



WeP Solutions Limited

TWENTY FIRST ANNUAL REPORT 2015 - 16



Corporate Information

Board of Directors

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

Share Transfer Agent

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

Bankers

Axis Bank Limited
Corporation Bank
HDFC Bank Limited

Statutory Auditors

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

Secretarial Auditor

S Kannan, Practicing Company Secretary, Bangalore

Cost Auditors

M/s Rao, Murthy and Associates, Cost Accountants, Bangalore

Internal Auditors

M/s Gnanoba & Bhat, Chartered Accountants, Bangalore

Corporate Identity Number (CIN)

L72200KA1995PLC025617

Listed on

Bombay Stock Exchange (BSE)

Scrip Code : 532373

Scrip Name : WEPSOLN

Website

www.wepsolutions.co.in

Investor E-mail ID

investor@wepsol.in

Registered Office

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

Manufacturing Locations

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

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Letter to the Shareholders

Dear Shareholders,

In spite of high GDP growth in India (in comparison to other G20 countries), the year 2015-16 has been a disappointing year for Indian Corporate with most companies declaring reduction in their earnings. The initiatives taken by the Government, during the year 2014-15 and 2015-16, are yet to bear fruits at the ground level. Bad monsoons added to obstacles in industrial growth. The good news is that year 2016-17 is expected to bring in significant upsides due to good monsoon coupled with positive effect of high public investments made during 2015-16.

Your company continued to recalibrate its business portfolio. We invested further in developing our Retail Solutions Business. We are happy to report that this business grew by 30% during the year. The losses created by Printer business could not be compensated even by significant improvement in profitability of MPS business. We have also invested in creating technology platform involving 'Aadhaar' and 'Management of Documents'. These investments are yet to yield significant results in terms of higher revenues and profits. We hope that revenue and profits will show significant up trends from 2017-18 onwards.

Impact Printer market has contracted significantly. This has created challenges for your company in short term until the investments in other initiatives start bearing fruits. There is a need for recalibration in your company business portfolio. Board of Directors of your company has set up an empowered committee of Directors to suggest the right structure for WeP businesses so as to protect and enhance shareholder value.

We remain committed to provide "WoW" to our customers in form of WeP Products and Services with long term returns to our shareholders. We also continue to provide exciting and challenging workplace to all our employees.

I thank you for your continued support. I take this opportunity to place on record my sincere gratitude to our Bankers, regulatory bodies like BSE, Custom and Excise, for their support. I also wish to express my appreciation to my colleagues on the Board for their guidance. We also thank our employees for their dedication and commitment. We rededicate ourselves to everyone who has reposed their faith and trust on us.

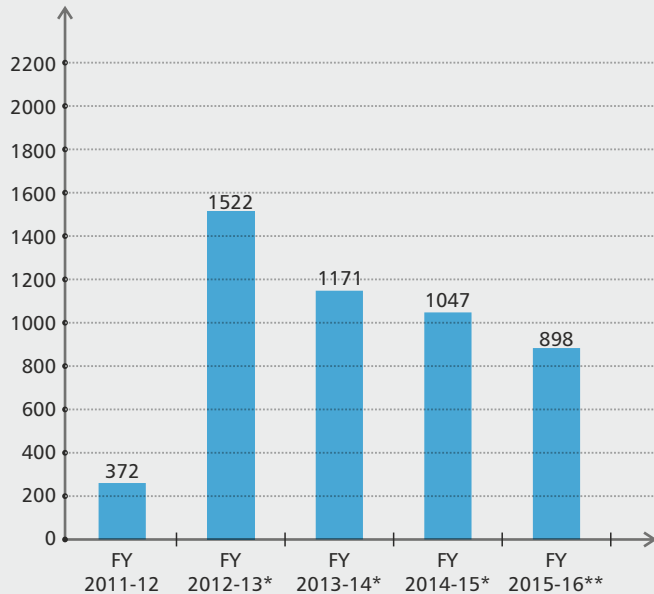
With Best Regards,

A handwritten signature in blue ink, appearing to read 'Ram N Agarwal'.

Ram N Agarwal

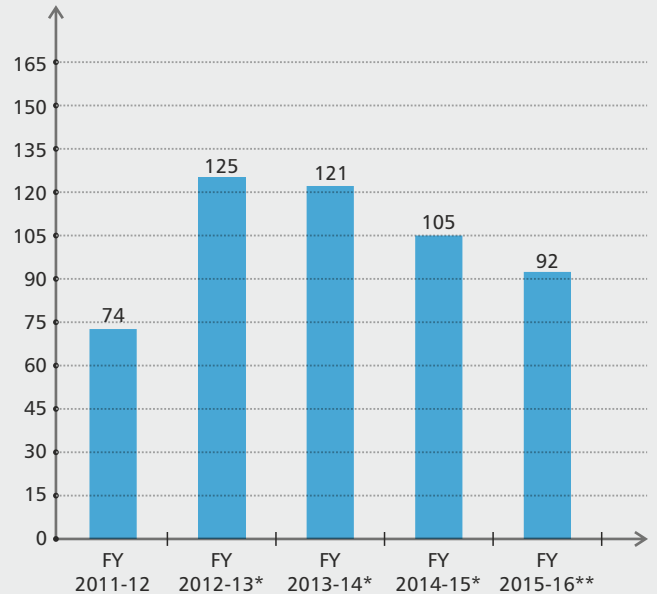
Financial Highlights

Revenue ₹ in Mn



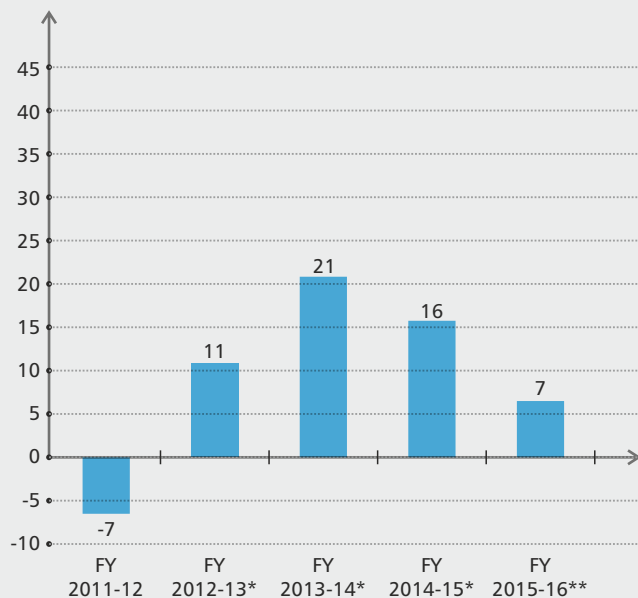
* Includes revenue of Printers business acquired wef April 1, 2012
 ** Consolidated Figures

Gross Earnings (EBITDA) ₹ in Mn



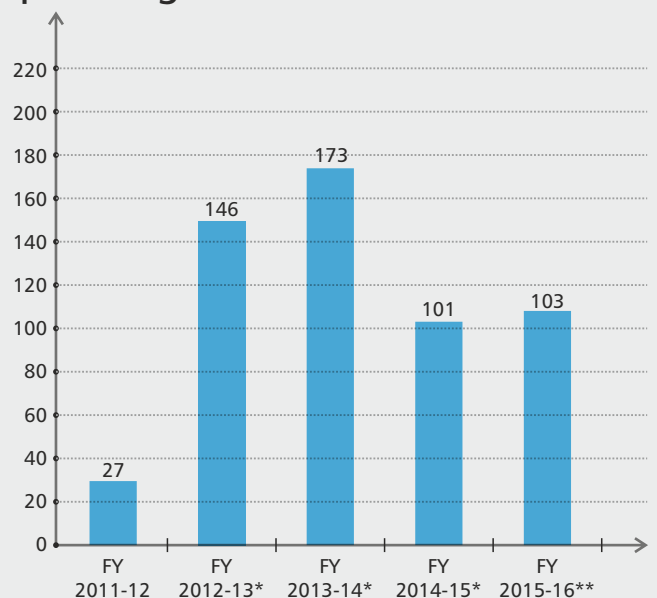
* Includes figures of Printers business acquired wef April 1, 2012
 ** Consolidated Figures

Profit After Tax ₹ in Mn



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

Operating Cash Flow ₹ in Mn



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

Business Overview

Managed Printing Solutions (MPS)

MPS is a solution which is provided to various business concerns for making the job of document output in a well organised pattern. It is the efficient and effective management of printing documents in an organisation. MPS helps in reducing the hassle of handling the document printing of an organisation which ultimately helps the organisation in putting more attention on the core area of its business. It will help in reducing the cost of printing, copying and scanning of the documents in a business concern. It also reduces the cost spent on the staffs for handling the printing in an organisation.

MPS of WeP Solutions



WeP Solutions Limited is well known for the Managed Print Services as it is the first company in India which have introduced the concept of MPS. WeP is also well known for its innovative and productive services to its customers. It is having a well fledged customer base all over India. WeP is also doing its MPS operations with the moto of go green, which is beneficial for the customers as well as the economy as a whole. WeP MPS grows with innovation and with the most updated technology in printing. For the last few years MPS business of WeP Solutions witnessed significant growth in the revenue as well as the customer portfolio on a country wide basis. MPS is having a customer base of more than 600 customers pan India in which more than 20,000 printers and copiers are deployed.

With the efficient handling of consumables, printers, spares, and support WeP helps its customers to ease the handling of documents. By the proper management of the printing and

reducing the wastage of printing, WeP ensures environment friendly initiatives from its customers. WeP follows the practice of Go Green by proper deployment and management of eco-friendly printers and copiers. We are also having delighted customers all across India, which helps us in the futuristic growth of Managed Print Services. WeP provides numerous value added services like special color schemes, software advantages, resident engineers, etc. in order to make happy customers.

Solutions under MPS

- **Asset Plus Service Solution:** The printer, copier or scanner will be provided to the customer with all the toner, support, spare parts and maintenance services. This will allow the customers to get a complete pack of solution with zero capital investment.
- **Full Support Services:** Customers with existing printers are also given solution by WeP MPS. WeP provides a complete solution of support, toner, spares, and maintenance for the customers who had already invested on the printers and who wants to own the printers.
- **Bulk Service Solution:** WeP also has the solution for the seasonal printing requirements where a huge volume of printing is to be done. A high level of secrecy is also maintained under BSS as the printing is done on WeP premises.



New Solutions WeP MPS



- **Print Management Software:** An advanced and the updated technology solution which helps customer protect confidential information while printing. It enables customer to control, optimize and reduce wastage by analysing user behaviour, implementing various print policies, thereby saving cost.
- **Device Management Software:** A device management software solution provides opportunity to track and manage the entire print fleet through a single console. It enhances the printer management techniques resulting in higher printer uptime, pro-active actions on print failure, reduce the operational hassles and operational cost, increase productivity.
- **Customer Portal:** It is a customized solution for each customer. It gives flexibility to customer to track their billing, SLAs, call management in a real time environment.
- **Mobile Apps:** WeP introduced an android based mobile App for its field engineers. App gives option for engineers to manage the calls on the go, thus improving the response time. This is a step towards WeP values of providing cutting edge solutions to its customers.
- **Color Revolution:** A Color print is far more effective in communicating a message compared to a black & white print. It has many advantages in helping customers grow their businesses. WeP has initiated special schemes for making color printing affordable to Indian market with variety of print options.

Document Management Solutions (DMS)

eRM Solutions Private Limited is a 100% owned subsidiary of WeP Solutions Limited.

We are **The Document Technology Company** that focuses on e-Archiving needs of its customers. The company is managed by professionals with wide range of document solutions expertise. The company operates across India with the principal objective of providing PDF/A - the ISO 19005-1:2005 standard file format solutions for long-term preservation of e-Archives.

Our Document Management Solution is unique, in the sense that it makes the customers digitized documents compliant with International Standards of Electronic Archiving such as ISO 19005-1:2005. Our Digitization Process helps customers become compliant under GCM (Governance and Compliance Management) framework, that in turn increases the efficiency and productivity of the organization with respect to its document management.

We have developed Document Management Solutions specific to Pharmaceutical, Healthcare, HR Records, Audit Records, Legal Records, Engineering & Manufacturing Records, Financial Company Records, Airline Fleets etc.

DMS Features:

1. The focus is on maintaining 3 criterias i.e. Retention, Authenticity and Traceability.
2. Business Continuity feature: People move from organisations, but the organisation stays; hence the Critical Records will be in the safe custody of the organisation.
3. Openability for life of e-document in a royalty free manner: The document will be openable for life and will be independent of technological obsolescence.
4. International standards of Archiving: The solution provided by us is as per the ISO 19005-1:2005 Standard which is PDF/A.

Primary features of PDF/A are

- a. Device Independent
 - b. Self Documentation
 - c. Self Contained
5. Physical Traceability: The electronic record will contain the information about the location of the physical file, thus improving the traceability of the Physical Files.
 6. Digital Repository of Records: All the business critical records will be present in the digital form which will be mirror image of the physical records.

7. Open source Software used as Repository:

The benefits of using Open source software are:

- Ownership of the Software lies with the Company rather than the vendor.
- Any customisation can be easily done.
- Cost effective since it is supported by a community.

WeP eRM Solutions & Services

- Records Digitizing Solution - PDF/A with long term retention
- Migration Solution - TIFF, JPG, PDF and other Legacy Images to PDF/A
- Digitizing of Records in line with 21 CFR Part 11 fitments.
- Physical traceability feature.
- Developing e-Books from Paper Records & Manuals for cross platform usage

Information Governance Reference Model (IGRM)

Linking duty + Value to information asset = efficient, effective management

Duty:

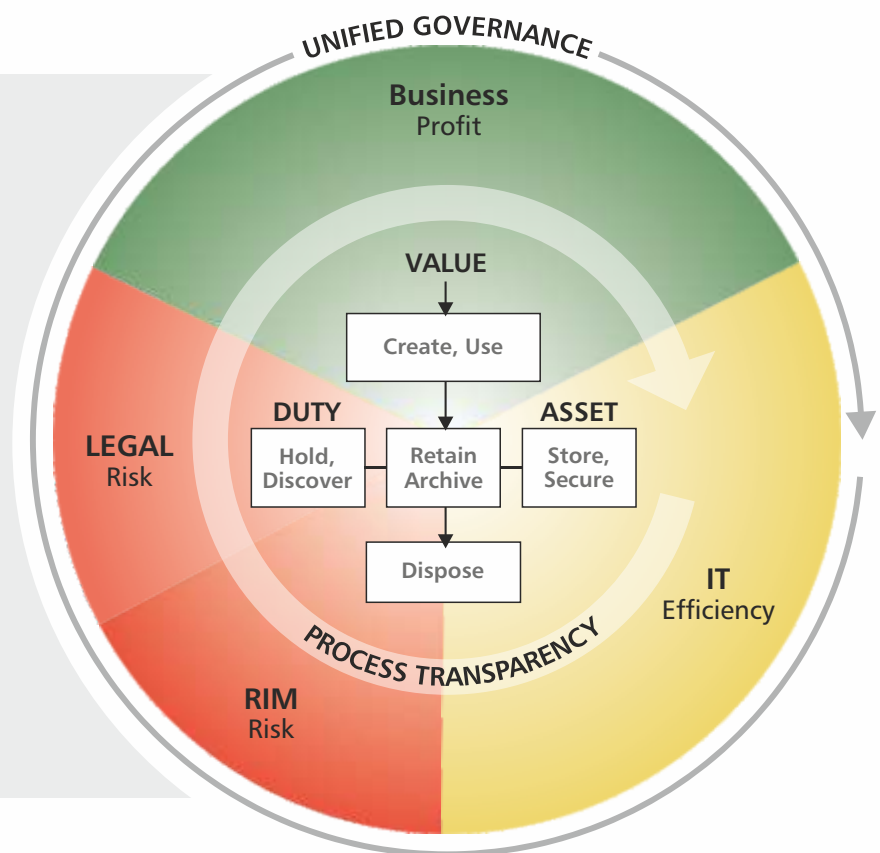
Legal Obligation for specific information

Value:

Utility or business purpose or specific information

Asset:

Specific container of information



Printers Business

WeP Printer business unit has 4 main products in its portfolio - Dot Matrix Printers, Line Matrix Printers, POS printers and After-Market (Consumables).

The Impact Printer market continued its expected decline in 2015-16. The market is now more niche application based, as printing for general applications continues to migrate to alternate technologies namely, lasers in offices and thermals in retail stores. Adoption of digitization especially among corporates and banks has also impacted the quantum of hardcopy printing today. However, niche applications like printing of receipts at medical stores, cheque / demand drafts in banks, gate pass and invoices in warehouses and depots continue to rely on the multi-copy capability and low cost per page advantage of dot matrix printing. WeP's forte has been its product performances which is more suited for such specific applications. Line matrix printer market continues to vacillate but has remained, by and large, within a narrow band. Due to its moderate unit market size, significant changes in any customer purchase in a particular year have the ability to alter the market growth. A recent trend in this segment is the adoption of higher resolution (laser-like quality) printing which has found important use in education, finance, manufacturing & logistics. POS printer market reached a period of stabilization after many years of brisk growth due to automation in retail specifically in the enterprise segment.

Retail Printing Solutions



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

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

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

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

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

Last year, WeP invested in new products development, manufacturing capacity enhancement and Channel expansion. Retail Business sales revenue grown consistently for the last 3 years and Plan to expand significantly in the coming years. We have restructured our retail business to fuel the required growth and attain market leadership.

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

Our mission is to

1. Automate their business and enable them to accelerate their transaction process.
2. Improve customer satisfaction level.
3. Do more business.
4. Achieve flawless inventory management.
5. Better usage of store space and staff.





Voice of Customer

- Fast Billing without any Calculation mistake
- Every clerk can give sales report by name
- Reduces mental pressure
- The customer is satisfied with machines

Customer's Feedback on the Printer

- The customer is satisfied with the machine
- It's easy to bill, billing is fast without any calculation mistake.
- It gives me token facility
- Printer is good
- Good support.

Best Suited for Bakery



WeP BP-20

Directors' Report

Dear Members,

Your Directors are pleased to present 21st Annual Report and the Company's Audited Financial Statements for the Financial Year ended March 31, 2016.

Financial Performance

The Company's financial performance, both standalone and consolidated, for the year ended March 31, 2016 is summarised below:

(₹ in lakhs)

Particulars	Standalone		Consolidated
	2015-16	2014-15	2015-16*
Revenue from Operations	8,890.47	10,417.66	8,935.22
Other Income	41.78	53.22	39.92
Total Revenue	8,932.25	10,470.88	8,975.14
Profit Before Depreciation, Interest and Taxes	951.05	1,050.87	924.25
Finance Cost	175.39	176.70	175.47
Depreciation and Amortisation	619.78	650.37	638.71
Profit Before Tax	155.88	223.80	110.06
Provision for Tax	50.57	65.71	36.42
Profit / (Loss) for the Year	105.30	158.09	73.65
Earnings Per Share (Equity share par value ₹ 10/-each) Basic / Diluted (₹ per share)	0.46	0.69	0.32

* During the Financial Year 2015-16, Company acquired 100% in M/s. eRM Solutions Private Limited.

Consolidated Accounts

The Consolidated Financial Statements of your Company for the Financial Year 2015-16 are prepared in compliance with the applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, applicable Accounting Standards and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Subsidiary Company

During the year under review your company has executed a Share Purchase Agreement for acquiring 100% of equity shares of M/s. eRM Solutions Private Limited (eRM), a company focused on Document Management Solutions and having developed proprietary software in this domain. M/s. eRM Solutions Private Limited (eRM) is functioning as a 100% Subsidiary of WeP Solutions Limited.

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

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

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

During the year the Board of Directors have formulated a policy for determining Material Subsidiaries. The policy is disclosed on the company's website and is accessible on www.wepsolutions.co.in.

Management Discussion and Analysis Report

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

Dividend and Reserves

In order to conserve the available resources for future, the Board of Directors of the Company have not recommended any Dividend for the Financial Year 2015-16.

Pursuant to Section 205C and other applicable provisions of Companies Act, 1956 (*the corresponding provision in the Companies Act, 2013 have not been notified, and hence the earlier law is still applicable in respect of these provisions*), Dividends that are unpaid / unclaimed for a period of seven years are required to be transferred to the Investor Education and Protection Fund administered by the Central Government and once unpaid/unclaimed dividend due for refund is transferred to IEPF, no claim shall lie in respect thereof against the Company.

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

The details of the consolidated unclaimed / unpaid dividend details as required by the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, for all the unclaimed/unpaid dividend accounts outstanding (upto the date of 20th Annual General Meeting on 27th August 2015) in terms of the Ministry of Corporate Affairs Notification No. G.S.R 352 (E) dated May 10, 2012 has been uploaded on the Company website www.wepsolutions.co.in.

During the year under review, no amount was transferred to General Reserve.

Public Deposit

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

Corporate Governance

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

Board of Directors

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

A. Inductions

During the year under review there was no change in Directors of your Company. In the 20th Annual General Meeting held on 27th August 2015, Shareholders approved appointment of Prashee Agarwal as Non – Executive Director on the Board. We thank the Shareholders for their support in confirming Prashee Agarwal's appointment at the Annual General Meeting held on 27th August 2015.

B. Re-appointment

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

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