



# WeP Solutions Limited





### Board of Directors

Mr. Ram N Agarwal	- Chairman & Non-Executive Director
Mr. P K Gopalakrishnan	- Managing Director
Mr. G H Visweswara	- Non - Executive Director
Dr. A L Rao	- Non - Executive Director
Mr. H V Gowthama	- Independent Director
Mr. Sudhir Prakash	- Independent Director
Mr. B R Ganesh	- Independent Director
Mr. Shankar Jaganathan	- Independent Director

### Auditors

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

### Shares Listed at

Bombay Stock Exchange Limited  
Scrip Code: 532373

### Website

[www.wepsolutions.co.in](http://www.wepsolutions.co.in)

### Investor E-mail ID

[investor@wepsol.in](mailto:investor@wepsol.in)

### Corporate Identity Number

L72200KA1995PLC025617

### Bankers

Axis Bank Limited  
Corporation Bank  
HDFC Bank Limited

### Registered Office

40/1A, Basappa Complex  
Lavelle Road, Bangalore-560 001  
Ph : 91 80 66112000  
Fax : 91 80 66112055  
E-mail : [info@wepsol.in](mailto:info@wepsol.in)

### Manufacturing Locations

- Karnataka**  
No. 312, 313, Hebbal Industrial Area  
Mysore – 570 016
- Himachal Pradesh**  
Plot No. 87, EPIP, Phase I, Jharmajri  
Post Baddi, District Baddi  
Himachal Pradesh -174103

### Share Transfer Agent

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

## Contents

Letter to the Shareholders.....	03
Performance at a Glance.....	04
Business Overview .....	05
Directors' Report.....	07
Report on Corporate Governance.....	14
Auditor's Report .....	20
Financial Statements.....	22



## Letter to the Shareholders

*Dear Shareholders,*

*The year 2013-14 has been significant for the Indian economy in many ways with current account deficit and rupee depreciation against foreign currencies coming under control after a long time. High inflation and liquidity constraints continued. Central and state governments were forced to cut their expenditure to get fiscal deficit under manageable limit. Most Indian companies continued to face multiple and serious challenges due to prevailing economic and industrial environment. Your company is not an exception to the situation. Despite these odds, your company has performed better with higher profits and better positive cash flows.*

*2013-14 was also a difficult year for IT product industry. Demand for Personal Computers in India remained stagnant. These above challenges forced many IT hardware companies to exit the business.*

*Your company recalibrated its strategy and focused on Application Specific Printing Solutions (ASPS) and continued to nurture its Managed Printing Solutions (MPS) business. Your company responded to the challenges by being cautious at the market place. The company focused on future growth areas where the company has unique advantages with respect to competition. This resulted in company dropping sales in degrowing market of Impact Printer but increasing sales in Application specific printers. In coming years, focus of company will remain in MPS business & ASPS Business.*

*Based on our in-house product development efforts, we provided building block for a unique Application Specific Printer for a ballot machine on a pilot basis. Based on success of this pilot project, we hope to garner a major share in this public service domain in the years to come. Benefits of this pilot project are expected to accrue to us from the financial year 2015-16 onwards when evaluations are completed and this ASP Solution used as a normal subsystem in any ballot exercise.*

*In the MPS Business, the company also increased its profitability during the last quarter of the 2013-14 by refining key operational steps. We will continue to reap these benefits in coming quarters.*

*Above changes increased company profits and cash flows during the year. With increased cash flow, your company acquired infrastructure for its manufacturing facility to put our operations on long term sustenance. Encouraged with its performance, your company is also recommending its first dividend.*

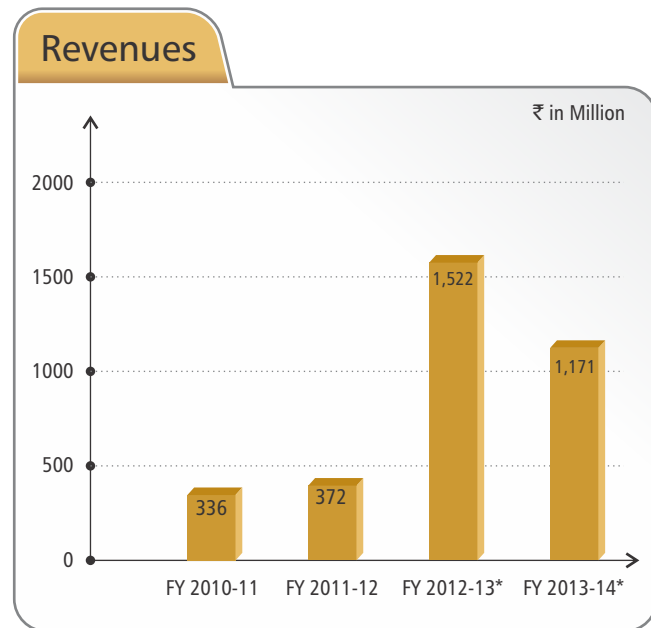
*We will continue to invest in understanding of customers in India. We are committed to provide "Tech Fantasy" to our customers and returns to our shareholders in addition to excitement to employees. Your management is considering various options for better profitability and growth by further diversification wherever required. Stable political environment and the recently announced vibrant domestic hardware sector is expected to offer us good opportunities as we move ahead.*

*I thank all my dear shareholders for your continued support. I take this opportunity to place on record my sincere gratitude to our Bankers, regulatory bodies like SEBI, BSE and all others for their support. I also wish to express my appreciation to my colleagues on the Board and our employees for their leadership, dedication and commitment. I thank everyone for their cooperation and trust reposed in us.*

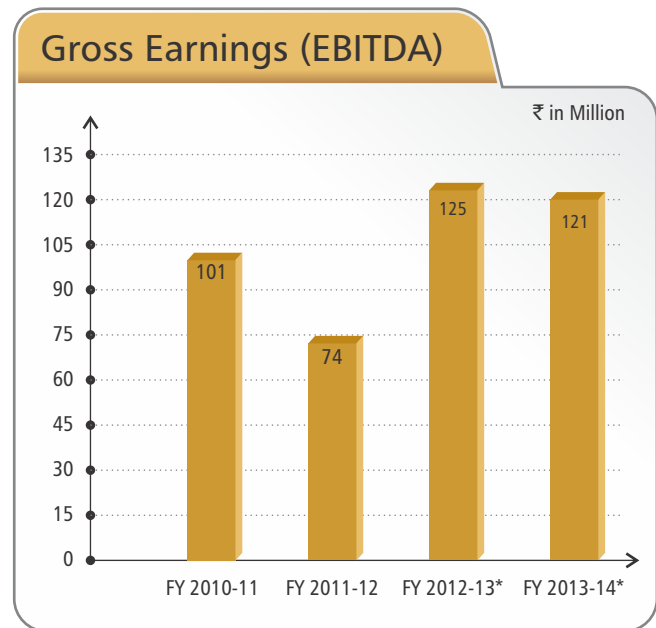
*With Best Regards,*

RAMNAGARWAL

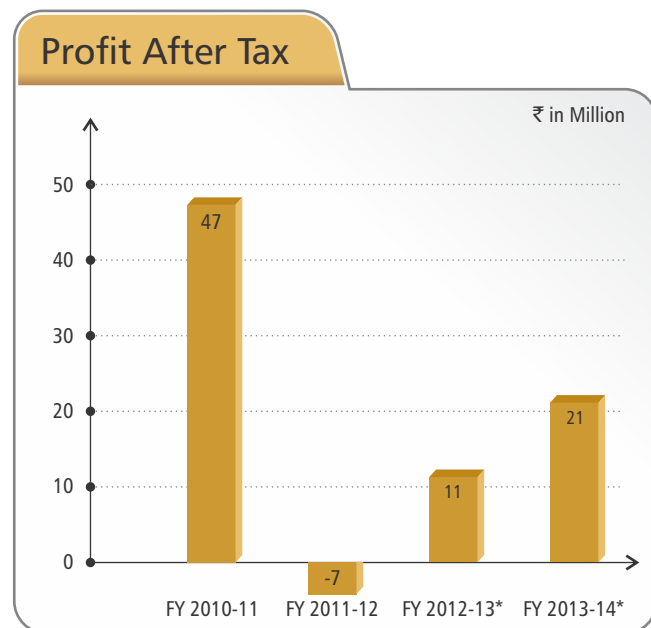
## Performance at a Glance



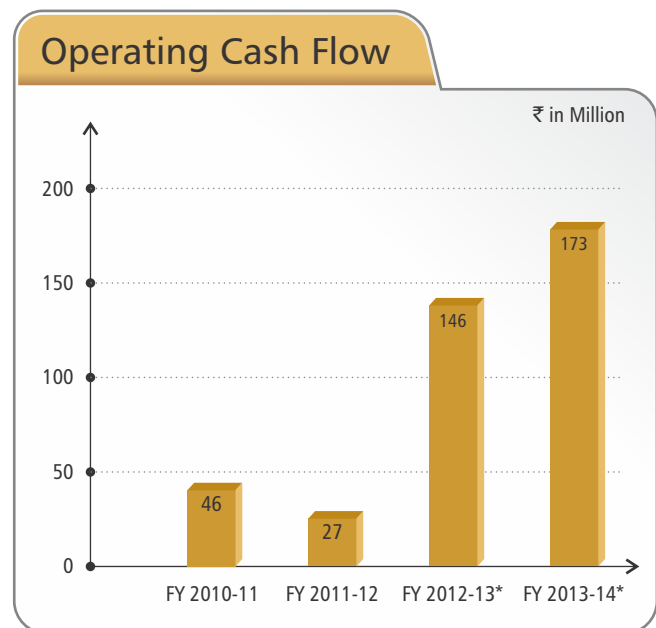
\* Includes revenue of Printers business acquired wef April 1, 2012



\* Includes figures of Printers business acquired wef April 1, 2012



\* Includes figures of Printers business acquired wef April 1, 2012



\* Includes figures of Printers business acquired wef April 1, 2012



## Business Overview

### Managed Printing Solutions (MPS)

Managed printing solution (MPS) focuses on providing complete management of printing, copying and scanning of the documents for an organization. It includes assessment and understanding of the printing environment of the customer and manages the upkeep of printers, consumables and spares as and when required. We mainly provide Solutions and Services for Print Fleet management under the following.

#### Our MPS Offerings

- **Asset plus Solution and Services (APSS):**

Under APSS onsite printing services is provided to customers anywhere in India without any capital investment. Our MPS Specialist monitors and understands the current customer's requirement and deploys laser printers/ Multi Function Printer's based on the analysis.

- **Full Service Solutions (FSS):**

Under FSS WeP manages the customer's existing printer infrastructure to ensure the best possible Return on Investment from their asset.

- **Solution on existing asset:** Providing MPS on customer's existing printers on 'per click' basis.
- **Sell asset and provide solution:** WeP Solutions can sell new printers to customers and then manage it on 'Per Click' basis.

- **Bulk Printing Solutions (BPS)**

Bulk Printing Solution comprises of the large scale printing for the customer both onsite and offsite. WeP Solutions has print centers set up for large scale printing of the customer

- **Onsite Printing:** WeP Solutions takes up bulk printing by deploying its Printers / Copiers / Scanners at Customer's project site.
- **Offsite Printing:** In case customer's data is 'low-key' or 'non-proprietary' in nature, company offers off-site printing solution that involves the execution of imaging and finishing the job at the Print Centers across the country.

#### New Initiatives

##### Color Printing:

The general trend of office printing is shifting its focus towards color printing from a normal mono printing scenario. Market is looking for more than a just mono printing for their important documents. Our new product range of Color Printers/Multi Function Purpose caters to the need of market bundled with advanced feature like follow me printing, MIS tracking and reporting with added advantages.

##### Secure printing:

Secure printing can be defined as when a user's print job is held on a device and released by the user at printing device by authenticating himself by either entering pin or access card swipe which supports this feature. In other words it's a networked system that enables companies and large

organizations to successfully manage their print output. It is also known as Follow Me Printing.

##### MIS tracking and control:

Through pull printing feature, organizations can reduce unnecessary printing, determine the optimized state for print infrastructure and define printing policies. MIS tracking Gives clear idea about the daily printing which takes place in an organization.

**SUPER SIX ADVANTAGES**

 <p>Time savings</p>	 <p>Cost savings</p>	 <p>Sustainability</p>
 <p>Print from mobile devices</p>	 <p>Data security</p>	 <p>Automating process</p>

#### Document Management Solutions (DMS):

Organizations these days focus a lot on Governance, Risk Management and Compliance (GRC Framework). Records Management is one of the critical parts of GRC framework. Physical Documents lying in various departments are exposed to a lot of problems like:

- Stealing, Theft
- Air, Water, Fire damage
- Manipulation
- They take a lot of space in office which adds to the cost.

To counter above problems an organization needs to have strong Electronic Record Management (ERM) strategy in place. These are strategies and tools to capture, manage, store and preserve the electronic documents of the organization.

This is a time of **Smart Digital Documents** with **cloud computing** becoming a reality document needs to have high features pertaining to storage, distribution, open ability etc. This is where PDF/A (which is an international standard in electronic archiving) becomes extremely critical. PDF/A ensures that archiving requirement of a document are fully met. As document imaging becomes more commonplace numerous laws have arisen regarding the legality of Imaged paper and electronic files. Many government agencies do accept imaged documents as legal records paving a way for destruction of Physical documents after a specified time.

##### Benefits of Electronic Record Management (ERM) System:

- Fast Retrieval
- Full Text Search
- No Lost File
- Digital Archiving
- Share files Easily
- Improved Security
- Save Space
- Disaster Recovery

## Application Specific Printing Solutions (ASPS)

Leveraging on its Research & Development (R&D) and Manufacturing strengths, WeP has now expanded from being a product based company into an engineering & manufacturing services powerhouse.

With a long standing presence in the manufacturing sector, WeP is a pioneer in offering cost benefits to its customers for products of international standards. WeP's manufacturing base started with printers for the Indian market. Since then, WeP has been consistently proving its core strength in design and manufacturing of electro-mechanical products.

WeP's expertise in providing tailor made solutions for each market to meet the customer requirements within stringent international quality standards is the key differentiation. All its facilities are ISO certified. WeP has two state-of-the art manufacturing facilities situated in Mysore (Karnataka) and in Baddi (Himachal Pradesh).

WeP has dedicated R&D team focused on different product lines of application specific printer's development. WeP R&D has

complete in-house facility for executing projects from concept to product with core capabilities of electromechanical product involving various engineering domains like Electro magnetics, Power Electronics, Thermal, Vibration and dynamics. WeP with rich design experience in Interface design of mechatronics products deals with dynamics of mechanical components and its behavioral study with electronics. R&D team has executed several application specific printer projects for voting machine, fuel retailing, Retail automation, Pharma and Dairy segments.

WeP developed a unique application specific printer for a large public sector undertaking to be used in large scale public service domain. WeP's R&D team developed this printer module over the last three years. Multiple versions of product improvement and mock trials were conducted at various cities in India with varied climatic conditions and geographical challenges. It was successfully tested and a large order was supplied by WeP during the year. We believe that such specialized printing needs and demands from customers will drive our innovation and strategy for the years to come and with our R&D strength and extensive knowledge in printing domain, WeP should be able to meet such requirements.

**POS Printers**

**POS Systems**

**Laser Printers**

**Passbook Printer**

**ID Card Printers**

**Dot Matrix Printers**

**Line Matrix Printers**

**Ribbons & Cartridges**

**Billing Printers**

**Pakka Bill, Sahi Hisaab**

**India's No. 1 selling All-In-One Billing Printers**



## Directors' Report

The Directors hereby present their Nineteenth Annual Report on the business and operations of the Company and the Financial Accounts for the year ended 31<sup>st</sup> March 2014.

### Financial Highlights

The highlights of the financial performance of the company are as follows:

Particulars	(₹ in lakhs)	
	For the year ended 31st March 2014	For the year ended 31st March 2013
Revenue from Operations	11608.48	15185.76
Other Income	101.81	34.09
<b>Total Revenue</b>	<b>11710.29</b>	<b>15219.85</b>
<b>Profit Before Depreciation, Interest &amp; Taxes</b>	<b>1213.39</b>	<b>1252.49</b>
Finance Cost	204.41	312.26
Depreciation and Amortisation	726.83	772.29
<b>Profit Before Tax</b>	<b>282.15</b>	<b>167.94</b>
Provision for Tax	73.38	56.46
<b>Profit / (loss) for the Year</b>	<b>208.77</b>	<b>111.48</b>
Earnings Per Share (Equity share par value ₹ 10/-each) Basic / Diluted (₹ per share)	0.91	0.48

### Performance

Pursuant to Clause 49 of the Listing Agreement, as prescribed by the Stock Exchange and Securities and Exchange Board of India (SEBI). A detailed Management Discussion and Analysis Report is made a part of this Annual Report.

### Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March 2014, the applicable accounting standards have been followed along with proper examination relating to material departures;
- The Directors have selected such accounting policies and applied them consistently except where otherwise stated in the notes on accounts and made judgments and estimates that were 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 loss of the company for the year under review;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March 2014 on a 'Going Concern' basis.

### Dividend

During the year under review, your Directors wish to propose First Dividend of 5% (Rs. 0.50-Fifty paise only) as Final Dividend for the year 2013-14. The Board recommends same for approval of the Shareholders in the ensuing Annual General Meeting.

## Corporate Governance

Pursuant to Clause 49 of the Listing Agreement, your company adheres to all the Corporate Governance Code as prescribed by the Stock Exchange and Securities and Exchange Board of India (SEBI). A detailed Corporate Governance Report is made a part of this Annual Report.

A certificate from Auditor of the Company regarding Compliance of the conditions of Corporate Governance as stipulated by Clause 49 of the Listing Agreement is attached to this report.

## Depository System

Equity shares of your company are compulsorily tradable in dematerialized form. Your company has signed agreements with National Securities Depository Limited and Central Depository Services (India) Limited for dematerialization of its equity shares. Currently about 95.85% of the issued capital is held in electronic mode.

## Retirement of Directors

During the year, Ministry of Corporate Affairs has notified various new provisions relating to the selection, manner of appointment, functions and duties of the Independent Directors. In terms of the provisions of Section 149 of Companies Act 2013, Independent Director are eligible to hold office for a term upto five consecutive years and are eligible for the second term subject to passing of special resolutions by the company. Independent Directors, so appointed, shall not be liable to retire by rotation under the Companies Act 2013.

Mr. H V Gowthama and Mr.Sudhir Prakash have satisfied the criteria of Independence under Section 149(6) of the Companies Act, 2013. Necessary resolutions are being placed before the shareholders at the ensuing Annual General Meeting seeking approval for appointment of Mr. H V Gowthama and Mr.Sudhir Prakash for a term of upto five consecutive years from 23rd September 2014 to 23rd September 2019. Mr. B R Ganesh who is an Independent Director have satisfied the criteria of Independence under Section 149(6) of the Companies Act, 2013. It is proposed to appoint Mr. B R Ganesh as a Small Shareholders Director under Section 151 of the Act to hold office upto a term of 3 (Three) consecutive years from 23rd September 2014 to 23rd September 2017. Necessary resolution is being placed before the shareholders at the ensuing Annual General Meeting seeking approval for his appointment. Mr Ram N Agarwal being eligible for reappointment offers himself to be appointed as Director of the company .In view of their valuable contributions for the growth and stability of the company your Board recommends their appointment.

Details regarding Directors proposed to be appointed at the Annual General Meeting to be held on 23<sup>rd</sup> September 2014, due to changes arising from the implementation of the Companies Act 2013 are provided in the annexure to the Notice convening the Annual General Meeting.

## Public Deposits

The Company has not accepted any deposits from the Public within the meaning of Section 58A of the Companies Act, 1956 for the year ended 31<sup>st</sup> March,2014.

## Research & Development

WeP has dedicated Research & Development team focused on different product lines of application specific printers development. WeP R&D has complete in-house facility for executing projects from concept to product with core capabilities of electro-mechanical product involving various engineering domains like Electro-magnetics, Power Electronics, Thermal, Vibration and dynamics. WeP with rich design experience in Interface design of mechatronics products deals with dynamics of mechanical components and its behavioral study with electronics. R&D team has executed several application specific printer projects for Petrol bunk, Retail automation, Pharma and Dairy segments.

## Subsidiary Company

As on 31<sup>st</sup> March 2014, company has no subsidiary. Hence requirement of reporting the statement pursuant to Section 212 of the Companies Act, 1956 and other statutory financial statements of a subsidiary does not arise.

## Employee Stock Option Plan

During the year the company has not granted any options to its employees under the ESOP Schemes 2011. Under the ESOP Scheme 2011 - 28,800 options have vested as on 31<sup>st</sup> March 2014. However none of the Options has been exercised. Hence no Shares were allotted to the employees under the ESOP Scheme 2011.

Disclosure under SEBI (ESOP & ESPS) Guidelines, 1999.

Options at the beginning of the period (1 <sup>st</sup> April 2013)	96,000
Options granted during the period	NIL
Price Per Share	10
Pricing Policy	Face Value
Options Vested	28,800
Options Lapsed	NIL
Options available for exercise	28,800
Options Exercised	NIL
Total number of shares arising as a result of exercise of options	NIL
Variations of terms of options	NIL
Money realized by exercise of options	NIL
Total number of Options in force	96,000





## Auditors

M/s N M Rajji & Co., Mumbai are the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141 of the Companies Act 2013 and that they are not disqualified for re-appointment. Suitable resolution is proposed in the notice sent to shareholders for the 19<sup>th</sup> Annual General Meeting.

## Personnel

There are no employees drawing remuneration in excess of limits specified in Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended.

## Human Resources

The Company's HR Policy is to build a high performing organization, by motivating each individual to contribute to the achievement of the departmental as well as Company's Goals. There is effective performance management system to monitor the performance levels and reward as appropriate. Your Directors take this opportunity to record their appreciation for the contribution of all employees of your company during the year.

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

The particulars as prescribed under Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 are given in the Annexure to this report.

## Acknowledgments

Your Directors thank all the Shareholders for the continued confidence and trust placed by them in the Company. The Directors wish to place on record their appreciation for the committed service of all the employees. The Directors would like to express their grateful appreciation for the assistance and co-operation received from the customers, bankers, vendors, investors, government and statutory authorities.

### For and on Behalf of the Board of Directors

P K Gopalakrishnan  
Managing Director

Place: Bangalore  
Date: 5<sup>th</sup> August, 2014

## Annexure to Directors' Report for the year ended 31<sup>st</sup> March 2014

I. Information required under Section 217(1)(e) of the Companies Act, 1956

### a. Conservation of Energy

The company's operations are energy intensive. However, significant measures are taken to reduce the energy consumption by using energy- efficient equipments. Conservation of energy is always on the "To Do" list at all levels of operations. Efforts are made in this direction on a continuous basis. The requirement of disclosure of particulars in this respect as prescribed to be furnished in Form A (rule 2) is not applicable and hence not provided. However, the company has taken the following adequate measures to conserve the energy:

- Solar street lighting in the factory premises.
- Microprocessor based AC units which are power savers.
- Localized lighting in place of community lighting.
- Employees are habituated to switch off fans, lights during the lunch break and at close of office hours.

### b. Technology Absorption

Efforts made in Technology absorption is stated as per Form B and annexed herewith.

### c. Foreign Exchange earnings and outgo

During the year earning in foreign exchange is 7.71 Mn. Outgo on account of foreign currency during the year was 338.33 Mn.

#### FORM B (Rule 2)

1. Research and Development (R & D)

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

- Design and Development of low footprint, high throughput printers.
- Design and Retail Billing Products and Solutions.
- Product Engineering Services for lifestyle products, hi-tech and automotive electronics.
- PCB Design for Analog/ Digital and mixed signal.
- GD and T/ CAD/ CAM/ CAE
- Application specific thermal printer development.
- Universal Magnetic path design for next generation print head design.
- Universal Linux Printer Drivers.
- Monolithic Laser Printer Driver.
- GSM/ GPRS for remote management of printers.
- Communication Protocols Serial, Parallel, USB.

- Adoption of SOC for Printer applications.
- Design and Development of ASIC/ FPGA.
- Embedded product solutions based on 8/16/32 bit controllers.
- EMI-EMC / ROHS / Energy Star – Compliance and regulatory requirements product design.

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

- Expansion of Retail products and solutions.
- Self – reliance in print head design and development for Dot Matrix Printers. All in-house captive requirements are met with our own Print Heads.
- Application specific printers design and manufacturing for voting machine and Petrol dispenser Retail automation.
- Export Market Expansion.
- Graphics throughput enhancement for windows applications in all printers.
- Linux printing solutions customized for Indian requirements.

### c. Future plan of action:

- Expansion of Retail Products range and solutions with augmentation of features.
- Development of WLAN, GPRS, Ethernet connectivity application devices.
- POS System development.
- Application specific printers for kiosk, Petrol dispenser and ATM.

### 2. Expenditure incurred on R & D:

Expenditure : ₹ 2.43 Mn.  
R & D Expenditure as % of total turnover : 0.2 %

### 3. 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.

- GSM / GPRS Communication for remote management of printers.
- Thermal Printer technology absorption for retail applications.
- Embedded system optimization for easy configurability and usability of retail products.
- Form factor optimization for high frequency AC DC converters.
- Adoption of variability and tolerance analysis for high precision parts design.



ii. **Benefit derived as a result of the above efforts.**

How to deliver Tech Fantasy products to our customers and consumers?

At Research and Development that is our primary challenge and motivation today. Inspired by trends and the consumers' latent desires, we are proactively re-fashioning our Research and Development outlook to deliver consumer sensitivity in our product design and development. We have a dedicated Research and Development team fully focusing on each product line.

Due to technology absorption and development, we are placing ourselves in a better position to deliver on our new customer promise of "TECH FANTASY". Also these research and Technology explorations will enable "Wow!" elements to customer in each delivery of the products.

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

a. **Technology imported:**

- Dot matrix print head technology

b. **Year of Import**

From the inception till 2007-08.

c. **Absorption of Technology**

- Absorption for 9 pin print head and 24 pin print head upto 1800 Hz
- Absorbed SOC technology for integration of digital systems for miniaturization
- Serial, USB communication protocols
- Non PC applications
- Ethernet, GSM/GPRS Connectivity
- RISC based platform designs
- Thermal Printer Platform Designs

For and on Behalf of the Board of Directors

PK Gopalakrishnan  
Managing Director

Place: Bangalore  
Date: 5<sup>th</sup> August, 2014

## 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. Business Performance

Changing global trends, increasing customer demands, evolving business structures are keeping companies on their toes to be competitive and delivery focused. The economic conditions are forcing them to continue their drive to achieve higher operational efficiency and transform in the manner they operate. The Indian Rupee continued to be under severe pressure from USD throughout the year. In business environments such as this it becomes a challenge to retain customers, highly skilled resources and other key partners. These challenges vary from being a competitive player, effective and efficient service provider, or an aspirational employer. WeP Solutions Limited (WeP) is not untouched by these factors.

WeP Solutions Limited (WeP) is in the following two major lines of business:

- a) Managed Printing Solutions (MPS)
- b) Printers Business (PBU)

#### Managed Printing Solutions (MPS)

MPS business continued to face the challenges of being able to grow in an increasingly competitive market. The service revenue of this business de-grew from Rs.346.19Mn in the previous year to Rs.322.9Mn. The PBIT of the business for FY14 was Rs.18.68Mn as against a PBIT of Rs.36.09Mn in FY13. The company is now focusing extensively on technological innovations and upgrading the solution offering to customers to both penetrate deeper in existing accounts in addition to acquiring new customers.

#### Printer Business (PBU)

PBU performance improved significantly on the profitability side. Since the business has high import content for its inputs and purchases, the first half of the year the business faced enormous challenges due to a highly fluctuating currency. The USD INR touched a high of Rs.68 per USD impacting significantly the input costs. During the period, the company very consciously avoided revenue at lower prices in light of the increased costs. It had sought price increases from all the customers wherein some customers did not agree. The impact was felt on the revenue as the business had revenues of Rs.833.98Mn as against Rs.1168.24Mn in the previous year.

PBU, however, did well on operational efficiency by reducing bulk of overheads and sales related costs. The PBIT of the business improved to Rs.29.97Mn in the current year from Rs.11.93Mn in the previous year. A high focus was put on developing customized printing devices based on the customer needs, where there is a premium attached to the product. The Retail printers segment continued to do well on account of this focus. The company also won a prestigious order from a large public sector undertaking to be used in Public service space. This product was completely designed and developed by the company in-house R&D team.

Both the PBU and MPS division focus on the Top 2000 corporates with a single objective to provide hassle free and innovative printing solutions.

### 2. Internal control systems and their adequacy

The Company has established adequate internal control systems, which provide reasonable assurances with regard to safeguarding Company's assets, promoting operational efficiencies and ensuring compliance with various statutory provisions. 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. The CEO and CFO certification provided in the Annual Report discusses about the adequacy of the our Internal control systems and procedures.

### 3. Human resource development / Industrial relations

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.

## 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. Pan India support structure with geographical reach
2. Strong Research & Development skill set to develop application specific printing devices and solutions.
3. Long standing partnerships with Global technology providers
4. Empanelment with many Government Nodal Agencies
5. Providing a Customised and Valuable business proposition for customer

## Weaknesses:

1. Inability to undertake large projects which require substantial investment for want of long term funds.
2. Inadequate skill sets for moving up the value chain from a pure MPS player to a Document management solutions provider
3. Inability to retain key resources due to lack of substantial revenue growth.

## Opportunities:

1. Printers Business acquisition has added a new set of Enterprise customers opening opportunities for cross selling in both the divisions.
2. Demand moving up in application specific printing solutions both in Impact and Non-Impact printing area.
3. Increasing number of customers looking for expert partners to manage their non-core needs vis a vis their core business.
4. Significant movement ahead by customers to look for total Document Management Solutions for their enterprises

## Threats:

1. Pricing pressure from customers due to global weak economic scenario restricts the increase in prices commensurate to input costs. Further, customers facing such market conditions tend to delay the payments.
2. Strict Competition from Multiple players specifically from the unorganized sector forces us to cut our prices steep resulting in uneconomical operation.
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 and Mitigants

### Foreign exchange risks

A good amount of Import of stocks is done in order to meet the consumables, spares and printers requirement. The time involved from the date of order, receipt of the stock from the vendor, supply to the customer has remained in the range of 30

to 45 days. Further, the credit period from the vendor is an average period of 45 days. This time lag is potential enough to affect the profitability of your company due to fluctuation in the currency exchange rate.

### Mitigants:

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

### Receivable Risks:

During the year, the company faced challenges in improving its receivables position. While the average number of days of sales outstanding improved, the company found a tendency in customers to delay the payments. Delays in payments impact our ability to meet our working capital requirements on time and puts pressure on our borrowings thereby increasing finance costs.

### Mitigants:

Your company is carefully monitoring and controlling the financial exposure to those customers whom it considers as credit risk. Further, the company has introduced stricter credit controls and pursuing customers to accept advance payment terms.

### Inventory Obsolescence Risk:

The company needs to maintain printers for a period of more than 48 months. These models are constantly upgraded by the principal suppliers. However the company needs to maintain adequate stocks of spares and toners at all its customer locations in order to meet the customer requirements. These spares may or may not be used. This leads to a risk of us maintaining obsolete stocks. At times we are required to maintain inventory for demo equipments, replacement for repairs and normal distribution stocks. Your company faces the risk of obsolescence in the event of not being able to sell or deploy the above stocks.

### Mitigants:

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

### Industry risk:

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

### Mitigants:

Your company has put in a focused approach towards monitoring all such competitive activities. Your company reviews its customer relationship strategy periodically and keeps providing innovative and new solutions. Your company believes in providing value to the customers and has put in a dedicated team to manage the existing and new customers.

# Report on Corporate Governance

(As required by Clause 49 of the Listing Agreements with the Stock Exchange)

## 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.

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.

The Company is in compliance with the requirements of the guidelines on corporate governance stipulated under Clause 49 of the Listing Agreements with the Stock Exchange.

## Code of Conduct:

The Company had 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 is also available on the Company's website [www.wepsolutions.co.in](http://www.wepsolutions.co.in), All Directors and Senior Management Personnel have confirmed compliance with the code for the year ended 31<sup>st</sup> March 2014. The Annual report contains a declaration to this effect signed by the Managing Director.

## Board of Directors:

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.

Changes in the Board Composition under the Companies Act 2013 –

Dr. A L Rao, who was Independent Director under Clause 49 of the Listing Agreement, is not an Independent Director under Section 149(6) of the Companies Act 2013 and consequently the revised clause 49 of the listing Agreement which will come into force with effect from 1<sup>st</sup> October 2014.

The structure consists of Board of Directors and various Sub-Committees overseeing the entire management. As on 31<sup>st</sup> March 2014, the total strength of Board consist of eight Directors with an optimum combination of Non Executive Chairman, Managing Director, Two Non Executive Directors and Four Independent Directors. The composition of the Board is as per clause 49 of the Listing Agreement and exceeds the percentage stipulated therein. Your directors are eminent persons and professionals with rich experience in management, finance and law.

No Director of the Company is a member in more than 10 committees or acts as Chairman of more than 5 committees across all companies, in which he is a director.

During the year under review Five (5) Board Meetings were held on 29<sup>th</sup> May 2013, 2<sup>nd</sup> August 2013, 26<sup>th</sup> October 2013, 9<sup>th</sup> November 2013, 1<sup>st</sup> February 2014. The gap between any two meetings did not exceed four months.

The last Annual General Meeting (AGM) of the Company was held on 16<sup>th</sup> December 2013 and five Directors including the Chairman of the Audit Committee attended the Annual General Meeting.

The details of composition, Directors' attendance and other particulars are as under:

Name of the Director	Category	No. of Board meetings held during the year		Whether attend the last AGM	Number of other Directorship and Committee Membership / Chairmanship		
		Held	Attend		Committee Membership	Committee Chairmanship	Other Directorships
Ram N Agarwal	Non-Executive Chairman	5	5	Yes	-	1	4
Sudhir Prakash	Non Executive and Independent	5	1	Yes	1	-	9
B R Ganesh	Non Executive and Independent	5	5	No	4	-	2
G H Visweswara	Non Executive Director	5	5	Yes	3	-	-
H V Gowthama	Non Executive and Independent	5	5	Yes	1	3	-
Shankar Jaganathan	Non Executive and Independent	5	4	Yes	1	-	2
Dr. A L Rao	Non Executive and Independent	5	5	No	-	-	5
P.K. Gopalakrishnan	Managing Director	5	5	NA	NA	-	-



## Audit Committee

As a measure of good corporate governance, an Audit Committee has been constituted consisting of independent directors. The terms of reference include –

1. Oversee the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible
2. Review the adequacy of internal control systems, internal audit reports and their compliance thereof
3. Recommend the appointment of statutory auditors, fixation of audit fee and approval for payment for other services
4. Review with management the quarterly and annual financial statements before submission to the Board

The following Directors are members of the Audit Committee.

Mr. H V Gowthama - *Chairman*  
 Mr. B R Ganesh  
 Mr. Sudhir Prakash  
 Mr. Shankar Jaganathan

During the Financial Year 2013-14, the Audit Committee meetings were held on 29<sup>th</sup> May 2013, 2<sup>nd</sup> August 2013, 9<sup>th</sup> November 2013, 1<sup>st</sup> February 2014. The gap between any two meetings did not exceed four months.

Meetings and attendance during the year are as below:

Members	No. of meetings held	No. of meetings attended
H V Gowthama	4	4
B R Ganesh	4	4
Sudhir Prakash	4	1
Shankar Jaganathan	4	3

## Nomination and Compensation Committee:

A Compensation Committee has been constituted by the Board comprising of the following Directors as Members:

Mr. Ram N Agarwal - *Chairman*  
 Mr. H V Gowthama  
 Mr. G H Visweswara  
 Mr. B R Ganesh

## Remuneration of Directors:

### a. Managing Director – P. K. Gopalakrishnan

Particulars	March 31, 2014
Remuneration to Director	2,461,485
Contribution to PF and other funds	136,145

### b. Non Executive Directors

Name of Director	Total No. of Meetings	No. of meetings attended	Sitting fees paid for the year
Mr. Sudhir Prakash	5	1	20,000
Mr. B R Ganesh	5	5	1,00,000
Mr. G H Visweswara	5	5	1,00,000
Mr. H V Gowthama	5	5	1,00,000
Mr. Shankar Jaganathan	5	4	80,000
Dr. A L Rao	5	5	1,00,000

## Shareholders' / Investors' Grievance Committee:

To facilitate prompt redressal of investors' complaints and to strengthen investor relations, an Investors' Grievance Committee has been constituted. The Committee looks into redressal of investors' grievances pertaining to transfer of shares, dematerialization of shares, non-receipt of share certificates and other related issues.

The following Directors are members of the Shareholders' / Investors' Grievance Committee

Mr. H V Gowthama - *Chairman*  
 Mr. G H Visweswara  
 Mr. B R Ganesh

The committee meets as and when required. As on 31<sup>st</sup> March 2014, there were no outstanding complaints.

## Share Transfer Committee:

A Share Transfer Committee has been constituted to approve the share transfers, transmission, split, consolidation, issue of new certificates, rematerialisation of shares, etc. The Committee meets as often as required. There are no pending transfer requests as on 31<sup>st</sup> March, 2014.

The following Directors are members of the Share Transfer Committee:

Mr. H V Gowthama - *Chairman*  
 Mr. G H Visweswara  
 Mr. B R Ganesh

## General Body Meeting

### a. Extra Ordinary General Meeting:

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

### b. Postal Ballots:

During the year under review, no Postal Ballot was conducted.

## c. Details of last three Annual General Meetings (AGM):

Year	Venue	Date	Time
2012-13	Conference Hall, Basappa Complex, Lavelle Road, Bangalore – 560 001	16 <sup>th</sup> Dec. 2013	4.00pm
2011-12	Conference Hall, Basappa Complex, Lavelle Road, Bangalore – 560 001	21 <sup>st</sup> Sept. 2012	4.00pm
2010-11	Conference Hall, Basappa Complex, Lavelle Road, Bangalore – 560 001	27 <sup>th</sup> Sept. 2011	3.30pm

## Disclosures

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 Exchanges or SEBI or any other statutory authority during the last year on any matter related to capital market.

All the mandatory requirements specified under clause 49 of the Listing Agreement with Stock Exchange have been complied with.

The quarterly results of the Company are published in the newspaper immediately on the approval by the Board and also uploaded on the Company's website [www.wepsolutions.co.in](http://www.wepsolutions.co.in). The results are not send to the shareholders individually.

## Whistle Blower Policy

In May 2013, the Board adopted the revised Whistleblower Policy that adopts global best practices. We have 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 fiscal year 2014.

## Anti Sexual Harassment Policy

In May 2013, the Board implemented Anti Sexual Harassment Policy. 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. Our Anti 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 is formed as per the guidelines of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013, which looks into all the complaints of sexual harassment.

## Means of Communication:

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 financial results were published in "Financial Express" and / or "Business Standard" and "Hosa Digantha" in vernacular (Kannada) newspaper.

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

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

*CEO / CFO certification forms part of this annual report.*

*Auditors' Certificate on compliance of provisions of corporate governance forms part of this annual report.*

## General Shareholder Information:

The company's financial year begins on 1<sup>st</sup> April and ends on 31<sup>st</sup> March of the subsequent year. Company's shares are listed at BSE. Quarterly financial results of the company are filed with the Bombay Stock Exchange within the stipulated time. The results are also published in leading financial news paper and in a vernacular news paper immediately after the approval of the financials by the Audit Committee / Board. The financial results are also uploaded in the company's website ([www.wepsolutions.co.in](http://www.wepsolutions.co.in)).

**Annual General Meeting: Tuesday, 23rd September, 2014**

**Time : 4.00 PM**

**Venue : Rotary Club, Lavelle Road, Bangalore - 560001**

**Book Closure Dates : 18.09.2014 to 23.09.2014 (Both days inclusive)**

**Listing Details : Company's equity shares continue to be listed on Bombay Stock Exchange Limited (BSE). The company has paid Annual Listing fee for the current year.**

**Corporate Identity No. (CIN) of the Company : L72200KA1995PLC025617**

**Company Code in BSE : 532373**





## Market Price Data

(Source: www.bseindia.com)

Month	Open Price	High Price	Low Price	Close Price	No. of Shares
Apr. 13	9.90	10.24	8.99	9.01	2,872
May 13	9.01	10.90	8.56	10.90	13,062
Jun. 13	10.36	10.36	9.00	9.00	1,011
Jul. 13	8.56	10.41	7.68	7.68	583
Aug. 13	7.30	9.32	7.30	9.00	99
Sep. 13	9.45	9.45	8.98	8.98	34
Oct. 13	9.42	10.50	9.42	9.98	335
Nov. 13	9.50	9.80	9.15	9.60	2,941
Dec. 13	9.15	9.15	9.15	9.15	1,763
Jan. 14	9.00	9.00	7.23	7.25	4,499
Feb. 14	7.25	9.60	6.30	9.13	97,698
Mar. 14	8.68	8.68	6.38	7.00	23,607

## Registrar and Transfer Agent

Share transfer in physical form and other communication regarding share certificates, change of address etc., should be sent to our Registrar and Transfer Agent at the following address:

**Cameo Corporate Services Limited,**  
 "Subramanian Building" V Floor,  
 No.1, Club House Road, Chennai – 6000 002  
 Tel.: +(91) (044) 28460390  
 Fax: +(91) (044) 28460129  
 E-mail: investor@cameoindia.com

## Share Transfer System:

Shares sent for physical transfer are generally registered and returned within 15 days from the date of receipt if the documents are clear in all respects. Cameo Corporate Services Limited is the Registrar and Transfer agents of the company. The powers of share transfer are delegated to Share Transfer Committee. The Share Transfer Committee meets as often as required.

No request is received for transfer, transmission, split, rematerialisation in physical form during the period under review.

No complaints / queries received from the shareholders during the year under review.

## Shareholding Pattern as at March 31, 2014

Category of Shareholder		No. of share holders	Total No. of shares	Total shareholding as a % of total number of shares
<b>A. SHAREHOLDING OF PROMOTER AND PROMOTER GROUP</b>				
a.	Individuals	4	3,656,949	15.89
b.	Bodies Corporate	2	5,353,303	23.27
<b>Total Promoters' Holding</b>		<b>6</b>	<b>9,010,252</b>	<b>39.16</b>
<b>B. PUBLIC SHAREHOLDING</b>				
a.	Bodies Corporate	56	2,460,260	10.70
b.	Individuals			
	i. Individuals Shareholders Holding Nominal Share Capital upto ₹ 1 lakh	3,053	3,609,856	15.70
	ii. Individual Shareholders Holding Nominal Share Capital in excess of ₹ 1 lakh	170	6,139,330	26.69
	Clearing Members	4	3,411	0.01
	Hindu Undivided Families	32	77,697	0.34
	Non Residents Indians	31	962,709	4.18
	Trusts	1	7,39,957	3.22
<b>Total Public Shareholding</b>		<b>3,347</b>	<b>13,993,220</b>	<b>60.84</b>
<b>Total (A)+(B)</b>		<b>3,353</b>	<b>23,003,472</b>	<b>100.00</b>

Note: Total number of shares and percentage shareholding by Non- Resident Shareholders is 962709 and 4.18% respectively. The Company has not issued any ADRs and GDRs. The foreign shareholding consists of holding by NRIs and other foreign national only.

## Distribution Schedule as on March 31, 2014.

Values of shares held (₹)	No. of shareholders	% of shareholders	Value of shares held	% to the total paid up capital
Less than 5,000	1,699	50.67	1,537,860	0.67
5,001 - 10,000	200	5.96	1,476,050	0.64
10,001 - 20,000	552	16.46	6,729,940	2.93
20,001 - 30,000	325	9.69	7,133,260	3.10
30,001 - 40,000	85	2.54	2,908,350	1.26
40,001 - 50,000	92	2.74	3,945,190	1.72
50,001 - 1,00,000	197	5.88	13,419,840	5.83
1,00,001 - and above	203	6.05	192,884,230	83.85
<b>TOTAL</b>	<b>3,353</b>	<b>100.00</b>	<b>230,034,720</b>	<b>100.00</b>

## Dematerialisation of shares

The Company's shares are compulsorily traded in dematerialized form on both the depositories in India viz. National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31<sup>st</sup> March 2014, 22,047,762 equity shares of the company representing 95.85% of the total subscribed capital of the company were dematerialised.

Particulars	As on March 31, 2014	
	No. of shares	% of holding
Electronic	22,047,762	95.85
Physical	955,710	4.15
<b>TOTAL</b>	<b>23,003,472</b>	<b>100.00</b>

- The Company's Equity shares are regularly traded on Bombay Stock Exchange Limited, in dematerialized form.
- Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE434B01029

- Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely the impact on equity : NIL

## Plant Locations:

Karnataka	: No.312-313, Hebbal Industrial Area, Mysore – 570016
Himachal Pradesh	: Plot 87, EPIP, Phase I, Jharmarjri, Post Baddi, District Baddi, Himachal Pradesh – 174103

## Address for Investor's Correspondence

All communications to the company may be made at the Registered Office of the Company situated at:

# 40/1-A, Basappa Complex, Lavelle Road, Bangalore – 560 001  
Telephone : 080-66112000

## Compliance Officer:

Mr. Sandeep Kumar Goyal, Chief Financial Officer  
E –Mail ID : investor@wepsol.in



## Declaration by Managing Director for affirmation of compliance of Code of Conduct:

I, P K Gopalakrishnan, Managing Director hereby affirm that all the members of the Board and Senior management have complied with the Code of Conduct of the company.

Place: Bangalore  
Date: 5<sup>th</sup> August, 2014

**P K Gopalakrishnan**  
Managing Director

## Auditor's Certificate on Corporate Governance

We have examined the compliance of Corporate Governance by WeP Solutions Limited (the Company) for the year ended 31<sup>st</sup> March, 2014, as stipulated in Clause 49 of the Listing Agreement signed by the Company with the Bombay Stock Exchange, Mumbai.

The compliance of Corporate Governance is the responsibility of the Management of the Company. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement.

We further state that such compliance is neither an assurance as to the future validity of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

**Vinay D Balse**  
Partner  
Membership No. 39434

Place: Mumbai  
Date: 5<sup>th</sup> August, 2014

## Chief Financial Officer (CFO) Certification

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

- (a) We have reviewed balance sheet and profit and loss account for the year ended 31<sup>st</sup> March, 2014 and all its schedules and notes on accounts, as well as the cash flow statement and directors' report and to the best of our knowledge and belief report that:
  - (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 company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and we have taken proper steps to rectify these deficiencies.
- (d) We have disclosed 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 we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Bangalore  
Date: 3<sup>rd</sup> May, 2014

**Sandeep Kumar Goyal**  
Chief Financial Officer

## Independent Auditor's Report to the members of WeP Solutions Limited

1. **Report on the Financial Statements:** We have audited the accompanying financial statements of WEP SOLUTIONS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.
2. **Management's Responsibility for the Financial Statements:** Management of the company is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.  
  
An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.
4. **Opinion:** In our opinion and to the best of our information and according to the explanations given to us, the 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:
  - i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
  - ii) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
  - iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
5. **Report on Other Legal and Regulatory Requirements:**
  - i) As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India, in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
  - ii) As required by section 227(3) of the Act, we report that:
    - (a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit;
    - (b) In our opinion proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books;
    - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
    - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
    - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
    - (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956, nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For N. M. RAIJI & CO.**  
Chartered Accountants  
Firm Registration No: 108296W

**Vinay D. Balse**  
Partner  
Membership Number: 39434

Place: Mumbai  
Date: May 3, 2014





## Annexure to the Auditor's Report

(Referred to in Paragraph 5 sub-paragraph 1 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) A major portion of fixed assets have been physically verified by the management during the year. In our opinion, the frequency of verification of the fixed assets by the management is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) Fixed assets disposed off during the year were not substantial, so as to affect the going concern assumption.
- (ii) (a) Stocks of inventories have been physically verified during the year by the management. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stock and the book stock were not material in relation to the operations of the Company and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, clause 3(b), (c), (d), (e), (f) and (g) of the Order are not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control systems, commensurate with the size of the Company and nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services.
- (v) In our opinion and according to the information and explanations given to us, we are of the opinion that there are no contracts and arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956;
- (vi) The company has not accepted any deposit from public; hence the provisions of section 58A and 58AA of the Companies Act, 1956 are not applicable.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) 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 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts have been made and maintained.
- (ix) (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, Cess and any other dues, during the year, with the appropriate authorities.
- (b) According to the information and explanations given to us, and on the basis of our examinations of the books of accounts, no undisputed amounts payable in respect of Income-tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess, Were in arrears, as at March 31, 2014, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, and the record of the Company examine by us, there are no dues of Sales Tax, Income Tax, Customs Duty, Service Tax, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute.
- (x) As at the Balance Sheet date the Company does not have accumulated losses in excess of fifty percent of its net worth and has not incurred cash loss in the current financial year and in the immediately preceding financial year.
- (xi) 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.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security, by way of pledge of shares, debentures and other securities.
- (xiii) To the best of our knowledge and belief and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- (xiv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from any bank or financial institutions.
- (xvi) During the year, the Company has not taken any term loans. In our opinion and according to the information and explanation given to us the term loans taken in the earlier years and outstanding during the year have been applied for the purposes for which they were obtained.
- (xvii) According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term investments.
- (xviii) To the best of our knowledge and according to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) During the year the company did not have any outstanding Debentures.
- (xx) The Company has not raised any money during the year by way of public issue.
- (xxi) 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.

**For N.M. Raiji & Co.,**  
Chartered Accountants  
Firm Regn. No: 108296W  
**Vinay D. Balse**  
Partner  
Membership No. 39434  
Place: Mumbai  
Date: May 3, 2014

## Balance Sheet

WeP Solutions Limited  
Balance Sheet as at March 31, 2014

in ₹

	Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
I	<b>EQUITY AND LIABILITIES</b>			
1	<b>Shareholders' Funds</b>			
	a) Share Capital	2.1	230,040,545	112,620,905
	b) Share Capital pending allotment		-	117,419,640
	c) Reserves & Surplus	2.2	76,433,525	69,012,911
			<b>306,474,070</b>	<b>299,053,456</b>
2	<b>Non current Liabilities</b>			
	a) Long Term Borrowings	2.3	9,375,000	21,875,000
	b) Other Long Term Liabilities	2.4	17,015,531	17,030,653
	c) Long Term Provisions	2.5	17,672,300	16,305,212
			<b>44,062,831</b>	<b>55,210,865</b>
3	<b>Current Liabilities</b>			
	a) Short Term Borrowings	2.6	101,520,651	65,954,298
	b) Trade Payables	2.7	117,652,030	338,387,439
	c) Other Current Liabilities	2.8	100,822,844	79,996,057
	d) Short Term Provisions	2.9	26,937,574	19,085,128
			<b>346,933,099</b>	<b>503,422,922</b>
	<b>TOTAL</b>		<b>697,470,000</b>	<b>857,687,243</b>
II	<b>ASSETS</b>			
1	<b>Non current Assets</b>			
	a) Fixed Assets	2.10		
	i) Tangible assets		233,592,807	128,131,862
	ii) Intangible assets		2,554,921	4,498,728
	iii) Capital work in progress		291,976	932,207
	b) Deferred tax assets (Net)	2.11	24,656,344	25,247,441
	c) Long term Loans and Advances	2.12	20,759,887	16,242,664
	d) Other Non current assets	2.13	1,536,296	47,851
			<b>283,392,231</b>	<b>175,100,753</b>
2	<b>Current Assets</b>			
	a) Inventories	2.14	213,214,721	259,861,716
	b) Trade Receivables	2.15	164,801,980	306,869,215
	c) Cash and cash equivalents	2.16	106,164	852,652
	d) Short term loans and advances	2.17	35,954,904	115,002,907
			<b>414,077,769</b>	<b>682,586,490</b>
	Significant Accounting Policies The Note No. 2.1 to 2.34 are integrated part of these Financial Statements	1		
	<b>TOTAL</b>		<b>697,470,000</b>	<b>857,687,243</b>

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

Vinay D Balse  
Partner  
Membership No.: 39434

Place: Mumbai  
Date: May 3, 2014.

For and on behalf of the Board of Directors

P K Gopalakrishnan  
Managing Director

Place: Bangalore  
Date: May 3, 2014

H V Gowthama  
Director

Sandeep Goyal  
Chief Financial Officer

Ram N Agarwal  
Chairman

Sumit Kawariya  
Company Secretary



## Statement of Profit and Loss

WeP Solutions Limited

Statement of Profit and Loss for the year ended March 31, 2014

in ₹

	Particulars	Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
	<b>REVENUE</b>			
I	Revenue from Operations	2.18	1,160,848,224	1,518,575,579
II	Other Income	2.19	10,181,010	3,409,445
	<b>Total Revenue (I+II)</b>		<b>1,171,029,234</b>	<b>1,521,985,024</b>
	<b>EXPENDITURE</b>			
III	a) Cost of Materials consumed	2.20	399,554,077	342,273,616
	b) Purchases of Stock in trade	2.21	227,278,495	574,251,138
	c) Changes in inventories of finished goods, work in progress and stock in trade	2.22	40,117,028	23,537,022
	d) Employee Benefits expense	2.23	107,421,077	126,837,886
	e) Other expenses	2.25	275,319,860	329,836,344
	<b>Total Expenses</b>		<b>1,049,690,537</b>	<b>1,396,736,006</b>
IV	<b>Profit Before Depreciation, Interest, Exceptional Item and Tax</b>		<b>121,338,697</b>	<b>125,249,018</b>
	f) Depreciation and amortization expense		72,683,149	77,229,104
V	<b>Profit Before Interest, Exceptional Item and Tax</b>		<b>48,655,548</b>	<b>48,019,914</b>
	g) Finance costs	2.24	20,440,629	31,226,281
VI	<b>Profit Before Tax</b>		<b>28,214,919</b>	<b>16,793,633</b>
VII	Tax expense			
	a) Current Tax		8,091,085	2,745,077
	b) MAT Credit entitlement		(1,344,330)	(2,745,077)
	c) Deferred Tax		591,097	5,645,912
VIII	<b>Profit / (Loss) for the year</b>		<b>20,877,067</b>	<b>11,147,721</b>
	<b>Earnings Per Share</b> (Equity Shares par value Rs 10/- each)			
	- Basic		0.91	0.48
	- Diluted		0.91	0.48
	Number of shares used in computing earnings per share			
	- Basic		23,003,472	23,003,472
	- Diluted		23,013,335	23,003,472
	Significant Accounting Policies The Note No. 2.1 to 2.34 are integrated part of these Financial Statements	1		

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

Vinay D Balse  
Partner  
Membership No.: 39434

Place: Mumbai  
Date: May 3, 2014.

For and on behalf of the Board of Directors

P K Gopalakrishnan  
Managing Director

Place: Bangalore  
Date: May 3, 2014

H V Gowthama  
Director

Sandeep Goyal  
Chief Financial Officer

Ram N Agarwal  
Chairman

Sumit Kawariya  
Company Secretary

## Cash Flow Statement

WeP Solutions Limited

Cash Flow Statement for the year ended March 31, 2014

in ₹

Particulars		March - 2014		March - 2013	
<b>A</b>	<b>Cash Flow From Operating Activities</b>				
	Profit / (Loss) before tax		28,214,919		16,793,633
	<b>Adjustment for:</b>				
	Depreciation & Amortisation	72,683,149		77,229,104	
	Provision for doubtful debts	12,224,834		9,142,169	
	Loss / (Profit) on Sale of Fixed Assets	841,096		1,176,264	
	Interest Expense	20,440,629	106,189,708	31,226,281	118,773,818
	<b>Operating profit before working capital changes</b>		<b>134,404,627</b>		<b>135,567,451</b>
	<b>Working Capital Changes</b>				
	(Increase) / Decrease in Inventories	46,646,995		46,978,852	
	(Increase) / Decrease in Trade Receivables	129,842,400		(21,020,695)	
	(Increase) / Decrease in Other Current Assets	82,893,298		(66,242,658)	
	(Increase) / Decrease in Non Current Assets	(6,005,668)		(366,307)	
	Increase / (Decrease) in Trade Payables	(220,735,409)		67,419,924	
	Increase / (Decrease) in Other Current Liabilities	15,222,783		(5,190,351)	
	Increase / (Decrease) in Non Current Liabilities	1,351,968		(2,240,265)	
			49,216,367		19,338,500
	Cash Generated from Operations		183,620,994		154,905,951
	Direct taxes paid		(10,592,050)		(8,656,605)
	<b>Net Cash From Operating Activities</b>		<b>173,028,944</b>		<b>146,249,346</b>
<b>B</b>	<b>Cash Flow From Investing Activities</b>				
	Purchase of Fixed Assets including Capital work in progress	(177,938,077)		(61,334,634)	
	Proceeds from Sale of Fixed Assets	1,536,922		566,232	
			(176,401,155)		(60,768,402)
	<b>Net Cash Used In Investing Activities</b>		<b>(176,401,155)</b>		<b>(60,768,402)</b>
<b>C</b>	<b>Cash Flow From Financing Activities</b>				
	Interest paid	(20,440,629)		(31,226,280)	
	Proceeds / (Repayment) of Borrowings	23,066,352		(55,812,066)	
			2,625,723		(87,038,346)
	<b>Net Cash From / (Used for) Financing Activities</b>		<b>2,625,723</b>		<b>(87,038,346)</b>
	<b>Net Increase / (Decrease) In Cash And Cash Equivalents - (A+B+C)</b>		<b>(746,488)</b>		<b>(1,557,402)</b>
	Cash And Cash Equivalents At The Beginning Of The Year		852,652		236,929
	Add: On transfer of business		-		2,173,125
	<b>Cash And Cash Equivalents At The End Of The Year</b>		<b>106,164</b>		<b>852,652</b>

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

For and on behalf of the Board of Directors

Vinay D Balse  
Partner  
Membership No.: 39434

P K Gopalakrishnan  
Managing Director

H V Gowthama  
Director

Ram N Agarwal  
Chairman

Place: Mumbai  
Date: May 3, 2014.

Place: Bangalore  
Date: May 3, 2014

Sandeep Goyal  
Chief Financial Officer

Sumit Kawariya  
Company Secretary



# Significant accounting policies and notes on accounts

## Company Overview

WeP Solutions Limited is the pioneer of Managed Printing Solutions in India. With our extensive network and expertise in the business we have grown over the period and manage close to 18000+ printers / copiers across 1500+ locations for 600 customers.

We are the first Indian company to provide pan India printing solutions and set organization free from hassle of managing printers to focus better on their core business. Besides reducing printing cost to Organization, MPS contributes to environmental objectives of WeP Solutions Limited.

The Printers Business comprises of Research & Development, Manufacturing, Sales, Service and Maintenance of High Speed Impact Printers. The customers of this business include many nationalised and private banks, Insurance and financial institutions, Public sector companies spread across India.

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

### 1. Significant accounting policies

#### 1.1 Basis of preparation of financial statements

The Financial Statements are prepared as a going-concern under the historical cost convention on an accrual basis and in accordance with the provision of section 211(3C) and other provisions of the Companies Act, 1956.

#### 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.

Spares issued for fixed assets after the depreciated life of original assets are capitalised.

#### 1.4 Depreciation and amortization

Depreciation on fixed assets is provided at the rates prescribed in Schedule XIV to the Companies Act, 1956, 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	Depreciation Rate Applied	Rates as per Schedule XIV
Computers	50.00%	16.21%
Furniture and Fixtures	20.00%	6.33%
Office Equipments	20.00%	4.75%
Plant and Equipments	25.00%	4.75%
Computer Peripherals - on Use and Pay	25.00%	16.21%
Vehicles	25.00%	9.50%
Air Conditioners	25.00%	4.75%
Electrical Installations	25.00%	4.75%
Moulds, Dies & Patterns	20.00%	11.31%
Testing Equipments	25.00%	4.75%
Building	5.00%	3.34%

Spares issued for Computer Peripherals - on use and pay, after completion of useful life of the original asset are capitalised and depreciated over 24 months.

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 Rate
Acquired Computer Software – ERP Systems	30.77%*
Computer Software Purchased – ERP Systems	25.00%
Computer Software	50.00%
Technical Know-how	20.00%

\* Represents the rate applicable for the residual life of the assets at the time it was acquired.



### 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 Cost

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 up to 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 recognised 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, 2014

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

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

### 2.1 Share capital

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Authorised</b> 30,000,000 (PY 30,000,000) Equity Shares of ₹ 10 each	300,000,000	300,000,000
	<b>300,000,000</b>	<b>300,000,000</b>
<b>Issued, Subscribed and Paid-Up</b> 23,003,472 (PY 11,261,508) Equity shares of ₹ 10 each fully paid up (Of the above 22,213,645 shares have been allotted within the last five years for consideration other than cash.)	230,034,720	112,615,080
Forfeited Shares (Equity Share of ₹ 5 each paid up)	5,825	5,825
<b>TOTAL</b>	<b>230,040,545</b>	<b>112,620,905</b>

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

Particulars	As at March 31, 2014	As at March 31, 2013
Shares outstanding at the beginning of the year	11,261,508	11,262,674
Shares Issued during the year	11,741,964	-
Shares Forfeiture during the year	-	1,166
<b>Shares outstanding at the end of the year</b>	<b>23,003,472</b>	<b>11,261,508</b>

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

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

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

Name of Shareholder	As at March 31, 2014	As at March 31, 2013
<b>WeP Peripherals Limited</b>		
No of Shares	2,124,994	2,120,751
% Holding	9.24%	18.83%
<b>WeP Trust</b>		
No of Shares	739,957	589,893
% Holding	3.22%	5.24%
<b>RNAWEP Investments Private Limited</b>		
No of Shares	3,228,309	398,622
% Holding	14.03%	3.54%
<b>Wipro Limited</b>		
No of Shares	1,836,000	-
% Holding	7.98%	0.00%
<b>Mr. Ram N Agarwal</b>		
No of Shares	3,194,856	2,290,824
% Holding	13.89%	20.34%

## 2.2 Reserves and surplus

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Capital Reserve</b>		
Opening Balance	30,428,459	31,239,291
Goodwill on transfer of business into the company	-	(810,832)
<b>Closing Balance</b>	<b>30,428,459</b>	<b>30,428,459</b>
<b>Subsidy from Govt</b>		
Opening balance	899,000	899,000
<b>Closing balance</b>	<b>899,000</b>	<b>899,000</b>
<b>Securities Premium Account</b>		
Opening Balance	6,675,000	6,675,000
<b>Closing Balance</b>	<b>6,675,000</b>	<b>6,675,000</b>
<b>Surplus in Statement of Profit and Loss Account</b>		
Opening balance	31,010,454	19,862,731
Add: Current year profit / (loss)	20,877,068	11,147,721
<b>Profit available for appropriation</b>	<b>51,887,522</b>	<b>31,010,452</b>
<b>Less: Appropriations</b>		
Proposed Final Dividend on Equity Shares (5%)	11,501,736	-
Tax on Dividend	1,954,720	-
<b>Closing balance</b>	<b>38,431,066</b>	<b>31,010,452</b>
<b>TOTAL</b>	<b>76,433,525</b>	<b>69,012,911</b>

## 2.3 Long term borrowing

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Secured-</b>		
Term Loan from bank	21,875,000	34,375,000
Current maturities of long term borrowing (Secured by hypothecation of the assets under use and pay block of the fixed assets and a Corporate Guarantee from a shareholder) (Repayable in 16 equal Quarterly Installments commencing from February 2012)	(12,500,000)	(12,500,000)
<b>TOTAL</b>	<b>9,375,000</b>	<b>21,875,000</b>

## 2.4 Other long term liabilities

Particulars	As at March 31, 2014	As at March 31, 2013
Customer and Dealer Deposits	17,015,531	17,030,653
<b>TOTAL</b>	<b>17,015,531</b>	<b>17,030,653</b>

## 2.5 Long term provisions

Particulars	As at March 31, 2014	As at March 31, 2013
Employee Benefits	6,837,402	9,294,970
Warranty Liability (Refer Note No. 2.26)	10,834,898	7,010,242
<b>TOTAL</b>	<b>17,672,300</b>	<b>16,305,212</b>

## 2.6 Short term borrowings

Particulars	As at March 31, 2014	As at March 31, 2013
a) Secured		
Loans repayable on Demand		
From Banks		
Cash Credit Account (Secured by Hypothecation of Current Assets)	101,520,651	45,954,298
Working capital demand loan (Secured by Hypothecation of Current Assets)	-	20,000,000
<b>TOTAL</b>	<b>101,520,651</b>	<b>65,954,298</b>

## 2.7 Trade Payables

Particulars	As at March 31, 2014	As at March 31, 2013
Acceptances	-	92,992,653
Other Trade Payables	117,652,030	245,394,786
<b>TOTAL</b>	<b>117,652,030</b>	<b>338,387,439</b>

## 2.8 Other current liabilities

Particulars	As at March 31, 2014	As at March 31, 2013
Current maturities of long term borrowing	12,500,000	12,500,000
For Expenses	69,546,062	52,150,677
Advance from customers	2,450,703	2,113,330
Income received in advance	8,231,521	10,423,181
Statutory payables	6,799,249	2,541,107
Other payables	1,295,309	267,762
<b>TOTAL</b>	<b>100,822,844</b>	<b>79,996,057</b>

## 2.9 Short Term Provisions

Particulars	As at March 31, 2014	As at March 31, 2013
Warranty Liability (Refer Note No. 2.26)	11,631,408	17,174,027
For Dividend payment	13,456,456	-
Employee Benefits	1,849,710	1,911,101
<b>TOTAL</b>	<b>26,937,574</b>	<b>19,085,128</b>

2.10 Fixed Assets as on 31<sup>st</sup> March 2014

Particulars	Gross Block			Depreciation and Amortisation				Net Block		
	Opening Block As at 1-Apr-13	Additions During the Year	Deduction on Disposal	Closing Block As at 31-Mar-14	As at 1-Apr-13	For the Year	Deduction on Disposal	Total as at 31-Mar-14	As at 31-Mar-14	As at 31-Mar-13
<b>Tangible Assets:</b>										
Leasehold - Land	-	68,468,000	-	68,468,000	-	-	-	-	68,468,000	-
Building - Factory	-	40,860,152	-	40,860,152	-	-	-	-	40,860,152	-
Plant & Equipment	77,673,381	453,024	3,418,026	74,708,379	68,807,728	2,131,529	3,418,026	67,521,231	7,187,148	8,865,653
Moulds,Dies & Patterns	155,671,151	318,557	-	155,989,708	151,565,978	3,837,964	-	155,403,942	585,766	4,105,173
Computers	133,300,506	2,730,674	18,767,457	117,263,723	130,100,453	3,046,328	18,767,457	114,379,324	2,884,399	3,200,053
Computer Peripherals										
- On Use and Pay	566,363,467	64,907,390	44,413,899	586,856,958	457,255,638	60,046,238	42,104,087	475,197,789	111,659,169	109,107,829
Furniture & Fixture	43,360,902	627,232	4,751,082	39,237,052	41,084,690	1,128,188	4,751,082	37,461,796	1,775,256	2,276,212
Vehicles	4,052,068	-	806,174	3,245,894	3,475,126	335,820	737,968	3,072,978	172,916	576,942
	<b>980,421,475</b>	<b>178,365,029</b>	<b>72,156,638</b>	<b>1,086,629,867</b>	<b>852,289,613</b>	<b>70,526,067</b>	<b>69,778,620</b>	<b>853,037,060</b>	<b>233,592,807</b>	<b>128,131,862</b>
<b>Intangible Assets:</b>										
Technical Knowhow	6,803,441	-	-	6,803,441	6,803,441	-	-	6,803,441	-	-
Computer Software	8,429,358	180,900	-	8,610,258	6,905,217	997,170	-	7,902,387	707,871	1,524,141
Computer Software - ERP System	8,499,000	32,375	-	8,531,375	5,524,413	1,159,912	-	6,684,325	1,847,050	2,974,587
	<b>23,731,799</b>	<b>213,275</b>	<b>-</b>	<b>23,945,074</b>	<b>19,233,071</b>	<b>2,157,082</b>	<b>-</b>	<b>21,390,153</b>	<b>2,554,921</b>	<b>4,498,728</b>
<b>TOTAL</b>	<b>1,004,153,274</b>	<b>178,578,304</b>	<b>72,156,638</b>	<b>1,110,574,941</b>	<b>871,522,684</b>	<b>72,683,149</b>	<b>69,778,620</b>	<b>874,427,213</b>	<b>236,147,728</b>	<b>132,630,590</b>

Fixed Assets as on 31<sup>st</sup> March 2013

Particulars	Gross Block				Depreciation and Amortisation					Net Block		
	Opening Block As at 1-Apr-12	Additions on transfer of Business	Additions During the Year	Deduction on Disposal	Closing Block As at 31-Mar-13	As At April 1, 2012	Additions on transfer of Business	For the Year	Deduction on Disposal	Total as at 31-Mar-13	As at 31-Mar-13	As at 31-Mar-12
<b>Tangible Assets:</b>												
Plant & Equipment	673,141	77,701,533	421,233	1,122,526	77,673,381	671,981	66,147,498	3,034,699	1,046,450	68,807,728	8,865,653	1,160
Moulds,Dies & Patterns	-	155,640,851	30,300	-	155,671,151	-	143,986,015	7,579,963	-	151,565,978	4,105,173	-
Computers	12,764,628	125,136,795	3,784,469	8,385,386	133,300,506	11,920,997	124,407,423	2,157,403	8,385,370	130,100,453	3,200,053	843,631
Computer Peripherals												
- On Use and Pay	549,817,847	-	50,560,902	34,015,282	566,363,467	430,349,755	-	59,254,760	32,348,877	457,255,638	109,107,829	119,468,092
Furniture & Fixture	2,740,296	40,113,604	750,485	243,483	43,360,902	2,714,146	37,031,534	1,582,493	243,483	41,084,690	2,276,212	26,150
Vehicles	2,248,637	2,556,062	-	752,631	4,052,068	1,164,251	2,556,062	507,447	752,634	3,475,126	576,942	1,084,386
	<b>568,244,549</b>	<b>401,148,845</b>	<b>55,547,389</b>	<b>44,519,308</b>	<b>980,421,475</b>	<b>446,821,130</b>	<b>374,128,532</b>	<b>74,116,765</b>	<b>42,776,814</b>	<b>852,289,613</b>	<b>128,131,862</b>	<b>121,423,419</b>
<b>Intangible Assets:</b>												
Technical Knowhow	-	6,803,441	-	-	6,803,441	-	6,803,441	-	-	6,803,441	-	-
Computer Software	-	6,481,572	1,947,786	-	8,429,358	-	6,036,963	868,254	-	6,905,217	1,524,141	-
Computer Software - ERP System	5,330,532	-	3,168,468	-	8,499,000	3,280,328	-	2,244,085	-	5,524,413	2,974,587	2,050,205
	<b>5,330,532</b>	<b>13,285,013</b>	<b>5,116,254</b>	<b>-</b>	<b>23,731,799</b>	<b>3,280,328</b>	<b>12,840,404</b>	<b>3,112,339</b>	<b>-</b>	<b>19,233,071</b>	<b>4,498,728</b>	<b>2,050,205</b>
<b>TOTAL</b>	<b>573,575,081</b>	<b>414,433,858</b>	<b>60,663,643</b>	<b>44,519,308</b>	<b>1,004,153,274</b>	<b>450,101,458</b>	<b>386,968,936</b>	<b>77,229,104</b>	<b>42,776,814</b>	<b>871,522,684</b>	<b>132,630,590</b>	<b>123,473,624</b>



### 2.11 Deferred tax

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Deferred Tax Asset</b>		
Provision for doubtful debts	21,100,554	17,134,206
Expenses allowed on actual payment basis u/s 43B of I.T Act 1961	4,093,844	3,949,439
Carried Forward Losses and Depreciation	-	2,244,632
Amortisation of Demerger expenditure u/s 35DD of I.T.Act 1961	964,501	1,453,266
<b>Less: Deferred Tax Liability</b>		
Depreciation Difference	1,502,555	(465,898)
<b>TOTAL</b>	<b>24,656,344</b>	<b>25,247,441</b>

### 2.12 Long term loans and advances

Particulars	As at March 31, 2014	As at March 31, 2013
Unsecured - Considered good		
Capital Advance	1,175,000	-
Deposits	19,584,887	16,242,664
<b>TOTAL</b>	<b>20,759,887</b>	<b>16,242,664</b>

### 2.13 Other non current assets

Particulars	As at March 31, 2014	As at March 31, 2013
Unsecured - Considered good		
Margin Money Deposits with Bank	1,450,847	-
Interest Accrued on Fixed Deposits	85,449	47,851
<b>TOTAL</b>	<b>1,536,296</b>	<b>47,851</b>

### 2.14 Inventories

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Raw Materials</b>		
- In Stock	31,766,813	20,996,355
- In Transit	368,798	1,839,739
<b>Work in Progress</b>	<b>6,811,267</b>	<b>9,759,349</b>
<b>Stock in Trade</b>		
- In Stock	59,628,492	60,506,826
- In Transit	9,384,752	11,363,535
<b>Finished Goods</b>		
- In Stock	28,304,270	71,786,595
- In Transit	9,632,112	461,617
<b>Spares and Consumables</b>		
- In Stock	67,303,967	82,738,186
- In Transit	14,250	409,514
<b>TOTAL</b>	<b>213,214,721</b>	<b>259,861,716</b>

## 2.15 Trade receivables

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Unsecured</b>		
Outstanding for a period exceeding six months from the due date		
Considered good	7,054,948	10,317,718
Considered doubtful	65,034,840	52,810,005
Less: Provision for Doubtful debts	65,034,840	52,810,005
<b>Sub total</b>	<b>7,054,948</b>	<b>10,317,718</b>
<b>Other debts</b>		
Considered good	157,747,032	296,551,497
<b>TOTAL</b>	<b>164,801,980</b>	<b>306,869,215</b>

## 2.16 Cash and cash equivalents

Particulars	As at March 31, 2014	As at March 31, 2013
i) Balances with Banks		
Current account	74,636	15,945
ii) Cheques on Hand	-	756,195
iii) Cash on Hand	31,528	80,512
<b>TOTAL</b>	<b>106,164</b>	<b>852,652</b>

## 2.17 Short term loans and advances

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Unsecured - Considered good</b>		
a) Other Loans and advances		
i) Advance Income Tax (net of provision)	23,137,642	19,601,577
ii) Balances with Excise, Customs, VAT and Service Tax input credit	4,521,213	8,859,170
iii) Deposits	1,643,500	2,675,618
iv) Advance to supplier	372,871	471,431
v) Others	6,279,678	7,227,643
b) Receivable from corporate*	-	76,167,468
<b>TOTAL</b>	<b>35,954,904</b>	<b>115,002,907</b>

\* Receivable from corporate represents balance receivable pursuant to a scheme of arrangement under Sec 391 – 394 of the Companies Act 1956, in respect of changes in the value of net assets after the Appointed date.

## 2.18 Revenue from operations

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Sale of Products	866,403,330	1,213,486,032
Sale of Services	350,327,710	382,246,895
Other Operating Revenue	1,756,301	11,712,537
<b>Sub Total</b>	<b>1,218,487,341</b>	<b>1,607,445,464</b>
Less: Excise Duty	57,639,117	88,869,885
<b>TOTAL</b>	<b>1,160,848,224</b>	<b>1,518,575,579</b>



## 2.19 Other income

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest on Deposits with banks	212,749	34,014
Rental Income	1,197,312	-
Other Interest	8,770,949	-
Miscellaneous Income	-	3,375,431
<b>TOTAL</b>	<b>10,181,010</b>	<b>3,409,445</b>

## 2.20 Cost of material consumed

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Opening Stocks	105,983,794	94,824,888
Add: On transfer of business in the company	-	34,600,736
Add: Purchases during the year	401,917,885	329,788,394
<b>Opening Stocks + Purchases</b>	<b>507,901,679</b>	<b>459,214,018</b>
Less: Closing stocks	99,453,828	105,983,794
<b>Sub Total</b>	<b>408,447,851</b>	<b>353,230,224</b>
Less: Capitalised during the year	8,893,774	10,956,608
<b>Cost of material consumed</b>	<b>399,554,077</b>	<b>342,273,616</b>

## 2.21 Purchase of stock in trade

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Purchases of stock-in-trade	283,292,111	613,855,432
Less: Capitalised during the year	56,013,616	39,604,294
<b>TOTAL</b>	<b>227,278,495</b>	<b>574,251,138</b>

## 2.22 Changes in inventories of work in process, finished goods and stock-in-trade

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>Opening stock</b>		
Work in Process	9,759,349	-
Add: On transfer of business in the company	-	10,410,717
<b>Sub Total</b>	<b>9,759,349</b>	<b>10,410,717</b>
Finished Goods	72,248,212	-
Add: On transfer of business in the company	-	69,350,758
<b>Sub Total</b>	<b>72,248,212</b>	<b>69,350,758</b>
Stock in Trade	71,870,361	19,341,605
Add: On transfer of business in the company	-	78,311,864
<b>Sub Total</b>	<b>71,870,361</b>	<b>97,653,469</b>
<b>TOTAL</b>	<b>153,877,922</b>	<b>177,414,944</b>
<b>Closing Stock</b>		
Work in Process	6,811,267	9,759,349
Finished Goods	37,936,382	72,248,212
Stock in Trade	69,013,245	71,870,361
<b>Sub Total</b>	<b>113,760,894</b>	<b>153,877,922</b>
<b>TOTAL</b>	<b>40,117,028</b>	<b>23,537,022</b>

## 2.23 Employee benefit expenses

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Salaries and Wages	92,764,844	110,945,249
Contribution to provident and other fund	4,956,759	4,360,855
Staff welfare expenses	9,699,474	11,531,782
<b>TOTAL</b>	<b>107,421,077</b>	<b>126,837,886</b>

## 2.24 Finance cost

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest Expenses	17,390,869	27,844,182
Other Borrowing costs	3,049,760	3,382,099
<b>TOTAL</b>	<b>20,440,629</b>	<b>31,226,281</b>

## 2.25 Other expenses

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Power and fuel	7,698,742	8,878,312
Insurance	1,039,342	1,135,701
Repairs & Maintenance	4,626,918	4,589,520
Rent	33,747,581	33,423,481
Rates and taxes	6,471,508	12,173,297
Warranty Expenses	10,782,172	25,350,573
Carriage and Freight outwards	29,962,354	35,193,296
Commission on sales	19,129,911	27,286,852
Support Charges	35,426,544	38,051,996
<b>Auditors' Remuneration</b>		
- For Audit fees	325,000	250,000
- For Taxation matters	50,000	50,000
- For Reimbursement of expenses	123,631	15,474
- For Other Services	75,000	-
Advertisement and sales promotion	7,054,896	13,005,468
Directors' Commission and Sitting fees	500,000	340,000
Loss / (Profit) on disposal of assets	841,096	1,176,264
Travelling and Conveyance	19,433,332	17,866,201
Communication Expenses	9,872,629	14,046,137
Legal and Professional charges	6,988,995	7,837,805
Manpower support service charges	41,356,221	47,516,558
Office Maintenance	8,102,899	8,595,971
Provision for Bad debts / advances	12,224,834	9,142,169
Bad Debts Write off	-	3,416,207
Exchange Differences (Net)	13,510,964	13,790,777
Recruitment Expenses	1,713,543	2,486,585
Miscellaneous expenses	4,261,748	4,217,700
<b>TOTAL</b>	<b>275,319,860</b>	<b>329,836,344</b>



## 2.26 Details of disclosure as required by AS-29

Particulars	Warranty Provision
Opening Balance as on April 1, 2013	24,184,269
Additions during the year	22,466,306
Reversal	24,184,269
Closing Balance As on March 31, 2014	22,466,306

## 2.27 Contingent liabilities in respect of:

- Letters of Credits opened by Banks for purchases of Spares and Consumables ₹ 2,975,445 (March 2014), ₹ 2,075,513 (March 2013).
- Disputed demand for Excise, Customs, Income Tax, VAT and other matters ₹ 5,517,452 (March 2014), Nil (March 2013).

## 2.28 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.

Segment Reporting for the year ended 31<sup>st</sup> March, 2014.

### A. Primary Segment Information

Particulars	Printer Business		MPS Business		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Revenue</b>						
Net Sales / Income from Operations	833,982,556	1,184,220,270	326,865,668	356,806,026	1,160,848,224	1,541,026,296
Less: Intersegment Revenue	-	15,983,069	-	6,467,648	-	22,450,717
<b>Segment Revenue</b>	<b>833,982,556</b>	<b>1,168,237,201</b>	<b>326,865,668</b>	<b>350,338,378</b>	<b>1,160,848,224</b>	<b>1,518,575,579</b>
<b>Segment Result</b>						
Before Finance Cost and Tax	29,967,041	11,932,203	18,688,507	36,087,711	48,655,548	48,019,914
Less: Finance Cost					20,440,629	31,226,281
<b>Profit Before tax</b>					<b>28,214,919</b>	<b>16,793,633</b>
Tax Expenses					7,337,852	5,645,912
<b>Profit After Tax</b>					<b>20,877,067</b>	<b>11,147,721</b>
<b>Other Information</b>						
Segment Assets	403,302,655	527,911,796	294,167,345	329,775,447	697,470,000	857,687,243
Segment Liabilities	197,620,842	413,923,244	69,979,435	44,381,243	267,600,277	458,304,487
Capital Employed	205,681,813	113,988,552	224,187,910	285,394,204	429,869,723	399,382,756
Capital Expenditure	111,863,273	5,334,978	66,074,804	55,999,656	177,938,077	61,334,634
Depreciation & Amortisation	9,437,496	14,387,652	63,245,653	62,841,452	72,683,149	77,229,104

Note: 1. There is no Secondary Segment reporting as the geographical segment has not been identified.

## 2.29 Related party transactions

### 2.29.1 List of related parties

Name of Related Party	Relationship
Mr. Ram Narayan Agarwal	Promoter Director
Mr. P K Gopalakrishnan	Managing Director
Mr. B R Ganesh	Director
Mr. G H Visweswara	Director
Mr. Sudhir Prakash	Director
Dr. A L Rao	Director
Mr. H V Gowthama	Director
Mr. Shankar Jaganathan	Director
WeP Peripherals Ltd.	Company in which Promoter Director have Significant Influence



## 2.29.2 Transactions with key management personnel

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Remuneration to Mr. G.H. Visweswara (Whole Time Director) *		571,200
Contribution to PF and other funds		28,800
Remuneration to Mr. P K Gopalakrishnan (Managing Director) **	2,461,485	
Contribution to PF and other funds	136,145	

\* Whole Time Director till 31st March 2013.

\*\* Appointed as Managing Director w.e.f 1st June 2013.

## 2.29.3 Transaction with other related parties

Transactions	WeP Peripherals Ltd	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Sale of Goods and Services	1,345,296	-
Purchase of Goods and Services	14,909,744	21,647,052
Interest Received	8,770,949	-
Purchase of Immovable Property - Land & Building	107,489,672	-

## 2.29.4 Amount receivable from related parties

Particulars	For the Year Ended March 31, 2014	For the year ended March 31, 2013
Amount receivable from WeP Peripherals Limited	-	76,167,468

## 2.30 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. The company does not have any plan assets as the gratuity liability is not funded.

**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, 2014	As at March 31, 2013
Expected Rate of Return on Assets (p.a)	0.00%	0.00%
Salary Escalation	7.00%	7.00%
Discount Rate	9.00%	8.05%

Amount recognized in the Balance Sheet are as follows

Particulars	As at March 31, 2014	As at March 31, 2013
Present value of Funded Obligations	-	-
Fair value of plan assets	-	-
Present value of unfunded obligations	4,501,842	5,751,907
<b>Net Liability</b>	<b>4,501,842</b>	<b>5,751,907</b>



Amount reflected in the P&L account is as follows

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Current Service Cost	255,926	761,586
Interest on Defined Benefit Obligation	112,497	491,002
Expected Return on Plan Assets	0	(39,266)
Net Actuarial Losses / (Gains) Recognised in year	149,955	62,525
<b>TOTAL</b>	<b>518,378</b>	<b>1,275,847</b>

#### Reconciliation of Benefit Obligation & Plan Assets for the Period

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Change in Defined Benefit Obligation</b>		
Opening Defined Benefit Obligation	5,760,033	819,527
Add: On transfer of business in the company	0	5,079,536
Current Service Cost	255,926	761,586
Interest Cost	112,497	491,002
Actuarial Losses / (Gain)	149,955	23,259
(Benefit Paid)	(1,776,569)	(1,414,877)
<b>Closing Defined Benefit Obligation</b>	<b>4,501,842</b>	<b>5,760,033</b>
Expected Employers Contribution Next Year	874,953	1,096,242

#### 2.31 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 (1st April 2013)	96,000
Options granted during the period	NIL
Price per share	10
Pricing Policy	Face Value
Options vested	28,800
Options Lapsed	NIL
Options available for exercise	28,800
Options exercised	NIL
Total number of shares arising as a result of exercise of options	NIL
Variations of terms of options	NIL
Money realised by exercise of options	NIL
Total number of options in force	96,000

#### 2.32 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.

### 2.33 Additional Information Pursuant to the Provisions of Part II of Schedule VI to the Companies Act 1956.

#### a. Value of Imports on CIF basis

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Raw Material, Stock-in-Trade and Spares & Consumables	338,248,826	444,582,750

#### b. Expenditure in Foreign Currency

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Travelling	84,078	359,116

#### c. Material consumption details

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>Indigenous-</b>		
Consumption during the year	246,709,233	211,430,802
% of total consumption	62%	62%
<b>Imported-</b>		
Consumption during the year	152,844,844	130,842,814
% of total consumption	38%	38%
<b>TOTAL</b>	<b>399,554,077</b>	<b>342,273,616</b>

#### d. Earning in Foreign Currency

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Export of Goods	7,715,654	20,084,281

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

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>Basic and Diluted</b>		
Profit/ (Loss) after tax as per accounts	20,877,067	11,147,721
Number of Shares issued (Weighted average no.)	23,003,472	23,003,472
<b>Earning Per Share</b> (of nominal value of equity share of Rs. 10/- each)	<b>0.91</b>	<b>0.48</b>

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

Vinay D Balse  
Partner  
Membership No.: 39434

Place: Mumbai  
Date: May 3, 2014.

For and on behalf of the Board of Directors

P K Gopalakrishnan  
Managing Director

Place: Bangalore  
Date: May 3, 2014

H V Gowthama  
Director

Sandeep Goyal  
Chief Financial Officer

Ram N Agarwal  
Chairman

Sumit Kawariya  
Company Secretary



**managed printing solution**

**Save Maintenance**

**Save Money**

**mps**

**Increase Savings!**

**Save Earth**

**Save Manpower**



Being the pioneers in the industry, we provide you with the most cost effective solution for the complete management of your printing and imaging requirement. With absolutely no capital expenditure from your side, we service you at only 'Per Click Basis'



## 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, Bangalore 560 001

Tel.: +91 80 6611 2000 | Fax: +91 80 6611 2055 | [www.wepsolutions.co.in](http://www.wepsolutions.co.in)