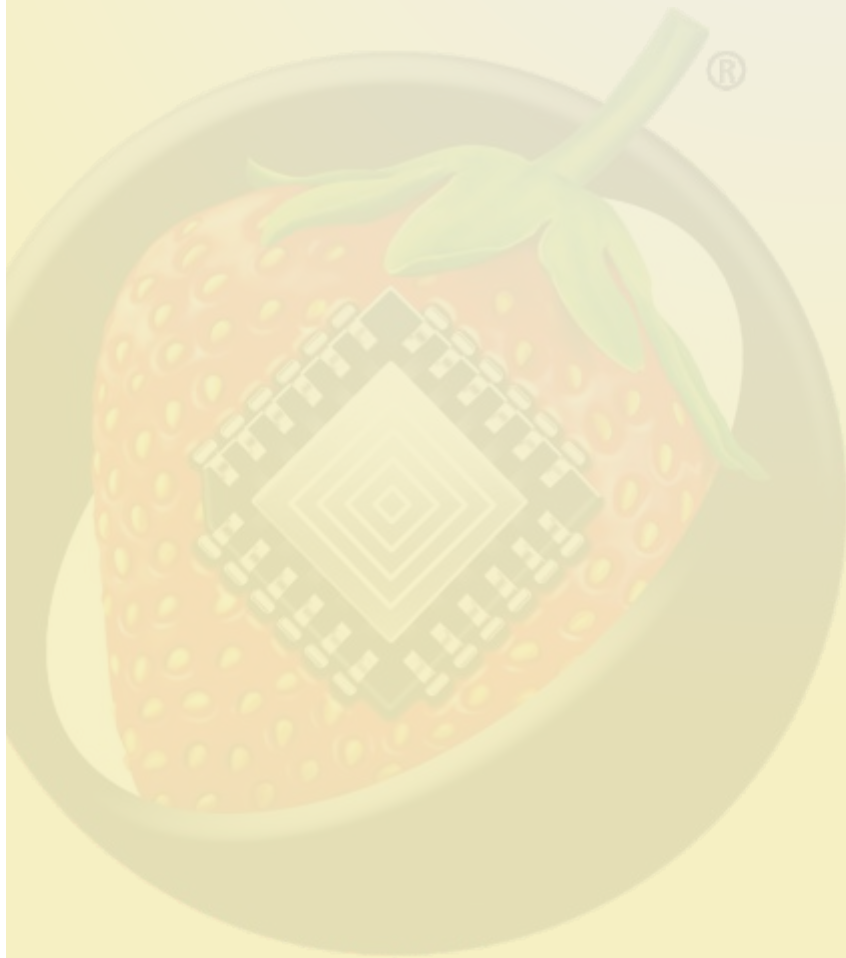




WeP Solutions Limited





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

Investor E-mail ID

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

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

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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.

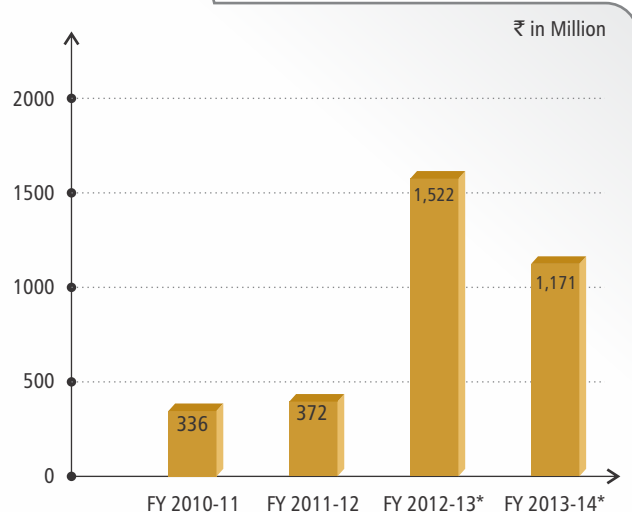
With Best Regards,



RAMNAGARWAL

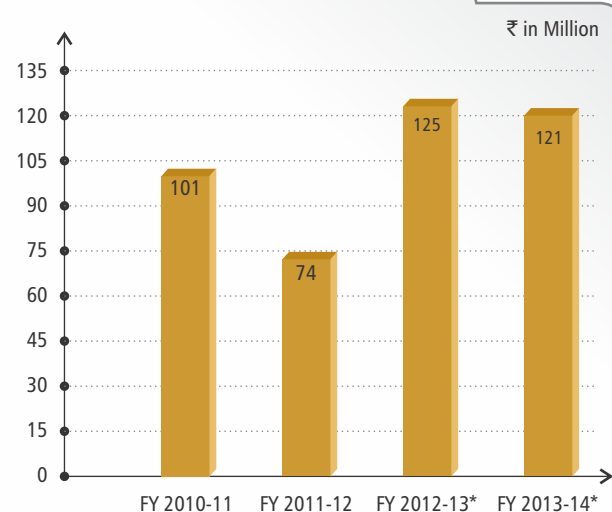
Performance at a Glance

Revenues



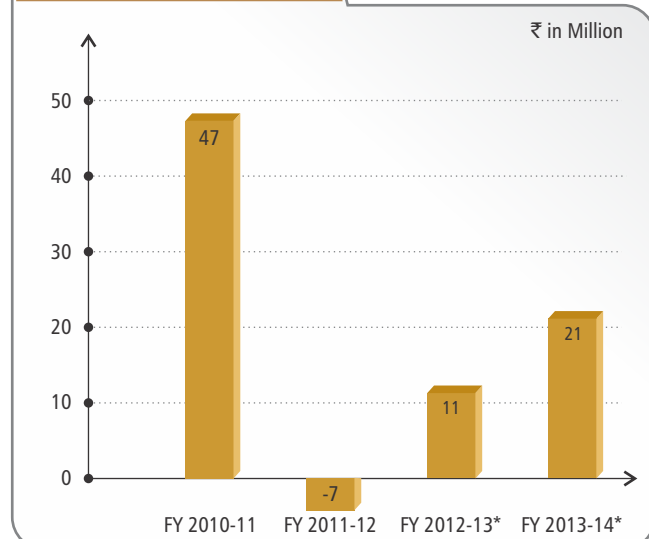
* Includes revenue of Printers business acquired wef April 1, 2012

Gross Earnings (EBITDA)



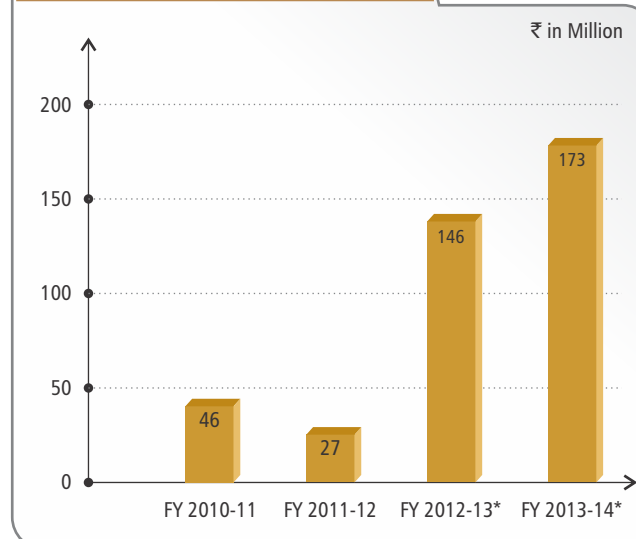
* Includes figures of Printers business acquired wef April 1, 2012

Profit After Tax



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

Operating Cash Flow



* 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.



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 Diary 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 31st March 2014.

Financial Highlights

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

(₹ in lakhs)

Particulars	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
Total Revenue	11710.29	15219.85
Profit Before Depreciation, Interest & Taxes	1213.39	1252.49
Finance Cost	204.41	312.26
Depreciation and Amortisation	726.83	772.29
Profit Before Tax	282.15	167.94
Provision for Tax	73.38	56.46
Profit / (loss) for the Year	208.77	111.48
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 31st 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 31st 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 23rd 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 31st 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 31st 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 31st 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 st 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 19th 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: 5th August, 2014

Annexure to Directors' Report for the year ended 31st 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.