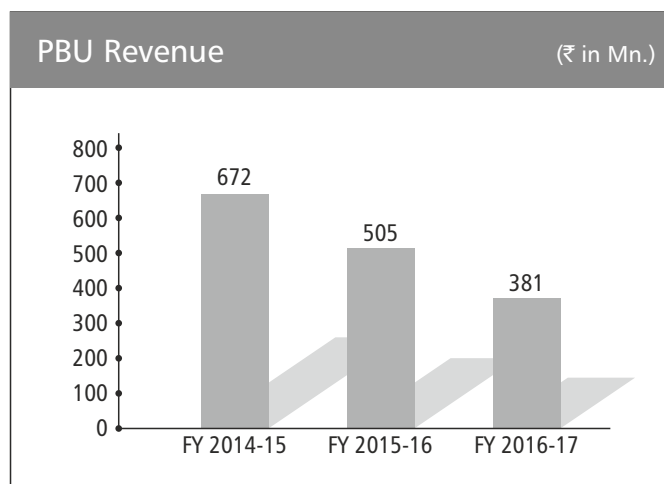
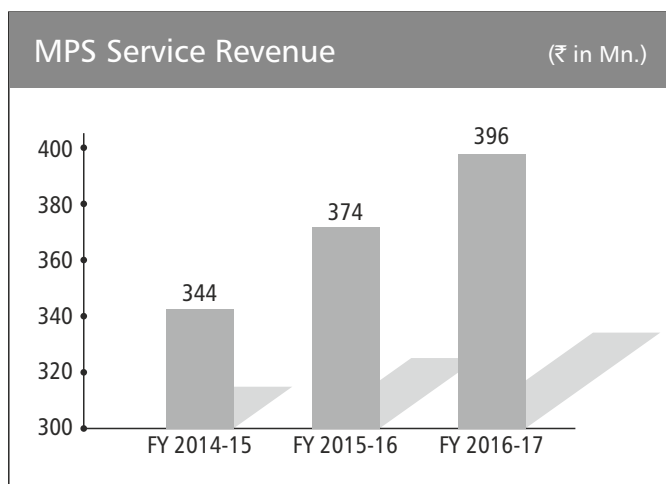
Another significant reform measure is the introduction of Goods and Services Tax (GST) regime in India. GST is expected to unify the entire Indian market as one and remove cascading effect of taxes and complexity of operating businesses in India significantly. It is expected to benefit all class of consumers and can boost the GDP in the coming years. WeP has identified this opportunity last year and developed device based and non-device based solutions for enabling all types of customers right from "Mom & Pop stores" to Large enterprises, comply with the GST regime. Your company has been appointed as a GST Suvidha Provider (GSP) and is part of the only 34 companies across India appointed as GSPs.

2. Financial Performance

Your company's revenues come from two major lines of business; Managed Printing Solutions (MPS) Service business and the Manufacturing, Design and Distribution of Computer Peripherals business (Printers business). The Printers business has the Retail Billing Printers and the traditional Dot Matrix printer business. As discussed in our previous annual reports, the Dot matrix printer business industry is declining swiftly and the same trend continued in 2016-17. The Retail Printers business is growing significantly and is expected to do so in coming periods. The MPS business continued its positive-growth trend again in this year.

Revenue

In continuation to a good performance in the previous year, the MPS business logged a growth of 6% again in its services revenue. The revenues grew from ₹ 374 Mn. in FY 2016 to ₹ 396 Mn. in FY 2017. MPS business is swiftly upgrading into a Technical solution as





against a standard Printing solution approach earlier. Customers have upgraded their needs and are looking for value adding and technology driven solutions which will enable them to improve their productivity and costs. WeP is well positioned to offer these technological solutions to its customers.

Revenue in the Printer business declined significantly during this year due to drop in the Dot Matrix Printer revenue. The revenues dipped to ₹ 381Mn. in FY 2017 from ₹ 505 Mn. in FY 2016. However, the Retail Printers registered a growth of 20% over the previous year. The company continued to focus on developing Application Specific Printing Solutions and the growth in retail printer business is a result of that focus.

Operating Profit

During the year the Consolidated Earnings before Interest, Depreciation and Tax (EBITDA) of the company improved from ₹ 92.4 Mn. in FY 2016 to ₹ 101.4 Mn. However, the EBIT declined from ₹ 28.5 Mn. in FY 2016 to ₹ 21.6 Mn. in FY 2017. During the year, the company has invested ₹ 139 Mn. in asset deployment for MPS business which has resulted in an increase in Depreciation of ₹ 16 Mn. alone. Further, the company invested in expansion of its Digital Services offerings to foray into GST services and Aadhaar authentication services in addition to its existing Document Management Solutions Business. These investments impacted the EBIT of the company. The company is confident that the investments made will result in much improved performance in the coming years.

The Printers business operating loss increased marginally from ₹ 27.52 Mn. to ₹ 31.3 Mn. However, the cost control initiatives in this business started yielding positive results and is visible from the fact that the operating loss in H2 of FY 2017 was only ₹ 1.9 Mn. as against an operating loss of ₹ 29.5 Mn. in H1 of FY 2017. MPS business continued to do well on profitability due to growth as well as continued focus on operational efficiency.

Net Working Capital

The MPS operations are working capital intensive as it has to maintain supplies of spare parts and consumables across India for meeting customer service commitments. Further, since the customers are usually large corporates, public sector banks etc, there are receivables for the products supplied and services rendered. The company has made conscious efforts to reduce the capital deployment in the printers' business. These efforts helped the company to reduce its overall working capital cycle from 100 days in FY 2016 to 68 days in FY 2017. There was an improvement in the Inventory holding period as well as receivables outstanding period.

The company improved its Net Operating Cash flows of ₹ 144.86 Mn. as against ₹ 103.36 Mn. in FY 2016. These cash flows were used to invest in the capex required for MPS business and also for expanding its foray into Digital services initiative.

3. Internal Control Systems and their adequacy

The Company has in place adequate internal control systems commensurate with its size and nature of its operations. The Internal Financial Control (IFC) framework devised by the company have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, safeguarding Company's assets, promoting operational efficiencies and ensuring compliance with various statutory provisions.

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

4. Human Resource Development/ Industrial relations

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

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

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



SWOT Analysis

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

Strengths:

1. Ability to develop customized printing and billing solutions for various applications both on device and non-device based platforms.
2. Scalable infrastructure with PAN India presence, wide geographical reach and strong operational expertise.
3. Long standing relationships with Customers and Technology partners.
4. Comprehensive Digital Services Provider with variety of Digital Solutions like Aadhaar Authentication, GST Services, Document Management Solutions, E-Sign Services etc.

Weaknesses:

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

Opportunities

1. Early move in GST services by way of a comprehensive GSP and ASP solution.
2. Uniquely positioned to provide one stop source of Digital Services.
3. Demand moving up in application specific printing solutions both in Impact and Non-Impact printing area.
4. Changes in regulatory and economic environment fuelling the need for printing and document management solutions.
5. Increasing number of customers looking for expert partners to manage their non-core needs vis a vis their core business.

Threats

1. Demand reduction for Impact printers across industry verticals.
2. Customer concentration in MPS business. Any impact due to these customers can adversely impact the company.
3. Assets under deployment in MPS business are reaching their cycle of replacement, thereby creating a pressure on the Investment plans of the company.
4. Significant revenues of the company are from the Banking, Financial Service and Insurance(BFSI) Segments. Any direct or indirect impact on the BFSI industry can impact the revenues of the company.
5. As the company is largely dependent on imports for its supply of printers, consumables and spares, rupee depreciation impacts the margin of the company significantly.

Risk Management Process

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

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

Revenue Concentration

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

Mitigants

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

Directors' Report





Report on Corporate Governance

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

Company's Philosophy on Corporate Governance

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

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

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

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

Board of Directors

Over a period of time, the Board has fostered a culture of leadership to sustain your Company's growth with a long term vision and ingenious policy to improve the degree of Corporate Governance. A strong Corporate Governance is the key to business sustainability. This is overseen by the Board of Directors in respect of strategies, fairness to stakeholders, strong accounting principles and ethical corporate practices.

Composition of the Board as on 31st March, 2017

As on 31st March, 2017 the Board consists of Nine Directors. Besides the Chairman and Managing Director, the Board comprises of five Independent Directors, two Non – Executive Directors and one Small Shareholders and Independent Director. The composition of the Board as on 31st March, 2017 is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and exceeds the percentage stipulated therein. This appropriate composition of the Board of Directors enables in maintaining the Independence of the Board and separates its functions of governance and management. Detailed profile of each Director is available on the website of the Company at www.wepsolutions.co.in in the 'Investor Corner' section.

Composition of the Committees as on 31st March, 2017

The Board has constituted various committees with an optimum representation of its members and has assigned them specific terms of reference in accordance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These committees hold meetings at such frequency as is deemed necessary by them to effectively undertake and deliver upon the responsibilities and tasks assigned to them. As on 31st March, 2017, the Company has four Board Level Committees viz., Audit Committee, Nomination and Compensation Committee, Risk Management Committee, and Shareholders / Investors' Grievance cum Share Transfer Committee.

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

Number of Meetings

- **Board Meeting:**

The Board meets at least once in a quarter to review the quarterly financial results and other items on the Agenda. Additional meetings are held to address specific needs of the Company. In case of any exigency/emergency, resolutions are passed by circulation. During the Financial Year 2016-17, Five Meetings of the Board of Directors were held on 28th May 2016, 11th August 2016, 4th November 2016, 23rd December 2016 and 6th February 2017 and the maximum gap between two meetings did not exceed four months as stipulated in Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- **Annual General Meeting:**

The last Annual General Meeting (AGM) of the Company was held on Thursday, 22nd September, 2016, Eight Directors including the Chairman of the Audit Committee and Statutory Auditor - Vinay D Balse attended the 21st Annual General Meeting held on Thursday, 22nd September, 2016.



Directors' Attendance Record and their Other Directorships / Committee Memberships

As mandated by Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the Directors is a member of more than ten Board level committees or Chairman of more than five committees across all companies in which he is a Director. Composition of the Board of Directors of the Company and other Directorship(s) / Committee Membership(s) / Chairmanship(s) as on 31st March, 2017 and number of meetings held during their tenure and attended by them is as mentioned below:

The details of Composition, Directors' Attendance and other particulars are as under:

Name of the Director	Category	No of Board Meetings during the year 2016-17		Whether attend the last AGM	Number of other Directorship and Committee Membership / Chairmanship		
		Held	Attended		Committee Membership	Committee Chairmanship	Other Directorships
Ram N Agarwal	Chairman and Managing Director	5	5	Yes	1	-	4
H V Gowthama	Independent Director	5	3	Yes	-	3	-
Sudhir Prakash	Independent Director	5	2	Yes	1	-	8
G H Visweswara*	Independent Director	5	5	Yes	2	-	1
Shankar Jaganathan	Independent Director	5	5	Yes	1	1	2
Mythily Ramesh	Independent Director	5	4	Yes	2	-	-
B R Ganesh	Small Shareholder and Independent Director	5	5	Yes	3	-	2
Dr. A L Rao	Non-executive Director	5	4	Yes	-	-	5
Prashee Agarwal	Non-executive Director	5	4	No	-	-	1

Note:

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

2. *G H Visweswara was appointed as Independent Director in the 21st Annual General Meeting held on Thursday, 22nd September, 2016.

Board Procedures

The dates for meetings of the Board of Directors and its Committees are scheduled in advance. Board Members are given agenda papers along with necessary documents and information in advance of each meeting of the Board and Committee(s). However in exigencies or urgencies, few resolutions are passed by way of circulation. The Board periodically reviews the compliance report with respect to laws and regulations applicable to the Company. The recommendations of the Committees are placed before the Board for necessary approvals. The information as enumerated in Regulation 17 and Part A of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is made available to the Board of Directors for discussion and consideration.

Evaluation of the Board Effectiveness

In terms of applicable provisions of the Companies Act, 2013 read with rules framed thereunder and Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on the recommendations of the Nomination and Compensation Committee, the Board of Directors have put in place a process to formally evaluate the effectiveness of the Board, its Committees along with the performance evaluation of each Director to be carried out on an annual basis. Accordingly, the Annual Performance Evaluation of the Board, its Committee and each Director was carried out for the Financial Year 2016-17.

Selection / Appointment of Directors

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

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



Independent Directors

Every Independent Director, at the first meeting of the Board in which he/she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he/she meets the criteria of independence as provided in Companies Act 2013, Schedule V and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Tenure of Independent Director

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

Formal Letter of appointment to Independent Directors

In line with requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company has issued formal letters of appointment to all the Independent Directors. A sample letter of appointment is available on the website www.wepsolutions.co.in.

Performance Evaluation of Independent Directors

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, performance evaluation has been done of the Board, its Committees and individual Board members, including Independent Directors excluding the Director being evaluated. On the basis of the performance evaluation done by the Board, it shall be determined whether to extend or continue their term of appointment, whenever their respective term expires.

Separate Meeting of the Independent Directors

The Independent Directors of the Company met separately without the presence of Non-Independent Directors and the members of Management. The meeting was conducted to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company. In accordance with Regulation 25(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, following matters were, inter-alia, discussed in the meeting:

- Performance Evaluation of Non-Independent Directors and Board as a whole against a set of pre-defined norms.
- Performance Evaluation of the Chairperson of the Company against the objectives set at the beginning of the year.
- Assessment of the quality, quantity and timeliness of flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Familiarization Programme for the Independent Directors

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

The Company conducts 'Familiarization Programme' for the Independent Directors to provide them an opportunity to familiarize with the Company, its management and its operations so as to gain a clear understanding of their roles and responsibilities and contribute significantly towards the growth of the Company. They have full opportunity to interact with Senior Management Personnel and are provided all the documents required and sought by them for enabling them to have a good understanding of the Company, its various operations and the industry of which it is a part. The details of the 'Familiarization Program' have also been uploaded on the website of the Company at www.wepsolutions.co.in.

Code of Conduct

The Company has adopted a Code of Business Conduct and Ethics for Board of Directors viz., all members of management one level below Directors, including all functional heads. The Code has been communicated to all the Directors and Members of Senior Management. The code has been circulated to the Directors and Management Personnel, and its compliance is affirmed by them annually. The Annual Report contains a declaration to this effect signed by the Managing Director.

The Company's Code of Business Conduct and Ethics has been suitably modified to include requirements laid down in Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Code is also available on the Company's website www.wepsolutions.co.in.

Report on Corporate Governance

Materially Significant Related Party Transactions

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

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

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

Committees of the Board

As on 31st March 2017, the Company has four Board Level Committees:

- A. Audit Committee
- B. Nomination and Compensation Committee
- C. Risk Management Committee
- D. Shareholders/ Investors' Grievance cum Share Transfer Committee

The Board is responsible for constituting, assigning, co-opting and fixing the terms of reference for members of various committees. To align with the requirements prescribed for such Board Committees under the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors amended the terms of references, wherever required of the Audit Committee, Nomination and Compensation Committee, Risk Management Committee and Shareholders / Investors' Grievance cum Share Transfer Committee.

Details on the roles and composition of these committees, including the number of meetings held during the financial year and the related attendance are mentioned below:

Audit Committee

The role of the Audit Committee is governed by its Charter and its composition is in Compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Composition of the Committee

As on 31st March 2017, the Audit Committee comprises of Four Directors. Chairman of the Audit Committee is an Independent Director. During the Financial Year 2016-17, the Audit Committee meetings were held on 28th May 2016, 11th August 2016, 4th November 2016 and 6th February 2017. The gap between any two meetings did not exceed four months. The Composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2016-17 is as mentioned below:

Name of the Member	Category	Status	No. of Meeting	
			Held	Attended
H V Gowthama	Independent Director	Chairman	4	3
B R Ganesh	Small Shareholders and Independent Director	Member	4	4
Sudhir Prakash	Independent Director	Member	4	1
Shankar Jaganathan	Independent Director	Member	4	4



4. To secure attendance of outsiders with relevant expertise, if it considers necessary;
5. The Audit Committee is empowered, pursuant to its terms of reference and its role, inter-alia includes the following:
 - i). Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
 - ii). Recommending to the Board, the appointment, re-appointment and if required the replacement or removal of the Statutory Auditor and the fixation of Audit Fees.
 - iii). Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
 - iv). Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
6. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
7. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
8. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
9. Approval or any subsequent modification of transactions of the company with related parties;
10. Scrutiny of inter-corporate loans and investments, if any;
11. Valuation of undertakings or assets of the company, wherever it is necessary;
12. Evaluation of internal financial controls and risk management systems;
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussion with internal auditors of any significant findings and follow up there on;
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. To review the functioning of the Whistle Blower mechanism;
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;



Compensation Policy

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

- **Non Executive Directors (including Independent Directors)**

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

- **Executive Director**

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

Compensation paid to Directors

During the Financial Year 2016-17 your Company has paid ₹ 7,10,000 as Sitting Fees for attending the Board and Committee Meetings to the Non-Executive Directors of your Company.

Details of Compensation paid to Directors for the Financial Year 2016-17 are as under:

(in ₹)000000

Name of the Director	Sitting Fees	Salary and Perquisites	Commission	Total	No of Equity Shares held as on 31.3.2017
Chairman and Managing Director					
Ram N Agarwal	0	0	5,06.497	0	30,05,056
Independent Directors					
H V Gowthama	90,000	0	0	90,000	-
Sudhir Prakash	40,000	0	0	40,000	-
Shankar Jaganathan	1,40,000	0	0	1,40,000	2,228
Mythily Ramesh	1,10,000	0	0	1,10,000	14,040
G H Visweswara*	1,10,000	0	0	1,10,000	-
Non – Executive Directors					
Dr. A L Rao	80,000	0	0	80,000	3,85,542
Prashee Agarwal	0	0	0	0	5,181
Small Shareholders and Independent Director					
B R Ganesh	1,40,000	0			

Report on Corporate Governance

Composition of the Committee

The Risk Management Committee has been constituted by the Board of Directors on 25th July 2015. As on 31st March 2017, Risk Management Committee comprises of three Directors. During the Financial Year 2016-17, the Risk Management Committee meetings were held on 28th May 2016, 11th August 2016, 4th October 2016, 4th November 2016 and 6th February 2017. The composition of the Risk Management Committee of the Board of Directors of your Company is as mentioned below:

Name of the Member	Category	Status	No. of Meetings	
			Held	Attended
Shankar Jaganathan	Chairman	Independent Director	5	5
Mythily Ramesh	Member	Independent Director	5	4
B R Ganesh	Member	Small Shareholders and Independent Director	5	5

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

Shareholders/ Investors' Grievance cum Share Transfer Committee

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

Composition of the Committee

As on 31st March, 2017, the Shareholders / Investors' Grievance cum Share Transfer Committee comprises of three Director. The composition of the Shareholders / Investors' Grievance cum Share Transfer Committee of the Board of Directors of your Company is as mentioned below:

Name of the Member	Category	Status
H V Gowthama	Chairman	Independent Director
G H Visweswara	Member	Independent Director
B R Ganesh	Member	Small Shareholders and Independent Director

The Committee has the mandate to review and redress Shareholder Grievances. The Committee ensures cordial investor relations with proper mechanism for redressal of investors' grievances. The committee specifically looks into redressing shareholders' / investors' complaints / grievances pertaining to share transfer, non- receipt of annual reports, non receipt of dividend and other allied complaints.

- a. Details pertaining to the number of Complaints received and responded and the status thereof during the Financial Year 2016-17 are given below:

Number of Investors Complaints pending at the beginning of the Financial Year i.e. 1 st April 2016	Number of Investors Complaint received during the year	Number of Complaints disposed off during the year	Number of Investors Complaints remaining unresolved at the end of the Financial Year i.e. 31 st March, 2017
NIL	1	1	NIL



b. Details of the queries received and resolved to the satisfaction of investors during the year under review and their break up are as under:

Nature of Query	Received during the Financial Year 2016-17	Disposed off during the Financial Year 2016-17	Pending as on 31 st March 2017
Non-Receipt of Annual Reports	5	5	0
Non-Receipt of Dividend Warrant / Revalidation of previous years Dividend Warrants	18	18	0
Dematerialization / Rematerialization of Shares	0	0	0
Others (Change in correspondence address, mailing id, contact details etc)	10	10	0

The Committee meets as and when required. The Company obtains Certificate from Share Transfer Agent on quarterly basis about the pending complaints against the company. As on 31st March, 2017 there were no complaints pending against the company.

Subsidiary Company – Monitoring Framework

As per Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ‘Material Subsidiary’ shall mean a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

As on 31st March, 2017 there is no material unlisted subsidiary of the Company. M/s. WeP Digital Services Limited* (Formerly known as M/s. eRM Solutions Private Limited) is managed by its separate Board of Directors, who are empowered to exercise all the duties and rights for efficient monitoring and management of the Company. The Company monitors performance of its subsidiary company, inter-alia, by the following means:

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

The Company has formulated a policy for determining its ‘Material’ Subsidiaries and the same is available on the website of the Company www.wepsolutions.co.in.

*Note: *The name of the subsidiary company has been changed from M/s. eRM Solutions Private Limited to M/s. WeP Digital Services Limited with effect from 26th May, 2017 pursuant to the approval received from Registrar of Companies, Karnataka.*

Related Party Transactions

All transaction entered into by your Company with related parties during the Financial Year 2016-17, were in ordinary course of business and on arm’s length basis. The details of the related party transactions are set out in the Notes to Financial Statements forming part of this Annual Report. The Related Party Transactions undertaken by your Company were in compliance with the provisions set out in the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All Related Party Transactions are approved by the Audit Committee prior to the transaction. The Board of Directors of the Company has on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its related parties in compliance with applicable provisions of the Companies Act, 2013, rules thereunder and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy on Related Party Transactions has been placed on the website of the Company at www.wepsolutions.co.in.

CFO Certification

In compliance with the Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CFO Certification for the Financial Year 2016-17 was placed before the Board of Directors at their meeting held on 27th May, 2017. The CFO Certification on the financial statements and the cash flow statement for the year is placed at the end of Corporate Governance Report.



General Body Meeting

The location, date and time of the Annual General Meeting held during the last three years and special resolutions passed therein are as mentioned below:

Financial Year	Category	Location of the meeting	Date	Time	Special Resolution
2015-16	Annual General Meeting	Rotary Club, Lavelle Road, Bengaluru 560001	22 nd September 2016	3.00 PM	Approval of Employees Stock Option Plan (ESOP) -2016
2014-15	Annual General Meeting	Rotary Club, Lavelle Road, Bengaluru 560001	27 th August 2015	4.00 PM	Appointment of Ram N Agarwal as Managing Director for a period of three years w.e.f 16 th February 2015.
2013-14	Annual General Meeting	Rotary Club, Lavelle Road, Bengaluru 560001	23 rd September 2014	4.00 PM	No Special Resolution Passed

All the Special Resolution set out in the notice of the Annual General Meeting were passed by the Shareholders at the respective meetings with requisite majority.

Extra Ordinary General Meeting

No Extraordinary General Meeting of Members was held during the year.

Postal Ballot

During the year under review, in pursuance of Section 110 of Companies Act 2013 read with Rule 22 of Companies (Management and Administration) Rules, 2014, Postal Ballot was conducted (including e-voting) seeking approval of shareholders by the way of special resolution for Issue of 20,00,000 Equity Shares of ₹ 10/- each issued at a premium of ₹ 40/- per share to Non-Promoters on a preferential basis.

Vinay B L, Practicing Company Secretary, Bengaluru was appointed as the Scrutinizer for conducting the Postal Ballot process. The result of the Postal Ballot was announced on 24th January, 2017. The result of Postal Ballot was published in Business Standard and Hosa Diganta on 26th January, 2017. The result of Postal Ballot was submitted to Bombay Stock Exchange (BSE) as per the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Particulars	No. of Postal / e-voting Ballots	No. of Votes
A. Postal Ballot Forms received from the Shareholders of the Company in Physical Mode	11	38,430
B. Postal Ballot Forms received from the Shareholders of the Company in Electronic Mode	64	1,42,69,755
C. Total Postal Ballot Forms received (A+B)	75	1,43,08,185
D. Total Postal Ballot Forms found invalid/abstained	0	0
E. Net Valid Postal Ballot Forms (C-D)	75	1,43,08,185

Subject Matter	For			Against			Invalid		
	No. of Members	No. of Votes	%	No. of Members	No. of Votes	%	No. of Members	No. of Votes	%
Issue of Shares on Preferential Basis	75	1,43,08,185	100.00	0	0	0	0	0	0

The Chairman, after receiving the Scrutinizer's report announced that the special resolution as proposed in the Postal Ballot notice was duly passed with requisite majority.



Disclosures:

Disclosure of Accounting Treatment

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

Whistle Blower Policy

The Company has established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of our Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism, and allows direct access to the Chairperson of the audit committee in exceptional cases. We further affirm that no employee has been denied access to the audit committee during Financial Year 2016-17. The policy has been disclosed on the website of the Company at www.wepsolutions.co.in.

Prevention of Sexual Harassment Policy

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

Code of Prevention of Insider Trading Practices

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 and Companies Act, 2013, the Company has in place a comprehensive 'Internal Code for Prevention of Insider Trading' for the Company's Directors and specified executives. The Code lays down guidelines advising them on procedures to be followed and disclosures to be made while dealing / transacting in the securities of the Company.

Means of Communication with Shareholders

Financial Results

The company's quarterly and annual financial results in the proforma prescribed by the stock exchanges are approved and taken on record by the Board within the prescribed time frame and sent forthwith to Bombay Stock Exchange on which the company's shares are listed. The quarterly results of the Company are published in the newspaper immediately on the approval by the Board and also uploaded on the Company's website www.wepsolutions.co.in. The financial results are published in "Business Standard" and "Hosa Digantha" in vernacular (Kannada) newspaper. The results are not sent to the shareholders individually.

Information about the company in general, its financial results and other information including official press releases can be accessed at the company's website www.wepsolutions.co.in.

Annual Report

The Annual Report containing inter alia, Audited Annual Accounts, Directors' Report, Auditor's Report and other important information is circulated to members and others entitled thereto.

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

Members who have not yet registered their e-mail Id (including those who wish to change their already registered e-mail Id) may get the same registered / updated with the Share Transfer Agent of the Company. 22nd Annual Report for the Financial Year 2016-17 has also been uploaded on the website of the Company at www.wepsolutions.co.in.



Website

In compliance with the Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a functional website of the Company is maintained. The Company's website www.wepsolutions.co.in contains a separate section 'Investor Corner' for use of investors. The quarterly, half yearly and annual financial results, official news releases are promptly and prominently displayed on the website. Annual Reports, Quarterly Corporate Governance Report, Shareholding Pattern and other Corporate Communications made to the Stock Exchanges are also available on the website.

BSE Corporate Compliance and Listing Centre (the 'Listing Centre')

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Media releases among others are also filed electronically on the Listing Centre.

SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status. During the year under review, no complaints were registered through SCORES.

Compliance with Regulations

The Company has complied with the requirements of the regulatory authorities on Capital Markets, neither has there been any instances of non-compliance by the Company on any matters related to the Capital Markets, nor has any penalty or strictures been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter related to capital markets during last three years.

The Management Discussion and Analysis forms part of this Annual Report.

Auditor's Certificate on compliance of provisions of Corporate Governance forms part of this Annual Report.

Dividend Payment

In order to conserve the available resources for future, the Board of Directors of the Company have not recommended any Dividend for the Financial Year 2016-17.

Dates of Transfer of Unclaimed Dividend

By virtue of the provision laid down under the Companies Act, 2013, the amount of Dividend remaining unpaid / unclaimed for the period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company shall be required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. Given below is the date of declaration of Dividend and corresponding date when unpaid / unclaimed dividend are due for transfer to the IEPF.

The details of the Dividend declared and paid by the Company in past are as mentioned below:

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

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

Employees Stock Option Plan

During the Financial Year 2016-17, 2,48,000 Options were granted to eligible employees of the Company under Employees Stock Option Plan 2011. During the year 76,200 Options were exercised by the employees after vesting. Accordingly, the Company has made the allotment of 38,400 Equity Shares on 29th July 2016; 12,600 Equity Shares on 4th November 2016 and 25,200 Equity Shares on 23rd December 2016. During the Financial Year 2016-17, there has been no change in the Employees Stock Option Plan 2011 of the Company.

In the 21st Annual General Meeting held on Thursday, 22nd September 2016 the Shareholders approved WeP Solutions Limited - Employees Stock Option Plan 2016 covering grant of 6,00,000 Options.

The applicable disclosure as stipulated under Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 with regard to Employees Stock Option Plan are set out in the Directors' Report.



Listing

At present, the equity shares of the Company are listed at Bombay Stock Exchange Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. In Compliance with Regulation 14 of SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 the Annual Listing fees for the Financial Year 2017-18 has been paid to Bombay Stock Exchange Limited (BSE).

General Shareholder Information:

Annual General Meeting	Thursday, 3 rd August, 2017
Time	3.00 PM
Venue	Rotary Club, Lavelle Road, Bengaluru 560 001
Book Closure Dates	Friday, 28 th July 2017 to Thursday, 3 rd August 2017 (both dates inclusive)
Listing Details	Company's shares are listed at Bombay Stock Exchange (BSE). Scrip Code : 532373 Scrip Name: WEPSOLN ISIN Code : INE434B01029
Corporate Identity Number (CIN) of the Company	L72200KA1995PLC025617

Market Price Data

(Source: www.bseindia.com)

Month	Open	High	Low	Close	No. of Shares
April 2016	23.90	32.85	23.60	24.40	3,91,542
May 2016	25.00	27.90	22.75	23.50	93,170
June 2016	23.50	26.70	20.05	22.65	1,01,918
July 2016	23.00	25.55	20.00	21.85	1,78,414
August 2016	22.00	30.70	18.30	25.10	5,94,855
September 2016	25.90	26.00	21.50	22.45	1,47,081
October 2016	22.85	33.90	22.00	30.70	3,57,485
November 2016	30.10	31.90	21.00	28.00	2,92,929
December 2016	29.45	41.90	26.20	36.40	8,32,978
January 2017	38.20	47.80	38.20	47.80	8,14,679
February 2017	49.90	55.40	43.60	47.00	7,45,346
March 2017	46.20	54.00	42.85	53.10	7,68,484



Distribution of Shareholdings according to number of shares held as on 31st March, 2017.

Values of Shares held (₹)	No. of Shareholders	% of Shareholders	Values of Shares held	% to the total paid up capital
0 - 5000	2,371	55.92	31,53,090	1.26
5001 - 10000	372	8.77	29,95,680	1.19
10001 - 20000	616	14.53	81,49,120	3.25
20001 - 30000	317	7.48	71,94,700	2.87
30001 - 40000	95	2.24	32,89,250	1.31
40001 - 50000	80	1.89	35,39,450	1.41
50001 - 100000	207	4.88	1,47,17,880	5.87
100001 - And Above	181	4.29	20,77,57,550	82.84
TOTAL	4,239	100.00	25,07,96,720	100.00

Shareholding Pattern as on March 31, 2017

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total Shareholding as a percentage of total number of shares
A. Shareholding of Promoter and Promoter Group			
Individuals	3	34,67,149	13.83
Bodies Corporate	3	63,35,861	25.26
Total Promoters' Holding	6	98,03,010	39.09
B. Public Shareholding			
Bodies Corporate	99	27,54,776	10.98
Individuals			
I. Individuals Shareholders Holding Nominal Share Capital upto ₹ 2 lakh	3,848	49,10,352	19.58
II. Individual Shareholders Holding Nominal Share Capital in excess of ₹ 2 lakh	68	63,25,139	25.22
Clearing Members	23	32,920	0.13
Hindu Undivided Families	99	1,94,518	0.78
Employees	45	56,504	0.23
Non Residents Indians - Repat	22	7,58,169	3.02
Non Residents Indians - Non-Repatriate	27	2,44,183	0.97
Trusts	2	101	0.00
Total Public Shareholding	4,233	1,52,76,662	60.91
Total (A)+(B)	4,239	2,50,79,672	100.00

Note:

Total number of shares and percentage shareholding by Non-Resident Shareholders is 1,002,352 and 3.99% respectively. The Company has not issued any ADRs and GDRs. The foreign shareholding consists of holding by NRIs and other foreign national only.



Registrar and Transfer Agents

Securities and Exchange Board of India (SEBI), through its Circular No. D&CC/FITTC/CIR-15/2002 dated December 27, 2002, has made it mandatory for all work related to share registry, both in physical and electronic form, to be handled either wholly 'in-house' by companies or wholly by a SEBI registered external registrar and transfer agent. The Company has appointed Cameo Corporate Services Limited as its Registrar and Transfer Agent. Details of the Registrar and Transfer Agent are given below:

Cameo Corporate Services Limited,

"Subramanian Building" V Floor, No.1, Club House Road, Chennai – 600 002

Tel : +(91) (044) 28460390 Fax : +(91) (044) 28460129 E-mail: investor@cameoindia.com

Share Transfer System

All share transfer and other communication regarding share certificates, change of address, dividend etc., should be sent to our Registrar and Transfer Agent. All shares transfer is completed within statutory time limit from the date of receipt provided the documents meet the stipulated requirements of statutory provisions in all respects. The Company obtains from a Practicing Company Secretary half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and files a copy of the same with Bombay Stock Exchange (BSE).

Reconciliation of Share Capital Audit

S Kannan, Practicing Company Secretary, carries out the Reconciliation of Share Capital Audit as mandated by SEBI, and reports on reconciliation of total issued and listed capital with that of total share capital admitted / held in dematerialized form with NSDL and CDSL and those held in physical form. The Audit is carried on quarterly basis and the report thereof is submitted to the Bombay Stock Exchange (BSE), where the Company's shares are listed and is also placed before the Board.

Dematerialization of Shares and Liquidity

The Company's shares are tradable compulsorily in electronic mode. In India there are two depositories i.e. National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL). To facilitate trading in DEMAT form, Company have established connectivity with both the depositories. Shareholders can open their accounts with any of the Depository Participant registered with these depositories. The International Securities Identification Number (ISIN) allotted to our shares under the Depository System is INE434B01029.

Break up of Shares in Physical and DEMAT form as on 31st March, 2017

Category	Number of Shareholders	No. of Shares	% to total equity
DEMAT Segment			
a. NSDL	2,441	2,25,84,232	90.05
b. CDSL	1,048	15,52,538	6.19
DEMAT Segment Total (A)	3,489	2,41,36,770	96.24
Physical Segment (B)	750	9,42,902	3.76
Grand Total (A+B)	4,239	2,50,79,672	100.00

Consolidation of Folios and avoidance of multiple mailing

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

Outstanding GDRs/ADRs/Warrants/Options

The Company has no outstanding GDRs, ADRs, Warrants or Options as on 31st March, 2017.



Plant Locations:

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

Address for Investor's Correspondence

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

A. For change of address and bank mandate:

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

B. For all matters relating to investor relations:

The Company Secretary

WeP Solutions Limited, 40/1 A, Basappa Complex, Lavelle Road, Bengaluru 560 001, Karnataka State.

Shareholders are requested to quote their folio number/DP ID and Client ID, e-mail address, telephone number and full address while corresponding with the Company and its Share Transfer Agent.



Annexure to Report on Corporate Governance for the Financial Year ended 31st March, 2017

A. Compliance Certificate on Corporate Governance

To,
The Members of WeP Solutions Limited,
40/1A, Basappa Complex,
Lavelle Road, Bengaluru - 560 001.

I, S Kannan, Practicing Company Secretary, have examined all the relevant records of WeP Solutions Limited ('The Company') for the purpose of certifying compliance of the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the period from 1st April 2016 to 31st March 2017.

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

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

For S. Kannan And Associates

S Kannan
Proprietor
FCS No. 6261 / C P No.: 13016
Firm No. S2017KR473100

Place: Bengaluru
Date: 27th June, 2017

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

This is to certify that pursuant to Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31st March, 2017.

For and on behalf of the Board of Directors

Ram N Agarwal
Chairman and Managing Director

Place: Bengaluru
Date: 30th June, 2017



C. Chief Financial Officer Compliance Certificate

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

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

- a. I have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge and belief:
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and I have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d. I have indicated to the Auditors and the Audit Committee:
 - i) Significant changes in internal control over financial reporting during the year;
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Place: Bengaluru
Date: 27th May, 2017

Sandeep Goyal
Chief Financial Officer

1. Report on Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **WEP SOLUTIONS LIMITED** (hereinafter referred to as “the Holding Company”) and its subsidiary (the Holding Company and its subsidiary together referred to as “the Group”) comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

2. Management’s Responsibility for the Consolidated Financial Statements

The Holding Company’s Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records, in accordance with the provisions of the Act, for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively, for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements, that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

3. Auditor’s Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

5. Other Matters

We did not audit the financial statements of the subsidiary which are included in the annual consolidated financial results, whose financial statements and financial information, which have been audited by other auditor a



Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

6. Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account, as required by law relating to preparation of the aforesaid consolidated financial statements, have been kept, so far as it appears from our examination of those books.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017, and taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director, in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - (g) With respect to the other matters to be included in the Auditor's Report, in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates – Refer Note 2.26 (a) to the consolidated financial statements.
 - ii. The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company (Group).

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

Vinay D. Balse
Partner
Membership Number: 39434

Place: Mumbai
Date: May 27, 2017



ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF WeP SOLUTIONS LIMITED

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of WeP SOLUTIONS LIMITED (hereinafter referred to as "the Holding Company") as of that date.

2. Management's Responsibility for Internal Financial Controls

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

3. Auditor's Responsibility

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

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

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

4. Meaning of Internal Financial Controls Over Financial Reporting

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

5. Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also,



projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

6. Opinion

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

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

Vinay D. Balse
Partner
Membership Number: 39434

Place: Mumbai
Date: May 27, 2017



WeP Solutions Limited
Consolidated Balance Sheet as at March 31, 2017

(in ₹)

Particulars		Note No.	As at March 31, 2017	As at March 31, 2016
I	EQUITY AND LIABILITIES			
1	Shareholders' Funds			
a)	Share Capital	2.1	25,08,02,545	23,00,40,545
b)	Stock Options Outstanding	2.1.4	7,81,185	6,52,650
c)	Reserves & Surplus	2.2	15,93,15,635	7,63,31,914
			41,08,99,365	30,70,25,109
2	Non current Liabilities			
a)	Other Long Term Liabilities	2.3	1,71,23,708	1,84,88,298
b)	Long Term Provisions	2.4	1,58,63,959	2,14,80,248
			3,29,87,667	3,99,68,546
3	Current Liabilities			
a)	Short Term Borrowings	2.5	3,58,05,652	12,23,34,009
b)	Trade Payables	2.6	11,77,85,442	14,03,00,474
c)	Other Current Liabilities	2.7	5,07,78,478	6,92,91,748
d)	Short Term Provisions	2.8	45,52,740	69,55,348
			20,89,22,312	33,88,81,579
	TOTAL		65,28,09,344	68,58,75,234
II	ASSETS			
1	Non current Assets			
a)	Fixed Assets	2.9		
i)	Tangible assets		30,61,38,447	24,15,41,092
ii)	Intangible assets		66,32,141	68,14,845
iii)	Capital work in progress		19,38,000	15,26,471
b)	Deferred Tax Assets (Net)	2.10	1,47,22,233	2,15,50,883
c)	Long Term Loans and Advances	2.11	1,28,83,851	1,57,25,215
d)	Other Non Current Assets	2.12	7,29,576	6,68,548
			34,30,44,248	28,78,27,054
2	Current Assets			
a)	Inventories	2.13	13,39,22,839	19,65,99,067
b)	Trade Receivables	2.14	11,83,92,408	15,17,57,579
c)	Cash and Cash Equivalents	2.15	33,79,305	30,60,419
d)	Short Term Loans and Advances	2.16	5,40,70,544	4,66,31,115
			30,97,65,096	39,80,48,180
	Significant Accounting Policies Note No. 2.1 to 2.32 form an integral part of these Financial Statements	1		
	TOTAL		65,28,09,344	68,58,75,234

For and on behalf of the Board of Directors

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

H V Gowthama
Director

Ram N Agarwal
Chairman & Managing Director

Vinay D Balse
Partner
Membership No. : 39434

Sandeep Goyal
Chief Financial Officer

Sujata Lele
Company Secretary

Place: Mumbai
Date: May 27, 2017

Place: Bengaluru
Date: May 27, 2017



WeP Solutions Limited

Consolidated Statement of Profit and Loss for the year ended March 31, 2017

(in ₹)

Particulars		Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
REVENUE				
I	Revenue from Operations	2.17	78,56,38,801	89,35,21,660
II	Other Income	2.18	80,48,387	39,91,783
Total Revenue (I+II)			79,36,87,188	89,75,13,443
EXPENDITURE				
a)	Cost of Materials Consumed	2.19	26,00,78,759	32,29,89,446
b)	Purchases of Stock in Trade	2.20	7,95,86,943	12,14,56,638
c)	Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	2.21	4,48,89,751	2,56,17,310
d)	Employee Benefits Expense	2.22	10,14,24,474	9,53,62,425
e)	Other Expenses	2.24	20,62,62,593	23,96,62,555
Total Expenses			69,22,42,520	80,50,88,374
IV	Profit Before Depreciation, Interest, Exceptional Item and Tax		10,14,44,668	9,24,25,069
f)	Depreciation and Amortization Expense		7,98,58,217	6,38,71,250
V	Profit Before Interest, Exceptional Item and Tax		2,15,86,451	2,85,53,819
g)	Finance Costs	2.23	1,19,63,019	1,75,47,376
VI	Profit Before Tax		96,23,432	1,10,06,443
VII	Tax expense			
a)	Current Tax		39,06,770	33,94,709
b)	Current Tax adjustment for prior years		-	(65,43,104)
c)	MAT Credit entitlement		(39,06,770)	(30,94,822)
d)	Deferred Tax		68,28,651	98,85,038
VIII	Profit / (Loss) for the Year / Period		27,94,781	73,64,622
Earnings Per Share (Equity Shares par value Rs 10/- each)				
-	Basic		0.12	0.32
-	Diluted		0.12	0.32
Number of shares used in computing earnings per share				
-	Basic		2,33,31,499	2,30,03,472
-	Diluted		2,35,01,678	2,33,65,445
Significant Accounting Policies Note No. 2.1 to 2.32 form an integral part of these Financial Statements				
		1		

For and on behalf of the Board of Directors

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

H V Gowthama
Director

Ram N Agarwal
Chairman & Managing Director

Vinay D Balse
Partner
Membership No. : 39434

Sandeep Goyal
Chief Financial Officer

Sujata Lele
Company Secretary

Place: Mumbai
Date: May 27, 2017

Place: Bengaluru
Date: May 27, 2017



WeP Solutions Limited
Cash Flow Statement for the year ended March 31, 2017

(in ₹)

Particulars		March 31, 2017		March 31, 2016	
A	Cash Flow From Operating Activities				
	Profit / (Loss) before tax		96,23,432		1,10,06,443
	Adjustment for:				
	Depreciation & Amortisation	7,98,58,217		6,38,71,250	
	Provision for doubtful debts	13,65,114		16,43,439	
	ESOP	3,17,475			
	Loss / (Profit) on Sale of Fixed Assets	21,43,410		19,78,724	
	Interest Expense	1,19,50,612	9,56,34,828	1,75,47,376	8,50,40,789
	Operating profit before working capital changes		10,52,58,260		9,60,47,232
	Working Capital Changes				
	(Increase) / Decrease in Inventories	6,26,76,228		2,78,60,213	
	(Increase) / Decrease in Trade Receivables	3,20,00,058		4,26,90,677	
	(Increase) / Decrease in Other Current Assets	18,53,706		71,87,976	
	(Increase) / Decrease in Non Current Assets	27,80,336		(12,60,468)	
	Increase / (Decrease) in Trade Payables	(2,25,15,033)		(5,35,78,102)	
	Increase / (Decrease) in Other Current Liabilities	(2,08,32,225)		(91,96,607)	
	Increase / (Decrease) in Non Current Liabilities	(70,64,529)		27,13,187	
			4,88,98,541		1,64,16,876
	Cash Generated from Operations		15,41,56,801		11,24,64,108
	Direct taxes paid		(92,93,138)		(91,04,269)
	Net Cash From Operating Activities		14,48,63,663		10,33,59,838
B	Cash Flow From Investing Activities				
	Purchase of Fixed Assets including Capital work in progress	(14,77,50,694)		(8,71,42,306)	
	Proceeds from Sale of Fixed Assets	9,22,885		11,52,521	
			(14,68,27,809)		(8,59,89,785)
	Net Cash Used In Investing Activities		(14,68,27,809)		(8,59,89,785)
C	Cash Flow From Financing Activities				
	Proceeds from Issue of Shares	10,07,62,000		-	
	Payment of Dividend including Tax	-		(1,38,43,219)	
	Interest paid	(1,19,50,612)		(1,75,47,376)	
	Proceeds / (Repayment) of Borrowings	(8,65,28,356)		1,66,61,910	
			22,83,032		(1,47,28,685)
	Net Cash From / (Used for) Financing Activities		22,83,032		(1,47,28,685)
	Net Increase / (Decrease) In Cash And Cash Equivalents - (A+B+C)		3,18,886		26,41,368
	Cash and Cash Equivalents at The Beginning of The Year		30,60,419		4,19,051
	Cash and Cash Equivalents at The End of The year		33,79,305		30,60,419

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

Vinay D Balse
Partner
Membership No. : 39434

Place: Mumbai
Date: May 27, 2017

For and on behalf of the Board of Directors

H V Gowthama
Director

Ram N Agarwal
Chairman & Managing Director

Sandeep Goyal
Chief Financial Officer

Sujata Lele
Company Secretary

Place: Bengaluru
Date: May 27, 2017

Significant accounting policies and notes on accounts

1. Significant accounting policies

a) Basis of Consolidation

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

b) Basis of preparation

- i) The financial statements of the Holding Company and its subsidiary are prepared according to uniform accounting policies, in accordance with generally accepted accounting policies in India.
- ii) The financial statements of the Holding Company and its subsidiary company have been combined on a line by line basis by adding together like items of assets, liabilities, incomes and expenses. The intra group balances, intra- group transactions and unrealised profits or losses thereon have been fully eliminated.
- iii) The financial statements of the subsidiary used in consolidation are drawn upto the same reporting date as that of the Holding Company.
- iv) The excess value of the consideration, if any, given over the net value of the identifiable assets acquired in the subsidiary company is recognised as goodwill / capital reserve. Goodwill, if any, on consolidation disclosed under fixed assets is not amortised but is however tested for impairment.

c) Subsidiary included in Consolidation

Name of the Enterprise	Country of Incorporation	Nature of Business	Shareholding / Controlling Interest
WeP Digital Services Private Limited (Formerly known as eRM Solutions Private Limited)	India	Digital Business Services like GST, Aadhaar, DMS	100%

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

1.1 Basis of preparation of financial statements

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

1.2 Use of Estimates

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

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

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

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

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

1.4 Depreciation and Amortization

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

Assets	Useful Life applied (In Years)
Computers	3.00
Furniture and Fixtures - Owned Premises	10.00
Furniture and Fixtures - Leased Premises	5.00
Office Equipment	5.00
Plant and Equipments including Electrical installations	4.00
Computer Peripherals - on Use and Pay	4.00
Vehicles	8.00
Air Conditioners	4.00
Project Equipment	3.00
Moulds, Dies & Patterns	5.00
Building	30.00

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

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

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

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

1.5 Impairment of Assets

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

1.6 Borrowing Costs

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

1.7 Inventories

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

1.8 Contingencies and events occurring after the Balance Sheet date

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

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

1.9 Foreign Currency Transactions

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

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

Non monetary foreign currency items are carried at cost.

1.10 Revenue Recognition

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

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

1.11 Employee Benefits

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

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

1.12 Tax Expense

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

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

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

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

1.13 Provisions and Contingent liabilities

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

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

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

1.14 Research & Development

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

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

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

Particulars	As at March 31, 2017	As at March 31, 2016
Authorised		
3,00,00,000 (PY: 3,00,00,000) Equity Shares of ₹ 10 each	30,00,00,000	30,00,00,000
	30,00,00,000	30,00,00,000
Issued, Subscribed and Paid-Up		
25,079,672 (PY 2,30,03,472) Equity Shares of ₹ 10 each fully paid up (Of the above 1,17,41,964 shares have been allotted within the last five years for consideration other than cash.)	25,07,96,720	23,00,34,720
Forfeited Shares (Equity Shares of ₹ 5 each paid up)	5,825	5,825
TOTAL	25,08,02,545	23,00,40,545

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

Particulars	As at March 31, 2017	As at March 31, 2016
Shares outstanding at the beginning of the year	2,30,03,472	2,30,03,472
Shares Issued during the year under ESOP	76,200	-
Shares Issued during the year under Preferential Allotment	20,00,000	-
Shares outstanding at the end of the year	2,50,79,672	2,30,03,472

2.1.2 Rights, Preferences and Restrictions attached to Equity Shares:

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

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

Name of the Shareholder	As at March 31, 2017	As at March 31, 2016
RNAWEP Investments Private Limited		
No. of Shares	32,60,403	32,60,403
% Holding	13.00%	14.17%
Ram N Agarwal		
No. of Shares	30,05,056	32,05,056
% Holding	11.98%	13.94%
WeP Peripherals Limited		
No. of Shares	20,24,994	21,24,994
% Holding	8.07%	9.24%
Wipro Limited		
No. of Shares	18,36,000	18,36,000
% Holding	7.32%	7.98%
Sharad Kanayalal Shah		
No. of Shares	14,12,035	2,56,176
% Holding	5.63%	1.11%
Dipak Kanayalal Shah		
No. of Shares	12,60,553	1,48,000
% Holding	5.03%	0.64%

2.1.4. Stock Options Outstanding

Particulars	As at March 31, 2017	As at March 31, 2016
Stock Options Outstanding	7,81,185	6,52,650

2.2. Reserves and Surplus

Particulars	As at March 31, 2017	As at March 31, 2016
Capital Reserve		
Opening Balance	3,13,27,459	3,04,28,459
Transfer of Subsidy from Government	-	8,99,000
Closing Balance	3,13,27,459	3,13,27,459
Subsidy from Govt		
Opening balance	-	8,99,000
Transfer to Capital Reserve	-	(8,99,000)
Closing Balance	-	-
Securities Premium Account		
Opening Balance	66,75,000	66,75,000
Additions during the year	8,01,88,940	-
Closing Balance	8,68,63,940	66,75,000
Surplus in Statement of Profit and Loss Account		
Opening balance	3,83,29,455	3,09,51,374
Add :- Current year profit / (loss)	27,94,781	73,64,622
Profit available for appropriation	4,11,24,236	3,83,15,996
Less: Appropriations		
Tax on Dividend	-	(13,459)
Closing Balance	4,11,24,236	3,83,29,455
TOTAL	15,93,15,635	7,63,31,914

2.3. Other Long Term Liabilities

Particulars	As at March 31, 2017	As at March 31, 2016
Customer and Dealer Deposits	1,71,23,708	1,84,88,298
TOTAL	1,71,23,708	1,84,88,298

2.4. Long Term Provisions

Particulars	As at March 31, 2017	As at March 31, 2016
Employee Benefits	64,75,126	75,99,784
Warranty Liability	93,88,833	1,38,80,464
TOTAL	1,58,63,959	2,14,80,248

2.5. Short Term Borrowings

Particulars	As at March 31, 2017	As at March 31, 2016
a) Secured		
Loans repayable on Demand From Banks		
Cash Credit Account	3,58,05,652	12,23,34,009
TOTAL	3,58,05,652	12,23,34,009

2.6. Trade Payables

Particulars	As at March 31, 2017	As at March 31, 2016
Other Trade Payables	11,77,85,442	14,03,00,474
TOTAL	11,77,85,442	14,03,00,474

2.7. Other Current Liabilities

Particulars	As at March 31, 2017	As at March 31, 2016
For Expenses	3,86,73,254	6,00,59,280
Unclaimed Dividend	15,72,700	16,09,436
Advance from customers	19,10,721	1,85,368
Income received in advance	5,55,465	23,91,032
Statutory payables	35,21,136	38,01,707
Other payables	45,45,202	12,44,925
TOTAL	5,07,78,478	6,92,91,748

2.8. Short Term Provisions

Particulars	As at March 31, 2017	As at March 31, 2016
Warranty Liability	35,57,628	50,92,011
Employee Benefits	9,95,112	18,63,337
TOTAL	45,52,740	69,55,348

2.10. Deferred Tax

Particulars	As at March 31, 2017	As at March 31, 2016
<u>Deferred Tax Asset</u>		
Provision for doubtful debts	2,23,73,640	2,15,08,445
Expenses allowed on actual payment basis u/s 43B of I.T Act 1961	41,67,885	44,22,857
Loss Carried Forward	55,15,044	21,34,431
Expenses allowed under 40a(i)(a)	1,63,662	97,335
Amortisation of Demerger expenditure u/s 35DD of I.T.Act 1961	-	1,65,417
<u>Less: Deferred Tax Liability</u>		
Depreciation Difference	1,74,97,998	67,77,602
Net Deferred Tax Asset	1,47,22,233	2,15,50,883

2.11. Long Term Loans and Advances

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured - Considered good Deposits	1,28,83,851	1,57,25,215
TOTAL	1,28,83,851	1,57,25,215

2.9. Fixed Assets as on 31st March, 2017

Particulars	Gross Block			Depreciation and Amortisation				Net Block		
	Opening Block As at 1-Apr-16	Additions During the year	Deduction on Disposal	Closing Block as at 31-Mar-17	As At 1-Apr-16	For the Year	Deduction on Disposal / adjustment	Total as at 31-Mar-17	As at 31-Mar-2017	As at 31-Mar-16
Tangible Assets:										
Leasehold - Land	6,84,68,000	-	-	6,84,68,000	16,11,012	8,05,506	-	24,16,518	6,60,51,482	6,68,56,988
Building - Factory	4,08,60,152	-	-	4,08,60,152	28,37,510	13,62,006	-	41,99,516	3,66,60,636	3,80,22,642
Plant & Equipment	7,67,68,306	22,63,505	-	7,90,31,811	7,36,87,104	17,73,251	-	7,54,60,355	35,71,456	30,81,202
Moulds, Dies & Patterns	15,62,80,151	41,11,075	-	16,03,91,226	15,61,58,434	2,97,622	-	15,64,56,056	39,35,170	1,21,717
Computers	9,04,20,889	17,66,546	-	9,21,87,435	8,65,47,708	21,10,762	-	8,86,58,470	35,28,965	38,73,181
Computer Peripherals										
- On Use and Pay	49,62,98,747	13,64,00,633	16,13,24,710	47,13,74,670	37,01,68,264	6,99,20,881	15,86,85,813	28,14,03,332	18,99,71,338	12,61,30,483
Furniture & Fixture	3,83,29,573	2,87,558	-	3,86,17,131	3,59,44,782	7,29,626	-	3,66,74,408	19,42,723	23,84,791
Vehicles	42,11,601	-	21,36,643	20,74,958	31,41,513	1,66,012	17,09,244	15,98,281	4,76,677	10,70,088
	97,16,37,419	14,48,29,317	16,34,61,353	95,30,05,383	73,00,96,327	7,71,65,666	16,03,95,057	64,68,66,936	30,61,38,447	24,15,41,092
Intangible Assets:										
Technical Knowhow	68,03,441	-	-	68,03,441	68,03,441	-	-	68,03,441	-	-
Computer Software	1,43,18,831	24,80,147	-	1,67,98,978	76,65,210	25,50,667	-	1,02,15,877	65,83,101	66,53,621
Computer Software - ERP System	85,73,575	29,700	-	86,03,275	84,12,351	1,41,884	-	85,54,235	49,040	1,61,224
	2,96,95,847	25,09,847	-	3,22,05,694	2,28,81,002	26,92,551	-	2,55,73,553	66,32,141	68,14,845
Total	1,00,13,33,266	14,73,39,164	16,34,61,353	98,52,11,077	75,29,77,329	7,98,58,217	16,03,95,057	67,24,40,489	31,27,70,588	24,83,55,937

Fixed Assets as on 31st March, 2016

Particulars	Gross Block			Depreciation and Amortisation				Net Block	
	Opening Block As at 1-Apr-15	Additions During the year	Deduction on Disposal	Closing Block as at 31-Mar-16	As At 1-Apr-15	For the Year	Deduction on Disposal / adjustment	Total as at 31-Mar-16	As at 31-Mar-2016
Tangible Assets:									
Leasehold - Land	6,84,68,000	-	-	6,84,68,000	8,05,506	8,05,506	-	16,11,012	6,68,56,988
Building - Factory	4,08,60,152	-	-	4,08,60,152	14,75,505	13,62,005	-	28,37,510	3,80,22,642
Plant & Equipment	7,70,43,135	16,21,206	18,96,035	7,67,68,306	7,39,10,321	16,72,791	18,96,008	7,36,87,104	30,81,202
Moulds, Dies & Patterns	15,61,85,014	95,137	-	15,62,80,151	15,60,01,707	1,56,727	-	15,61,58,434	1,21,717
Computers	9,56,29,556	33,83,505	85,92,172	9,04,20,889	9,29,61,751	21,78,084	85,92,127	8,65,47,708	38,73,181
Computer Peripherals									
- On Use and Pay	51,63,13,207	7,15,41,717	9,15,56,177	49,62,98,747	40,40,21,939	5,45,71,336	8,84,25,011	37,01,68,264	12,61,30,483
Furniture & Fixture	4,05,45,937	8,60,776	30,77,140	3,83,29,573	3,82,32,962	7,88,952	30,77,133	3,59,44,782	23,84,791
Vehicles	42,11,601	-	-	42,11,601	29,56,537	1,84,976	-	31,41,513	10,70,088
	99,92,56,602	7,75,02,341	10,51,21,524	97,16,37,419	77,03,66,228	6,17,20,377	10,19,90,279	73,00,96,327	24,15,41,092
Intangible Assets:									
Technical Knowhow	68,03,441	-	-	68,03,441	68,03,441	-	-	68,03,441	-
Computer Software	86,10,258	80,71,286	23,62,713	1,43,18,831	86,10,258	14,17,665	23,62,713	76,65,210	66,53,621
Computer Software - ERP System	85,31,375	42,200	-	85,73,575	76,79,143	7,33,208	-	84,12,351	1,61,224
	2,39,45,074	81,13,486	23,62,713	2,96,95,847	2,30,92,842	21,50,873	23,62,713	2,28,81,002	68,14,845
Total	1,02,32,01,676	8,56,15,827	10,74,84,237	1,00,13,33,266	79,34,59,070	6,38,71,250	10,43,52,992	75,29,77,329	24,83,55,937

2.12. Other Non Current Assets

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured - Considered good		
Margin Money Deposits with Bank	6,65,695	6,16,574
Interest Accrued on Fixed Deposits	63,881	51,974
TOTAL	7,29,576	6,68,548

2.13. Inventories

Particulars	As at March 31, 2017	As at March 31, 2016
Raw Materials		
- In Stock	2,56,35,695	2,48,35,221
- In Transit	-	-
Work in Progress	1,25,91,178	1,04,69,792
Stock in Trade		
- In Stock	3,71,85,333	6,92,76,779
- In Transit	-	16,40,510
Finished Goods		
- In Stock	64,01,076	1,96,35,055
- In Transit	16,868	62,069
Spares and Consumables		
- In Stock	5,20,92,689	7,06,79,641
- In Transit	-	-
TOTAL	13,39,22,839	19,65,99,067

2.14. Trade Receivables

Particulars	As at March 31, 2017	As at March 31, 2016
<u>Unsecured</u>		
Outstanding for a period exceeding six months from the due date		
Considered good	34,76,919	77,86,010
Considered doubtful	6,76,69,721	6,63,04,607
Less: Provision for Doubtful debts	6,76,69,721	6,63,04,607
Sub Total	34,76,919	77,86,010
Other debts		
Considered good	11,49,15,489	14,39,71,569
TOTAL	11,83,92,408	15,17,57,579

2.15. Cash and Cash Equivalents

Particulars	As at March 31, 2017	As at March 31, 2016
i) Balances with Banks		
Current account	18,06,605	14,11,810
ii) Other Bank Balances		
Dividend Account	15,72,700	16,09,436
iii) Cash on Hand	-	39,173
TOTAL	33,79,305	30,60,419

2.16. Short Term Loans and Advances

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured - Considered good		
a) Other Loans and Advances		
i) Advance Income Tax (net of provision)	4,33,62,727	3,79,91,926
ii) Balances with Excise, Customs, VAT and Service Tax input credit	25,47,650	26,34,897
iii) Deposits	3,05,000	11,57,600
iv) Others	78,55,167	48,46,692
TOTAL	5,40,70,544	4,66,31,115

2.17. Revenue From Operations

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Sale of Products	40,12,38,413	53,05,05,171
Sale of Services	40,79,11,166	39,88,13,984
Other Operating Revenue	5,97,991	8,68,963
	80,97,47,570	93,01,88,118
Less: Excise Duty	2,41,08,769	3,66,66,458
TOTAL	78,56,38,801	89,35,21,660

2.18. Other Income

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest on Deposits with banks	63,784	3,65,755
Rental Income	-	11,97,312
Other Interest	-	1,86,446
Miscellaneous Income	18,44,602	22,42,270
Provision no longer required written back	61,40,001	-
TOTAL	80,48,387	39,91,783

2.19. Cost of Material Consumed

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening Stocks	9,55,14,862	9,77,57,761
Add: Purchases during the year	24,22,92,282	32,07,46,547
Opening Stocks + Purchases	33,78,07,144	41,85,04,308
Less: Closing Stocks	7,77,28,385	9,55,14,862
Sub Total	26,00,78,759	32,29,89,446
Cost of Material Consumed	26,00,78,759	32,29,89,446

2.20. Purchase of Stock in Trade

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Purchases of stock-in-trade	21,45,96,886	19,29,98,355
Less: Capitalised during the year	13,50,09,943	7,15,41,717
TOTAL	7,95,86,943	12,14,56,638

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

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening stock		
Work in Process	1,04,69,792	1,27,19,705
Finished Goods	1,96,97,124	2,83,89,191
Stock in Trade	7,09,17,291	8,55,92,621
Total	10,10,84,207	12,67,01,517
Closing Stock		
Work in Process	1,25,91,178	1,04,69,792
Finished Goods	64,17,944	1,96,97,124
Stock in Trade	3,71,85,334	7,09,17,291
Sub total	5,61,94,456	10,10,84,207
TOTAL	4,48,89,751	2,56,17,310

2.22. Employee Benefit Expenses

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries and Wages	8,87,97,450	8,22,26,906
Contribution to provident and other fund	39,52,532	36,45,109
Staff welfare expenses	86,74,492	94,90,410
TOTAL	10,14,24,474	9,53,62,425

2.23. Finance Cost

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest Expenses	1,04,24,456	1,65,56,020
Other Borrowing costs	15,38,563	9,91,356
TOTAL	1,19,63,019	1,75,47,376

2.24. Other Expenses

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Power and fuel	59,61,823	69,24,255
Insurance	8,44,421	7,99,041
Repairs & Maintenance	57,43,116	44,32,810
Rent	2,38,76,836	2,91,36,365
Rates and taxes	62,27,468	66,89,512
Warranty Expenses	28,63,995	79,83,466
Carriage and Freight outwards	2,59,85,128	2,87,31,613
Commission on sales	76,66,365	1,13,69,786
Support Charges	2,11,03,252	2,72,17,497
Auditors' Remuneration		
- for Audit fees	7,01,250	3,97,625
- for Taxation matters	57,500	50,000
- for Reimbursement of expenses	1,07,920	39,033
Advertisement and Sales Promotion	59,45,849	98,36,403
Directors' Commission and Sitting fees	7,10,000	4,80,000
Loss on disposal of assets	21,43,410	19,78,724
Travelling and Conveyance	1,67,55,795	1,88,05,216
Communication Expenses	89,10,734	98,49,398
Legal and Professional charges	76,68,413	79,95,177
Manpower Support Service Charges	5,39,40,081	5,28,64,631
Office Maintenance	43,84,670	49,60,430
Provision for Bad debts / advances	13,65,114	16,43,439
Bad Debts Write off	65,354	-
Exchange Differences (Net)	2,31,885	32,12,091
Recruitment Expenses	11,67,461	16,56,371
Miscellaneous expenses	18,34,753	26,09,672
TOTAL	20,62,62,593	23,96,62,555

2.25. Details of Disclosure as Required by AS-29

Warranty Provision	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening Balance as on April 1, 2016	1,89,72,475	1,97,66,626
Additions during the year	1,29,46,461	1,89,72,475
Reversal	1,89,72,475	1,97,66,626
Closing Balance as on March 31, 2017	1,29,46,461	1,89,72,475

2.26. Contingent Liabilities in respect of:

- a) Disputed demand for Excise, Customs, Income Tax, VAT and other matters ₹ 592,52,472 (March 2017), ₹ 11,23,318 (March 2016).

2.27. Related Party Transactions

2.27.1. List of Related Parties

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

2.27.2. Transactions with Key Management Personnel

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Remuneration to Mr. Ram N Agarwal (Chairman & Managing Director)	5,06,497	5,79,286

2.27.3. Transaction with other Related Parties

Particulars	WeP Peripherals Ltd	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Sale of Goods and Services	-	13,67,014
Purchase of Goods and Services	81,19,404	91,58,372

2.28. Employee Benefit Plans

The Company provides to its employees following retirement benefits:

- i) Gratuity
- ii) Leave Accrual

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

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

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

Principal Actuarial Assumptions

Particulars	As at March 31, 2017	As at March 31, 2016
Expected Rate of Return on Assets (p.a)	7.50%	8.00%
Salary Escalation	7.00%	7.00%
Discount Rate	7.00%	8.00%

Amount recognized in the Balance Sheet are as follows

Particulars	As at March 31, 2017	As at March 31, 2016
Present value of Funded Obligations	49,19,857	50,89,352
Fair value of plan assets	(24,55,406)	(4,67,093)
Present value of unfunded obligations	40,565	25,612
Net Liability	25,05,016	46,47,871

Amount reflected in the P&L account is as follows

Particulars	As at March 31, 2017	As at March 31, 2016
Current Service Cost	6,42,818	6,02,867
Interest on Defined Benefit Obligation	4,08,398	3,61,786
Net Actuarial Losses / (Gains) Recognised in year	(2,06,045)	1,76,974
Expected Return on Plan assets	(28,388)	17,633
Total	8,16,783	11,59,260

Reconciliation of Benefit Obligation & Plan Assets for the Period

Particulars	As at March 31, 2017	As at March 31, 2016
<u>Change in Defined Benefit Obligation</u>		
Opening Defined Benefit Obligation	51,14,964	43,98,423
Current Service Cost	6,42,818	6,02,867
Interest Cost	4,08,398	3,61,786
Actuarial Losses / (Gain)	(1,73,981)	1,94,607
(Benefit Paid)	(10,31,777)	(4,42,719)
Closing Defined Benefit Obligation	49,60,422	51,14,964
<u>Change in Fair Value of Assets</u>		
Opening Fair Value of Plan Assets	4,67,093	-
Expected Returned on Plan Assets	28,388	-
Actuarial Gain / (Losses)	32,064	17,633
Contribution by Employer	29,59,638	8,92,179
Benefit Paid	(10,31,777)	(4,42,719)
Closing Fair Value of Plan Assets	24,55,406	4,67,093
Expected Employers Contribution Next Year	10,00,000	10,00,000

2.29. Employee Stock Option Plan [ESOP]

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

Particulars	ESOP 2011
Options at the beginning of the period (1 st April 2016)	5,04,000
Options granted during the period	2,48,000
Price per share	10
Pricing Policy	Face Value
Options vested	80,700
Options Lapsed	2,83,500
Options available for exercise	80,700
Options exercised	76,200
Total number of shares arising as a result of exercise of options	76,200
Variations of terms of options	NIL
Money realised by exercise of options (Rs)	7,62,000
Total number of options in force	3,92,300

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

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

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

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

2.31. Additional Information Pursuant to the Provisions of Part II of Schedule III to the Companies Act 2013.

a. Value of Imports on CIF basis

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Raw Material, Stock-in-Trade and Spares & Consumables	17,81,99,749	21,31,43,480

b. Expenditure in Foreign Currency

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Travelling	50,951	1,86,762
Repair Charges	3,65,640	24,77,221

c. Material Consumption Details

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Indigenous-		
Consumption during the year	14,23,60,702	17,92,83,741
% of total consumption	55%	56%
Imported-		
Consumption during the year	11,77,18,057	14,37,05,705
% of total consumption	45%	44%
Total	26,00,78,759	32,29,89,446

d. Earning in Foreign Currency

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Export of Goods & Services	36,37,892	22,62,719

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

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Basic		
Profit / (Loss) after tax as per accounts	27,94,781	73,64,622
Number of Shares issued (Weighted average no.)	2,33,31,499	2,30,03,472
Earning Per Share (of nominal value of equity share of ₹ 10/- each)	0.12	0.32
Diluted		
Profit / (Loss) after tax as per accounts	27,94,781	73,64,622
Number of Shares issued (Weighted average no.)	2,35,01,678	2,33,65,445
Earning Per Share (of nominal value of equity share of ₹ 10/- each)	0.12	0.32

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

Vinay D Balse
Partner
Membership No. : 39434

Place: Mumbai
Date: May 27, 2017

For and on behalf of the Board of Directors

H V Gowthama
Director

Ram N Agarwal
Chairman & Managing Director

Sandeep Goyal
Chief Financial Officer

Sujata Lele
Company Secretary

Place: Bengaluru
Date: May 27, 2017



Independent Auditor's Report

To the Members of WeP Solutions Limited

1. Report on the Standalone Financial Statements

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

2. Management's Responsibility for the Standalone Financial Statements

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

3. Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the order under section 143 (11) of the Act.

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

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

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

4. Opinion

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

5. Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement, dealt with by this Report are in agreement with the books of account.



- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.27(a) to the financial statements;
 - ii. The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India, in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure B" a statement on the matters specified in paragraph 3 and 4 of the Order.

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

Vinay D. Balse
Partner
Membership Number: 39434

Place: Mumbai
Date: May 27, 2017



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

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

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

We have audited the internal financial controls over financial reporting of WeP SOLUTIONS LIMITED ("the Company") as at March 31, 2017, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

2. Management's Responsibility for Internal Financial Controls

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

3. Auditors' Responsibility

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

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

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

4. Meaning of Internal Financial Controls over Financial Reporting

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

5. Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.



Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

6. Opinion

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

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

Vinay D. Balse
Partner
Membership Number: 39434

Place: Mumbai
Date: May 27, 2017

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS of WeP SOLUTIONS LIMITED

*(Referred to in Paragraph 2 under the heading of
"Report on Other Legal and Regulatory Requirements" of our report of even date)*

- i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
 - (b) In accordance with the phased programme for verification of fixed assets, certain items of fixed assets were physically verified by the management during the year and no material discrepancies were noticed on such verification.
 - (c) Title deeds of immovable properties are held in the name of the company.
- ii) Stocks of inventories have been physically verified during the year by the management. The Company has a perpetual inventory system. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stock and the book stock were not material in relation to the operations of the Company and have been properly dealt with in the books of account.
- iii) In respect of a loan given by the Company during the year, to its 100% subsidiary:
 - a) the terms and conditions of the loan are not prejudicial to the Company's interest;
 - b) the schedule of repayment has presently not been stipulated;
 - c) In the absence of repayment schedule there are presently no overdue amounts.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, in respect of loans, investments, guarantees and security.
- v) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not accepted any deposits from the public during the year. Accordingly, the requirements of clause (v) of para 3 of the Order are not applicable to the Company.



- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the central government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and of the opinion that prima facie, the prescribed accounts have been made and maintained.
- vii) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, value added tax, cess and any other dues, during the year, with the appropriate authorities.
- (b) According to the information and explanations given to us, following are the dues of Income-tax, Sales-tax, Excise Duty and Service Tax which have not been deposited on account of disputes with the related authorities:

Sl. No.	Nature of the statute	Forum where dispute is Pending	Financial year to which the matter pertains	Amount (in ₹)
1	Service Tax	Commissioner of Central Excise	2010-11 to 2013-14	5,81,29,154
2	VAT	Commissioner of Sales Tax	2012-13	3,70,798
3	VAT	Commissioner of Sales Tax	2013-14	7,52,522
Grand Total				5,92,52,474

- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks. The Company does not have any outstanding debentures.
- ix) According to the information and explanations given to us, and on the basis of our examination of the books of accounts, the Company has not availed of any term loan. During the year the Company has made a preferential allotment of 20,00,000 shares of face value ₹ 10/- at a premium of ₹ 40/- per share, which has been fully subscribed in cash. The Company does not have any outstanding debentures.
- x) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company was noticed or reported during the year.
- xi) Managerial remuneration paid for the year 2016-17 is in accordance with the requisite approvals mandated by the provisions of section 197, read with Schedule V of the Companies Act, 2013.
- xii) To the best of our knowledge and belief, the Company is not a Nidhi Company. Consequently, clause (xii) of para 3 of the Order is not applicable to the Company.
- xiii) To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and 188 of Companies Act, 2013, and corresponding details have been disclosed in the Financial Statements, as required by the accounting standards.
- xiv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not issued any fully or partly convertible debentures during the year under review.
- 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) of para 3 of the Order is not applicable to the Company.
- xvi) To the best of our knowledge and belief, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Vinay D. Balse
Partner
Membership Number: 39434

Place: Mumbai
Date: May 27, 2017



WeP Solutions Limited
Balance Sheet as at March 31, 2017

(in ₹)

Particulars		Note No.	As at March 31, 2017	As at March 31, 2016
I	EQUITY AND LIABILITIES			
1	Shareholders' Funds			
a)	Share Capital	2.1	25,08,02,545	23,00,40,545
b)	Stock Options Outstanding	2.1.4	7,81,185	6,52,650
c)	Reserves & Surplus	2.2	17,18,05,488	7,94,97,707
			42,33,89,218	31,01,90,902
2	Non current Liabilities			
a)	Other Long Term Liabilities	2.3	1,71,23,708	1,84,88,298
b)	Long Term Provisions	2.4	1,57,14,588	2,14,14,527
			3,28,38,296	3,99,02,825
3	Current Liabilities			
a)	Short Term Borrowings	2.5	3,58,05,652	12,23,34,009
b)	Trade Payables	2.6	11,77,85,441	14,03,00,474
c)	Other Current Liabilities	2.7	4,90,95,156	6,81,27,123
d)	Short Term Provisions	2.8	45,41,646	69,51,192
			20,72,27,895	33,77,12,798
	TOTAL		66,34,55,409	68,78,06,525
II	ASSETS			
1	Non current Assets			
a)	Fixed Assets	2.9		
i)	Tangible assets		30,56,04,219	24,05,13,721
ii)	Intangible assets		26,87,573	11,09,101
iii)	Capital work in progress		19,38,000	15,26,471
b)	Non Current Investments	2.10	81,00,000	81,00,000
c)	Deferred Tax Assets (Net)	2.11	1,47,22,233	2,01,35,209
d)	Long Term Loans and Advances	2.12	2,26,57,125	1,98,67,884
e)	Other Non Current Assets	2.13	7,29,576	6,68,548
			35,64,38,726	29,19,20,934
2	Current Assets			
a)	Inventories	2.14	13,39,22,839	19,65,99,067
b)	Trade Receivables	2.15	11,78,35,327	15,09,54,240
c)	Cash and Cash Equivalents	2.16	16,86,945	20,35,172
d)	Short Term Loans and Advances	2.17	5,35,71,572	4,62,97,112
			30,70,16,683	39,58,85,591
	Significant Accounting Policies Note No. 2.1 to 2.35 form an integral part of these Financial Statements	1		
	TOTAL		66,34,55,409	68,78,06,525

For and on behalf of the Board of Directors

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

H V Gowthama
Director

Ram N Agarwal
Chairman & Managing Director

Vinay D Balse
Partner
Membership No. : 39434

Sandeep Goyal
Chief Financial Officer

Sujata Lele
Company Secretary

Place: Mumbai
Date: May 27, 2017

Place: Bengaluru
Date: May 27, 2017



WeP Solutions Limited
Statement of Profit and Loss for the year ended March 31, 2017

(in ₹)

Particulars		Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
REVENUE				
I	Revenue from Operations	2.18	78,01,83,515	88,90,46,741
II	Other Income	2.19	88,21,091	41,78,229
Total Revenue (I+II)			78,90,04,606	89,32,24,970
EXPENDITURE				
a)	Cost of Materials Consumed	2.20	26,02,47,970	32,44,16,694
b)	Purchases of Stock in Trade	2.21	7,95,86,943	12,14,56,638
c)	Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	2.22	4,48,89,751	2,56,17,310
d)	Employee Benefits Expense	2.23	9,66,52,675	9,21,61,417
e)	Other Expenses	2.25	20,07,41,004	23,44,68,187
Total Expenses			68,21,18,343	79,81,20,246
IV	Profit Before Depreciation, Interest, Exceptional Item and Tax		10,68,86,263	9,51,04,724
f)	Depreciation and Amortization Expense	2.9	7,74,03,833	6,19,78,121
V	Profit Before Interest, Exceptional Item and Tax		2,94,82,430	3,31,26,603
g)	Finance Costs	2.24	1,19,50,612	1,75,38,693
VI	Profit Before Tax		1,75,31,818	1,55,87,910
VII	Tax Expense			
a)	Current Tax		39,06,770	33,94,709
b)	Current Tax adjustment for prior years		-	(65,43,104)
c)	MAT Credit entitlement		(39,06,770)	(30,94,822)
d)	Deferred Tax		54,12,977	1,13,00,712
VIII	Profit / (Loss) for the Year		1,21,18,841	1,05,30,415
Earnings Per Share (Equity Shares par value ₹ 10/- each)				
-	Basic	2.35	0.52	0.46
-	Diluted		0.52	0.45
Number of Shares used in computing earnings per share				
-	Basic		2,33,31,499	2,30,03,472
-	Diluted		2,35,01,678	2,33,65,445
Significant Accounting Policies Note No. 2.1 to 2.35 form an integral part of these Financial Statements				
		1		

For and on behalf of the Board of Directors

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

H V Gowthama
Director

Ram N Agarwal
Chairman & Managing Director

Vinay D Balse
Partner
Membership No. : 39434

Sandeep Goyal
Chief Financial Officer

Sujata Lele
Company Secretary

Place: Mumbai
Date: May 27, 2017

Place: Bengaluru
Date: May 27, 2017



WeP Solutions Limited

Cash Flow Statement for the year ended March 31, 2017

(in ₹)

Particulars		March 2017		March 2016	
A	Cash Flow From Operating Activities				
	Profit / (Loss) before tax		1,75,31,818		1,55,87,910
	Adjustment for:				
	Depreciation & Amortisation	7,74,03,833		6,19,78,121	
	Provision for doubtful debts	16,29,487		13,79,066	
	ESOP	3,17,475		-	
	Loss / (Profit) on Sale of Fixed Assets	21,43,410		19,78,724	
	Interest Expense	1,19,50,612	9,34,44,817	1,75,38,693	8,28,74,604
	Operating profit before working capital changes		11,09,76,635		9,84,62,514
	Working Capital Changes				
	(Increase) / Decrease in Inventories	6,26,76,227		2,78,60,213	
	(Increase) / Decrease in Trade Receivables	3,14,89,426		4,37,58,389	
	(Increase) / Decrease in Other Current Assets	17,32,852		71,88,476	
	(Increase) / Decrease in Non Current Assets	(28,50,269)		31,82,202	
	Increase / (Decrease) in Trade Payables	(2,25,15,033)		(5,35,78,102)	
	Increase / (Decrease) in Other Current Liabilities	(2,14,41,512)		(1,04,31,110)	
	Increase / (Decrease) in Non Current Liabilities	(70,64,528)		27,13,187	
			4,20,27,163		2,06,93,255
	Cash Generated from Operations		15,30,03,798		11,91,55,769
	Direct taxes paid		(90,07,312)		(87,70,766)
	Net Cash From Operating Activities		14,39,96,486		11,03,85,003
B	Cash Flow From Investing Activities				
	Purchase of Fixed Assets including Capital work in progress	(14,75,50,630)		(7,85,16,061)	
	Proceeds from Sale of Fixed Assets	9,22,885		11,52,521	
	Purchase of Investments	-		(81,00,000)	
			(14,66,27,745)		(8,54,63,540)
	Net Cash Used In Investing Activities		(14,66,27,745)		(8,54,63,540)
C	Cash Flow From Financing Activities				
	Proceeds from Issue of Shares	10,07,62,000		-	
	Payment of Dividend including Tax	-		(1,38,43,219)	
	Interest paid	(1,19,50,612)		(1,75,38,693)	
	Proceeds / (Repayment) of Borrowings	(8,65,28,356)		80,76,570	
			22,83,032		(2,33,05,342)
	Net Cash From / (Used for) Financing Activities		22,83,032		(2,33,05,342)
	Net Increase / (Decrease) In Cash And Cash Equivalents - (A+B+C)		(3,48,227)		16,16,121
	Cash And Cash Equivalents At The Beginning of The Year		20,35,172		4,19,051
	Cash and Cash Equivalents at The End of The Year		16,86,945		20,35,172

For and on behalf of the Board of Directors

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

H V Gowthama
Director

Ram N Agarwal
Chairman & Managing Director

Vinay D Balse
Partner
Membership No. : 39434

Sandeep Goyal
Chief Financial Officer

Sujata Lele
Company Secretary

Place: Mumbai
Date: May 27, 2017

Place: Bengaluru
Date: May 27, 2017

Significant accounting policies and notes on accounts

1. Significant accounting policies

1.1 Basis of preparation of financial statements

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

1.2 Use of Estimates

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

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

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

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

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

1.4 Depreciation and Amortization

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

Assets	Useful Life applied (In Years)
Computers	3.00
Furniture and Fixtures - Owned Premises	10.00
Furniture and Fixtures - Leased Premises	5.00
Office Equipment	5.00
Plant and Equipments including Electrical installations	4.00
Computer Peripherals - on Use and Pay	4.00
Vehicles	8.00
Air Conditioners	4.00
Moulds, Dies & Patterns	5.00
Building	30.00

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

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

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

1.5 Impairment of Assets

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

1.6 Borrowing Costs

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

1.7 Inventories

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

1.8 Contingencies and events occurring after the Balance Sheet date

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

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

1.9 Foreign Currency Transactions

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

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

Non monetary foreign currency items are carried at cost.

1.10 Revenue Recognition

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

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

1.11 Employee Benefits

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

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

1.12 Tax Expense

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

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

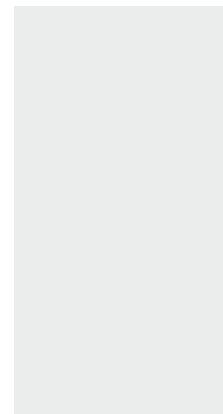
Deferred tax asset relating to unabsorbed depreciation / business losses/ losses under the head "capital gains" are recognised and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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

1.13 Provisions and Contingent Liabilities

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

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where



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

Name of Shareholder	As at March 31, 2017	As at March 31, 2016
RNAWEP Investments Private Limited		
No. of Shares	32,60,403	32,60,403
% Holding	13.00%	14.17%
Ram N Agarwal		
No. of Shares	30,05,056	32,05,056
% Holding	11.98%	13.94%
WeP Peripherals Limited		
No. of Shares	20,24,994	21,24,994
% Holding	8.07%	9.24%
Wipro Limited		
No. of Shares	18,36,000	18,36,000
% Holding	7.32%	7.98%
Sharad Kanayalal Shah		
No. of Shares	14,12,035	2,56,176
% Holding	5.63%	1.11%
Dipak Kanayalal Shah		
No. of Shares	12,60,553	1,48,000
% Holding	5.03%	0.64%

2.1.4 Stock Options Outstanding

Particulars	As at March 31, 2017	As at March 31, 2016
Stock Options Outstanding	7,81,185	6,52,650

2.2. Reserves and Surplus

Particulars	As at March 31, 2017	As at March 31, 2016
Capital Reserve		
Opening Balance	3,13,27,459	3,04,28,459
Transfer of Subsidy from Government	-	8,99,000
Closing Balance	3,13,27,459	3,13,27,459
Subsidy from Govt		
Opening balance	-	8,99,000
Transfer to Capital Reserve	-	(8,99,000)
Closing balance	-	-
Securities Premium Account		
Opening Balance	66,75,000	66,75,000
Additions during the year	8,01,88,940	-
Closing Balance	8,68,63,940	66,75,000
Surplus in Statement of Profit and Loss Account		
Opening balance	4,14,95,248	3,09,51,374
Add :- Current year profit / (loss)	1,21,18,841	1,05,30,415
Profit available for appropriation	5,36,14,089	4,14,81,789
Less :- Appropriations		
Tax on Dividend	-	(13,459)
Closing balance	5,36,14,089	4,14,95,248
TOTAL	17,18,05,488	7,94,97,707

2.3 Other Long Term Liabilities

Particulars	As at March 31, 2017	As at March 31, 2016
Customer and Dealer Deposits	1,71,23,708	1,84,88,298
TOTAL	1,71,23,708	1,84,88,298

2.4 Long Term Provisions

Particulars	As at March 31, 2017	As at March 31, 2016
Employee Benefits	63,25,755	75,34,063
Warranty Liability (Refer Note No. 2.26)	93,88,833	1,38,80,464
TOTAL	1,57,14,588	2,14,14,527

2.5 Short Term Borrowings

Particulars	As at March 31, 2017	As at March 31, 2016
a) Secured Loans repayable on Demand From Banks Cash Credit Account (Secured by Hypothecation of Current Assets)	3,58,05,652	12,23,34,009
TOTAL	3,58,05,652	12,23,34,009

2.6 Trade Payables

Particulars	As at March 31, 2017	As at March 31, 2016
Other Trade Payables	11,77,85,441	14,03,00,474
TOTAL	11,77,85,441	14,03,00,474

2.7 Other Current Liabilities

Particulars	As at March 31, 2017	As at March 31, 2016
For Expenses	3,78,52,837	5,93,54,842
Unclaimed Dividend	15,72,700	16,09,436
Advance from Customers	19,10,721	1,85,368
Income received in advance	5,55,465	23,91,032
Statutory payables	34,05,037	36,61,859
Other payables	37,98,396	9,24,586
TOTAL	4,90,95,156	6,81,27,123

2.8 Short Term Provisions

Particulars	As at March 31, 2017	As at March 31, 2016
Warranty Liability (Refer Note No. 2.26)	35,57,628	50,92,011
Employee Benefits	9,84,018	18,59,181
TOTAL	45,41,646	69,51,192

2.10 Non Current Investments

Particulars	As at March 31, 2017	As at March 31, 2016
Investment in Equity Shares 809999 Shares of ₹ 10 each fully paid up in M/s WeP Digital Services Private Limited (formerly known as eRM Solutions Private Limited)	81,00,000	81,00,000
TOTAL	81,00,000	81,00,000

2.11 Deferred Tax

Particulars	As at March 31, 2017	As at March 31, 2016
<u>Deferred Tax Asset</u>		
Provision for doubtful debts	2,23,73,640	2,14,26,754
Expenses allowed on actual payment basis u/s 43B of I.T Act 1961	41,67,885	44,01,095
Loss Carried Forward	55,15,044	-
Expenses allowed under 40a(i)(a)	1,63,662	97,335
Amortisation of Demerger expenditure u/s 35DD of I.T.Act 1961	-	1,65,417
<u>Less: Deferred Tax Liability</u>		
Depreciation Difference	1,74,97,998	59,55,392
Net Deferred Tax Asset	1,47,22,233	2,01,35,209

2.12 Long Term Loans and Advances

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured - Considered good		
Deposits	1,26,57,125	1,55,75,214
Loan to Subsidiary	1,00,00,000	42,92,670
TOTAL	2,26,57,125	1,98,67,884

2.13 Other Non Current Assets

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured - Considered good		
Margin Money Deposits with Bank	6,65,695	6,16,574
Interest Accrued on Fixed Deposits	63,881	51,974
TOTAL	7,29,576	6,68,548

2.9. Fixed Assets as on 31st March, 2017

Particulars	Gross Block			Depreciation and Amortisation			Net Block			
	Opening Block As at 1-Apr-16	Additions During the year	Deduction on Disposal	Closing Block as at 31-Mar-17	As At 1-Apr-16	For the Year	Deduction on Disposal / adjustment	Total as at 31-Mar-17	As at 31-Mar-2017	As at 31-Mar-16
Tangible Assets:										
Leasehold - Land	6,84,68,000	-	-	6,84,68,000	16,11,012	8,05,506	-	24,16,518	6,60,51,482	6,68,56,988
Building - Factory	4,08,60,152	-	-	4,08,60,152	28,37,510	13,62,006	-	41,99,516	3,66,60,636	3,80,22,642
Plant & Equipment	7,55,00,111	21,68,341	-	7,76,68,452	7,32,81,095	12,05,233	-	7,44,86,328	31,82,124	22,19,016
Moulds, Dies & Patterns	15,62,80,151	41,11,075	-	16,03,91,226	15,61,58,434	2,97,622	-	15,64,56,056	39,35,170	1,21,717
Computers	9,01,07,917	16,91,346	-	9,17,99,263	8,63,95,578	20,19,615	-	8,84,15,193	33,84,070	37,12,339
Computer Peripherals										
- On Use and Pay	49,62,98,747	13,64,00,633	16,13,24,710	47,13,74,670	37,01,68,264	6,99,20,881	15,86,85,813	28,14,03,332	18,99,71,338	12,61,30,483
Furniture & Fixture	3,83,12,199	2,87,558	-	3,85,99,757	3,59,31,750	7,25,283	-	3,66,57,033	19,42,724	23,80,449
Vehicles	42,11,601	-	21,36,643	20,74,958	31,41,515	1,66,012	17,09,244	15,98,283	4,76,675	10,70,086
	97,00,38,878	14,46,58,953	16,34,61,353	95,12,36,478	72,95,25,158	7,65,02,158	16,03,95,057	64,56,32,259	30,56,04,219	24,05,13,721
Intangible Assets:										
Technical Knowhow	68,03,441	-	-	68,03,441	68,03,441	-	-	68,03,441	-	-
Computer Software	72,91,126	24,80,147	-	97,71,273	63,43,249	7,59,791	-	71,03,040	26,68,233	9,47,877
Computer Software										
- ERP System	85,73,575	-	-	85,73,575	84,12,351	1,41,884	-	85,54,235	19,340	1,61,224
	2,26,68,142	24,80,147	-	2,51,48,289	2,15,59,041	9,01,675	-	2,24,60,716	26,87,573	11,09,101
Total	99,27,07,020	14,71,39,100	16,34,61,353	97,63,84,767	75,10,84,199	7,74,03,833	16,03,95,057	66,80,92,975	30,82,91,792	24,16,22,822

Fixed Assets as on 31st March, 2016

Particulars	Gross Block			Depreciation and Amortisation			Net Block			
	Opening Block As at 1-Apr-15	Additions During the year	Deduction on Disposal	Closing Block as at 31-Mar-16	As At 1-Apr-15	For the Year	Deduction on Disposal / adjustment	Total as at 31-Mar-16	As at 31-Mar-2016	As at 31-Mar-15
Tangible Assets:										
Leasehold - Land	6,84,68,000	-	-	6,84,68,000	8,05,506	8,05,506	-	16,11,012	6,68,56,988	6,76,62,494
Building - Factory	4,08,60,152	-	-	4,08,60,152	14,75,505	13,62,005	-	28,37,510	3,80,22,642	3,93,84,647
Plant & Equipment	7,70,43,135	3,53,011	18,96,035	7,55,00,111	7,39,10,321	12,66,782	18,96,008	7,32,81,095	22,19,016	31,32,814
Moulds, Dies & Patterns	15,61,85,014	95,137	-	15,62,80,151	15,60,01,707	1,56,727	-	15,61,58,434	1,21,717	1,83,307
Computers	9,56,29,556	30,70,533	85,92,172	9,01,07,917	9,29,61,751	20,25,954	85,92,127	8,63,95,578	37,12,339	26,67,805
Computer Peripherals										
- On Use and Pay	51,63,13,207	7,15,41,717	9,15,56,177	49,62,98,747	40,40,21,939	5,45,71,336	8,84,25,011	37,01,68,264	12,61,30,483	11,22,91,268
Furniture & Fixture	4,05,45,937	8,43,402	30,77,140	3,83,12,199	3,82,32,962	7,75,921	30,77,133	3,59,31,750	23,80,449	23,12,975
Vehicles	42,11,601	-	-	42,11,601	29,56,537	1,84,978	-	31,41,515	10,70,086	12,55,064
	99,92,56,602	7,59,03,800	10,51,21,524	97,00,38,878	77,03,66,228	6,11,49,209	10,19,90,279	72,95,25,158	24,05,13,721	22,88,90,374
Intangible Assets:										
Technical Knowhow	68,03,441	-	-	68,03,441	68,03,441	-	-	68,03,441	-	-
Computer Software	86,10,258	10,43,581	23,62,713	72,91,126	86,10,258	95,704	23,62,713	63,43,249	9,47,877	-
Computer Software										
- ERP System	85,31,375	42,200	-	85,73,575	76,79,143	7,33,208	-	84,12,351	1,61,224	8,52,232
	2,39,45,074	10,85,781	23,62,713	2,26,68,142	2,30,92,842	8,28,912	23,62,713	2,15,59,041	11,09,101	8,52,232
Total	1,02,32,01,676	7,69,89,581	10,74,84,237	99,27,07,020	79,34,59,070	6,19,78,121	10,43,52,992	75,10,84,199	24,16,22,822	22,97,42,606

2.14 Inventories

Particulars	As at March 31, 2017	As at March 31, 2016
Raw Materials		
- In Stock	2,56,35,695	2,48,35,221
- In Transit	-	-
Work in Progress	1,25,91,178	1,04,69,792
Stock in Trade		
- In Stock	3,71,85,333	6,92,76,779
- In Transit	-	16,40,510
Finished Goods		
- In Stock	64,01,076	1,96,35,055
- In Transit	16,868	62,069
Spares and Consumables		
- In Stock	5,20,92,689	7,06,79,641
- In Transit	-	-
TOTAL	13,39,22,839	19,65,99,067

2.15 Trade Receivables

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured		
Outstanding for a period exceeding six months from the due date		
Considered good	34,76,919	77,86,010
Considered doubtful	6,76,69,721	6,60,40,234
Less: Provision for Doubtful debts	6,76,69,721	6,60,40,234
		-
Sub total	34,76,919	77,86,010
Other debts		
Considered good	11,43,58,408	14,31,68,230
TOTAL	11,78,35,327	15,09,54,240

2.16 Cash and Cash Equivalents

Particulars	As at March 31, 2017	As at March 31, 2016
i) Balances with Banks		
Current account	1,14,245	3,86,563
ii) Other Bank Balances		
Dividend Account	15,72,700	16,09,436
iii) Cash on Hand	-	39,173
TOTAL	16,86,945	20,35,172

2.17 Short Term Loans and Advances

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured - Considered good		
a) Other Loans and Advances		
i) Advance Income Tax (net of provision)	4,30,76,900	3,76,58,423
ii) Balances with Excise, Customs, VAT and Service Tax input credit	23,34,504	26,34,897
iii) Deposits	3,05,000	11,57,600
iv) Others	78,55,168	48,46,192
TOTAL	5,35,71,572	4,62,97,112

2.18 Revenue From Operations

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Sale of Products	40,12,38,413	53,05,05,171
Sale of Services	40,24,55,880	39,43,39,065
Other Operating Revenue	5,97,991	8,68,963
	80,42,92,284	92,57,13,199
Less: Excise Duty	2,41,08,769	3,66,66,458
TOTAL	78,01,83,515	88,90,46,741

2.19 Other Income

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest on Deposits with banks	63,784	5,52,201
Rental Income	-	11,97,312
Other Interest	7,89,142	1,86,446
Miscellaneous Income	18,28,164	22,42,270
Provision no longer required written back	61,40,001	-
TOTAL	88,21,091	41,78,229

2.20 Cost of Material Consumed

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening Stocks	9,55,14,862	9,77,57,761
Add: Purchases during the year	24,24,61,493	32,21,73,795
Opening Stocks + Purchases	33,79,76,355	41,99,31,556
Less: Closing stocks	7,77,28,385	9,55,14,862
Sub Total	26,02,47,970	32,44,16,694
Cost of Material Consumed	26,02,47,970	32,44,16,694

2.21 Purchase of Stock in Trade

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Purchases of stock-in-trade	21,45,96,886	19,29,98,355
Less: Capitalised during the year	13,50,09,943	7,15,41,717
TOTAL	7,95,86,943	12,14,56,638

2.22 Changes in Inventories of Work in Process, Finished Goods and Stock-in-Trade

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening stock		
Work in Process	1,04,69,792	1,27,19,705
F	1,96,97,124	2,83,89,191
Stock in Trade	7,09,17,291	8,55,92,621
Sub Total	10,10,84,207	12,67,01,517
Closing Stock		
Work in Process	1,25,91,178	1,04,69,792
F	64,17,944	1,96,97,124
Stock in Trade	3,71,85,334	7,09,17,291
Sub Total	5,61,94,456	10,10,84,207
TOTAL	4,48,89,751	2,56,17,310

2.23 Employee Benefit Expenses

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries and Wages	8,42,79,795	7,91,37,982
Contribution to prov M M M M	37,62,269	35,64,712
Staff welfare expenses	86,10,611	94,58,723
TOTAL	9,66,52,675	9,21,61,417

2.24 Finance Cost

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest Expenses	1,04,24,456	1,65,56,020
Other Borrowing costs	15,26,156	9,82,673
TOTAL	1,19,50,612	1,75,38,693

2.25. Other Expenses

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Power and fuel	59,13,767	68,88,493
Insurance	8,44,421	7,99,041
Repairs & Maintenance	56,85,116	44,19,234
Rent	2,36,69,836	2,89,92,365
Rates and taxes	61,69,698	64,32,055
Warranty Expenses	28,63,995	79,83,466
Carriage and Freight outwards	2,59,85,128	2,87,31,613
Commission on sales	73,25,349	1,09,79,534
Support Charges	2,11,03,252	2,72,17,497
Auditors' Remuneration		
- for Audit fees	6,61,250	3,57,625
- for Taxation matters	57,500	50,000
- for Reimbursement of expenses	1,07,920	16,739
Advertisement and Sales Promotion	58,30,831	98,36,403
Directors' Commission and Sitting fees	7,10,000	4,80,000
Loss on disposal of assets	21,43,410	19,78,724
Travelling and Conveyance	1,59,32,742	1,82,06,862
Communication Expenses	87,69,467	97,67,386
Legal and Professional charges	74,03,813	73,68,677
Manpower Support Service Charges	5,07,97,014	5,02,42,100
Office Maintenance	42,87,534	48,81,540
Provision for Bad debts / advances	16,29,487	13,79,066
Bad Debts Write off	44,218	-
Exchange Differences (Net)	1,91,013	31,95,274
Recruitment Expenses	7,82,072	16,56,371
Miscellaneous expenses	18,32,171	26,08,122
TOTAL	20,07,41,004	23,44,68,187

2.26 Details of Disclosure as required by AS-29

Warranty Provisions	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening Balance as on April 1, 2016	1,89,72,475	1,97,66,626
Additions during the year	1,29,46,461	1,89,72,475
Reversal	1,89,72,475	1,97,66,626
Closing Balance as on March 31, 2017	1,29,46,461	1,89,72,475

2.27 Contingent Liabilities in respect of:

- a) Disputed demand for Excise, Customs, Income Tax, VAT and other matters ₹ 592,52,472 (March 2017), ₹ 11,23,318 (March 2016).

2.28 Disclosures on Specified Bank Notes Post Demonetisation

Particulars	SBNs		Other denomination notes		Total	
	Denomination	Amount	Denomination	Amount	Denomination	Amount
Closing Balance as at 8 th November, 2016	37x500 & 4x1000	22,500	-	2,094	-	24,594
Transactions between 9 th November, 2016 and 30th December 2016	-	-	-	-	-	-
Add: Withdrawal from bank accounts	-	-	-	-	-	-
Add: Receipts for permitted transactions	-	-	-	1,59,178	-	1,59,178
Add: Receipts for non-permitted transactions (if any)	-	-	-	-	-	-
Less: Paid for permitted transactions	-	-	-	98,272	-	98,272
Less: Paid for non -permitted transactions (if any)	-	-	-	-	-	-
Less: Deposited in bank accounts	37x500 & 4x1000	22,500	-	-	-	22,500
Closing balance as at 30 th December, 2016	-	-	-	63,000	-	63,000

2.29. Segment Reporting

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

A. Primary Segment Information

Particulars	Printer Business		MPS Business		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue						
Net Sales / Income from Operations	38,05,59,238	50,50,77,178	39,96,24,277	38,39,69,563	78,01,83,515	88,90,46,741
Less:- Intersegment Revenue	-	-	-	-	-	-
Segment Revenue	38,05,59,238	50,50,77,178	39,96,24,277	38,39,69,563	78,01,83,515	88,90,46,741
Segment Result						
Before Finance Cost and Tax	(3,13,36,279)	(2,75,23,921)	6,08,18,709	6,06,50,525	2,94,82,430	3,31,26,603
Less:- Finance Cost					1,19,50,612	1,75,38,693
Profit Before Tax					1,75,31,818	1,55,87,910
Tax Expenses					54,12,977	50,57,495
Profit After Tax					1,21,18,841	1,05,30,415
Other Information						
Segment Assets	23,02,24,789	29,83,73,055	43,32,30,620	38,94,33,470	66,34,55,409	68,78,06,525
Segment Liabilities	12,48,47,595	15,96,01,730	7,94,12,946	9,56,79,884	20,42,60,541	25,52,81,614
Capital Employed	10,53,77,194	13,87,71,325	35,38,17,674	29,37,53,586	45,91,94,868	43,25,24,911
Capital Expenditure	79,74,887	50,99,666	13,95,75,743	7,34,16,395	14,75,50,630	7,85,16,061
Depreciation & Amortisation	54,76,250	52,10,069	7,19,27,583	5,67,68,052	7,74,03,833	6,19,78,121

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

2.30 Related Party Transactions

2.30.1. List of Related Parties

Name of Related Party	Relationship
Mr. Ram Narayan Agarwal	Chairman & Managing Director
Mr. B R Ganesh	Small Shareholders & Independent Director
Mr. G H Visweswara	Independent Director
Mr. Sudhir Prakash	Independent Director
Dr. A L Rao	Non-executive Director
Mr. H V Gowthama	Independent Director
Ms. Mythily Ramesh	Independent Director
Ms. Prashee Agarwal	Non - executive Director
Mr Shankar Jaganathan	Independent Director
WeP Digital Services Private Limited (Formerly eRM Solutions Private Limited)	Subsidiary Company (100% owned)
WeP Solutions India Limited	Promoter Group
WeP Peripherals Limited	Promoter

2.30.2 Transactions with Key Management Personnel

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Remuneration to Mr. Ram N Agarwal (Chairman & Managing Director)	5,06,497	5,79,286

2.30.3 Transaction with Other Related Parties

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
	WeP Peripherals Limited	
Sale of Goods and Services	-	13,67,014
Purchase of Goods and Services	81,19,404	91,58,372
WeP Digital Services Private Limited (Formerly eRM Solutions Private Limited)		
Purchase of Goods and Services	1,69,211	14,27,249
Interest received on Loan (Gross of TDS)	7,89,142	1,86,446

2.30.4 Amount Receivable from Related Parties

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Amount receivable from WeP Digital Services Private Limited (Formerly eRM Solutions Private Limited) (inclusive of interest)	1,00,00,000	42,92,670

2.31. Employee Benefit Plans

The Company provides to its employees following retirement benefits:

- i) Gratuity
- ii) Leave Accrual

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

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

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

Principal Actuarial Assumptions

Particulars	As at March 31, 2017	As at March 31, 2016
Expected Rate of Return on Assets (p.a)	7.50%	8.00%
Salary Escalation	7.00%	7.00%
Discount Rate	7.00%	8.00%

Amount recognized in the Balance Sheet are as follows:

Particulars	As at March 31, 2017	As at March 31, 2016
Present value of Funded Obligations	49,19,857	50,89,352
Fair value of plan assets	(24,55,406)	(4,67,093)
Net Liability	24,64,451	46,22,259

Amount reflected in the P&L Account is as follows:

Particulars	As at March 31, 2017	As at March 31, 2016
Current Service Cost	6,27,865	5,77,255
Interest on Defined Benefit Obligation	4,08,398	3,61,786
Net Actuarial Losses / (Gains) Recognised in year	(2,06,045)	1,76,974
Expected Return on Plan Assets	(28,388)	17,633
Total	8,01,830	11,33,648

Reconciliation of Benefit Obligation & Plan Assets for the Period

Particulars	As at March 31, 2017	As at March 31, 2016
<u>Change in Defined Benefit Obligation</u>		
Opening Defined Benefit Obligation	50,89,352	43,98,423
Current Service Cost	6,27,865	5,77,255
Interest Cost	4,08,398	3,61,786
Actuarial Losses / (Gain)	(1,73,981)	1,94,607
(Benefit Paid)	(10,31,777)	(4,42,719)
Closing Defined Benefit Obligation	49,19,857	50,89,352
<u>Change in Fair Value of Assets</u>		
Opening Fair Value of Plan Assets	4,67,093	-
Expected Returned on Plan Assets	28,388	-
Actuarial Gain / (Losses)	32,064	17,633
Contribution by Employer	29,59,638	8,92,179
Benefit Paid	(10,31,777)	(4,42,719)
Closing Fair Value of Plan Assets	24,55,406	4,67,093
Expected Employers Contribution Next Year	10,00,000	10,00,000

2.32. Employee Stock Option Plan [ESOP]

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

Particulars	ESOP 2011
Options at the beginning of the period (1 st April, 2016)	5,04,000
Options granted during the period	2,48,000
Price per share	10
Pricing Policy	Face Value
Options vested	80,700
Options Lapsed	2,83,500
Options available for exercise	80,700
Options exercised	76,200
Total number of shares arising as a result of exercise of options	76,200
Variations of terms of options	NIL
Money realised by exercise of options (Rs.)	7,62,000
Total number of options in force	3,92,300

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

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

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

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

2.34. Additional Information Pursuant to the Provisions of Part II of Schedule III to the Companies Act 2013.

a. Value of Imports on CIF basis

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Raw Material, Stock-in-Trade and Spares & Consumables	17,81,99,749	21,31,43,480

b. Expenditure in Foreign Currency

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Travelling	50,951	1,86,762
Repair Charges	3,65,640	24,77,221

c. Material Consumption Details

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Indigenous-		
Consumption during the year	14,25,29,913	18,07,10,989
% of total consumption	55%	56%
Imported-		
Consumption during the year	11,77,18,057	14,37,05,705
% of total consumption	45%	44%
Total	26,02,47,970	32,44,16,694

d. Earning in Foreign Currency

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Export of Goods	12,17,850	-

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

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Basic		
Profit / (Loss) after tax as per accounts	1,21,18,841	1,05,30,415
Number of Shares issued (Weighted average No.)	2,33,31,499	2,30,03,472
Earning Per Share (of nominal value of equity share of ₹ 10/- each)	0.52	0.46
Diluted		
Profit / (Loss) after tax as per accounts	1,21,18,841	1,05,30,415
Number of Shares issued (Weighted average No.)	2,35,01,678	2,33,65,445
Earning Per Share (of nominal value of equity share of ₹ 10/- each)	0.52	0.45

For and on behalf of the Board of Directors

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

H V Gowthama
Director

Ram N Agarwal
Chairman & Managing Director

Vinay D Balse
Partner
Membership No. : 39434

Sandeep Goyal
Chief Financial Officer

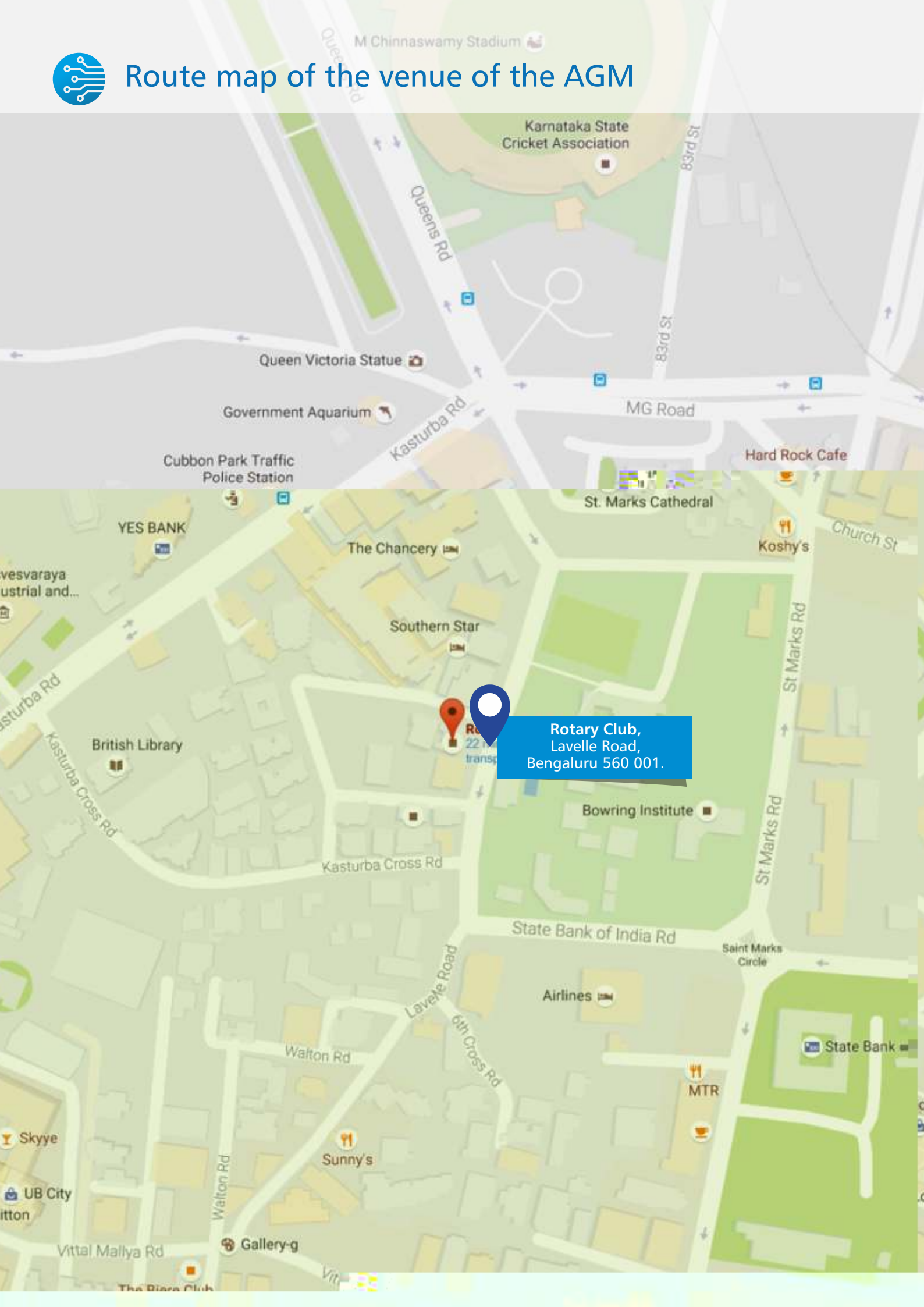
Sujata Lele
Company Secretary

Place: Mumbai
Date: May 27, 2017

Place: Bengaluru
Date: May 27, 2017



Route map of the venue of the AGM



Rotary Club,
Lavelle Road,
Bengaluru 560 001.

Our Promise

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

Our Values



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



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



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



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



WeP Solutions Limited

Regd. Office: 40/1-A, Basappa Complex,
Lavelle Road, Bengaluru 560 001. Karnataka - INDIA.
Tel.: +91 80 6611 2000 | Fax: +91 80 6611 2055
www.wepsolutions.co.in
www.wepdigital.com





Annexure IV

Summary of proceedings as required under Regulation 30, Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations

SUMMARY OF PROCEEDINGS OF THE 22nd ANNUAL GENERAL MEETING

The 22nd Annual General Meeting ('AGM') of the Members of WeP Solutions Limited ('the Company') was held on Thursday, 3rd August 2017 from 03.00 PM to 04.00 PM at Rotary Club, Lavelle Road, Bangalore 560 001.

The meeting was attended by seven Directors of the Company, Chief Financial Officer, and Statutory Auditor.

Ram N Agarwal, Chairman and Managing Director of the Company chaired the meeting. He introduced other Directors present on the dais to the members. The requisite quorum being present, the Chairman called the meeting to order.

The Chairman delivered his speech.

The Notice convening the 22nd Annual General Meeting was taken as read with the permission of the Members. The Chairman informed that the Auditor's Report did not contain any qualification, reservation, adverse remark or disclaimer. Therefore, the Auditor's Report was taken as read with the permission of the Members.

The Chairman informed that the Company had provided the Members the facility to cast their vote electronically on all resolutions set forth in the Notice. Members who were present at the venue of the Annual General Meeting and had not cast their votes electronically were provided an opportunity to cast their votes at the end of the meeting. It was further informed that there would be no voting by show of hands.

The following items of business, as per the Notice of the 22nd Annual General Meeting dated 30th June 2017, were transacted at the meeting:



WeP Solutions Limited

Regd. Office : Basappa Complex, 40/1A, Lavelle Road, Bangalore - 560001 Tel : 91-80-66112000/01. Fax : 91-80-66112242
CIN :- L72200KA1995PLC025617, Email: corporate@wepsol.in, www.wepsolutions.co.in, www.wepindia.com



1. To consider and give assent or dissent to the following:

“RESOLVED THAT the following Audited Financial Statements and reports of the Company, for the financial year ended 31st March 2017, as circulated to the shareholders be and are hereby adopted:

- a. Standalone and Consolidated Financial Statements;
 - b. Reports of the Auditors on the Standalone and Consolidated Financial Statements; and
 - c. Report of the Board of Directors on the Standalone Financial Statement”.
2. To re-appoint Prashee Agarwal, who retires by rotation at this meeting and being eligible, offers herself for re-appointment.
 3. To ratify appointment of M/s N.M. Rajji & Co, Chartered Accountants, Mumbai as Statutory Auditors.
 4. Approval of grant of Options to the Employees/Directors of the Company’s Subsidiary under ESOP-2016

Clarifications were provided to the queries raised by the members.

The Board of Directors had appointed Vinay B. as Practicing Company Secretary as the Scrutinizer to supervise the e-voting and Ballot/Poll voting process. The Chairman authorized the Company Secretary or Chief Financial Officer to declare the results of voting and place the same on the website of the Company.

The Scrutinizer’s Report was received and accordingly all the resolutions as set out in the Notice were declared as passed.

This is for your information and records.

Thanking You,

Yours Sincerely,

For WeP Solutions Limited

Sandeep Goyal
Chief Financial Officer



WeP Solutions Limited

Regd. Office: Basappa Complex, 40/A, Lavelle Road, Bangalore - 560001 Tel: 91-80-66112000/01. Fax: 91-80-66112242

CIN :- L72200KA1995PLC025617, Email: corporate@wepsol.in, www.wepsolutions.co.in, www.wepindia.com