



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

WeP Solutions Limited
Twenty Second Annual Report 2016-17



Corporate Information

Board of Directors

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

Share Transfer Agent

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

Bankers

Axis Bank Limited
Corporation Bank
HDFC Bank Limited

Statutory Auditors

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

Secretarial Auditor

S Kannan and Associates, Practicing Company Secretary,
Bengaluru

Cost Auditor

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

Internal Auditors

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

Corporate Identity Number (CIN)

L72200KA1995PLC025617

Listed on

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

Website

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

Investor E-mail ID

investor@wepsol.in

Registered Office

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

Manufacturing Locations

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



Contents

Letter to Shareholders	03
Performance at a Glance	04
Business Overview	07
Directors' Report	11
Report on Corporate Governance	39
Consolidated Auditor's Report	57
Consolidated Financials	61
Standalone Auditor's Report	79
Standalone Financials	84



Letter to the Shareholders

Dear Shareholders,

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

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

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

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

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

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

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

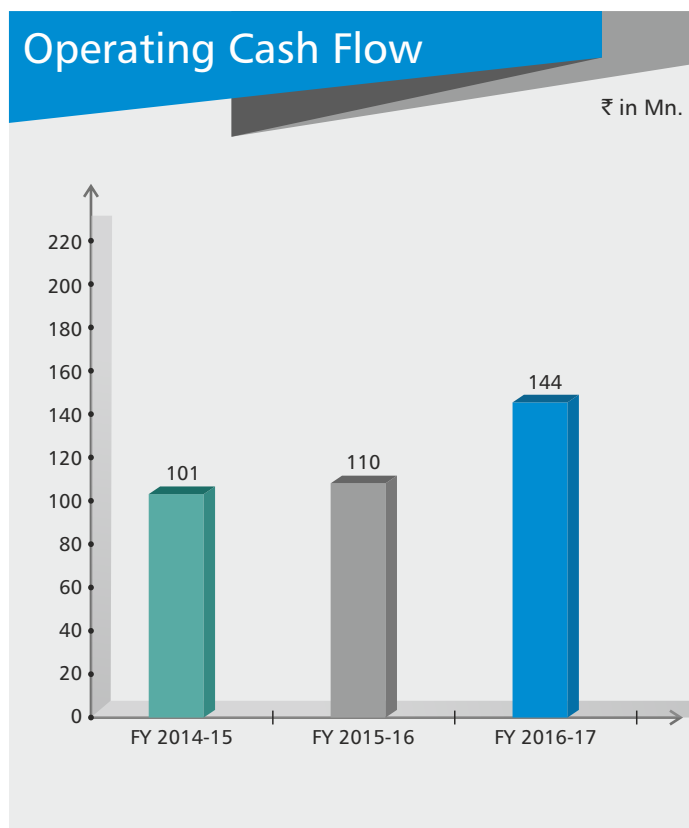
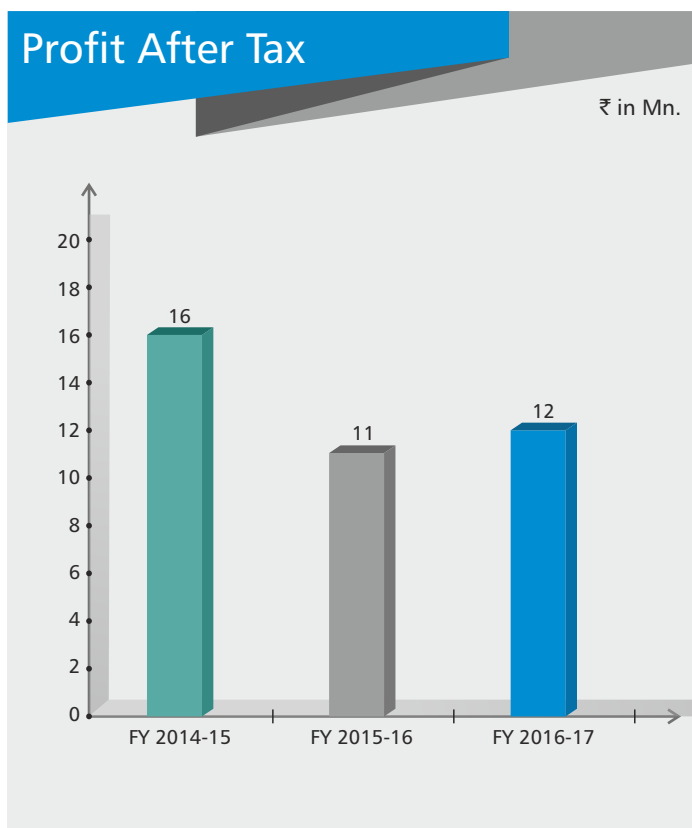
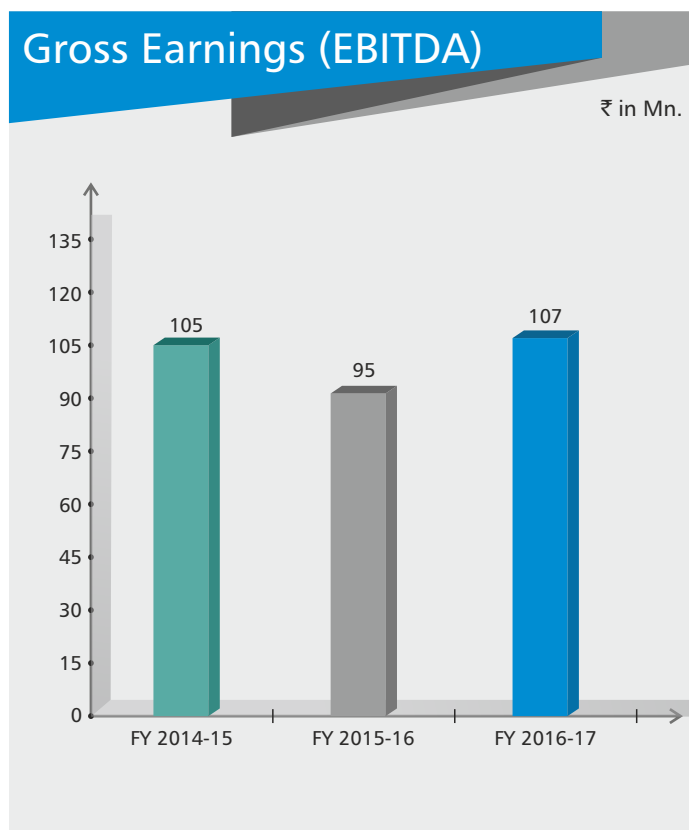
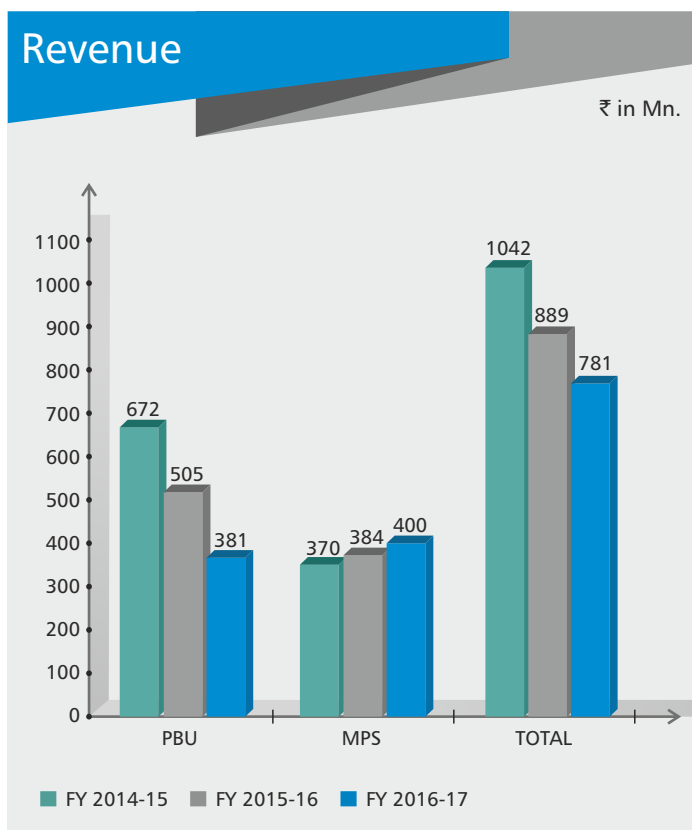
We rededicate ourselves to everyone who have reposed their faith and trust on us.

With Best Regards,

Ram N Agarwal

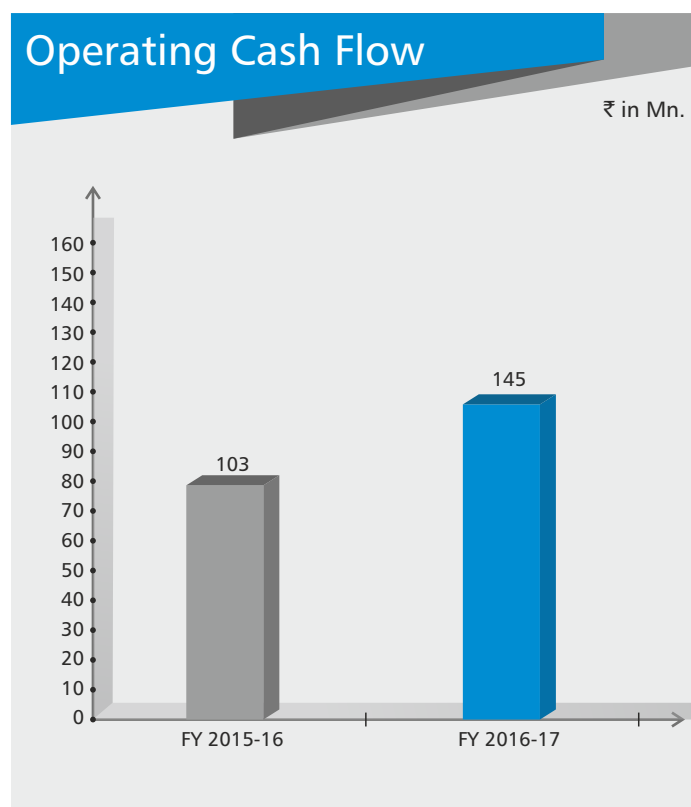
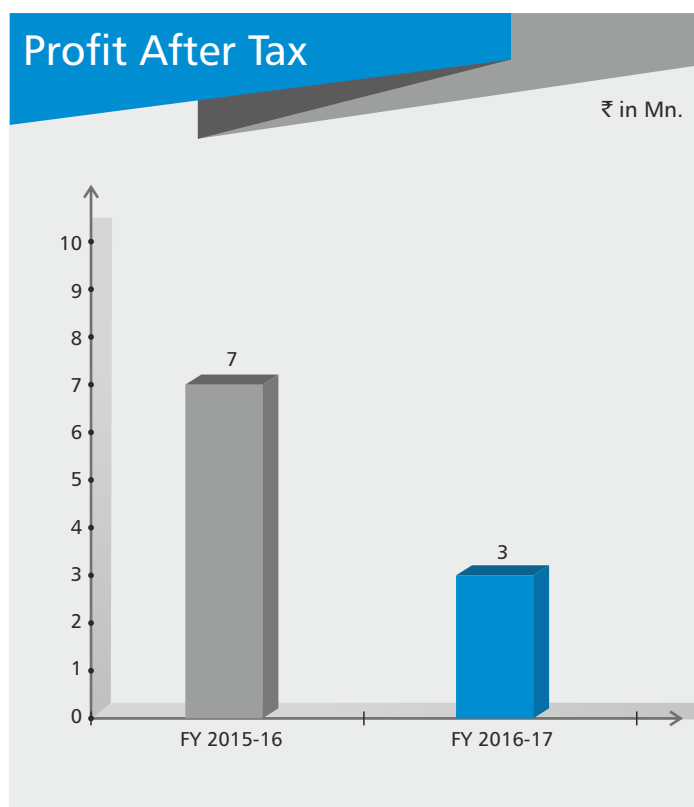
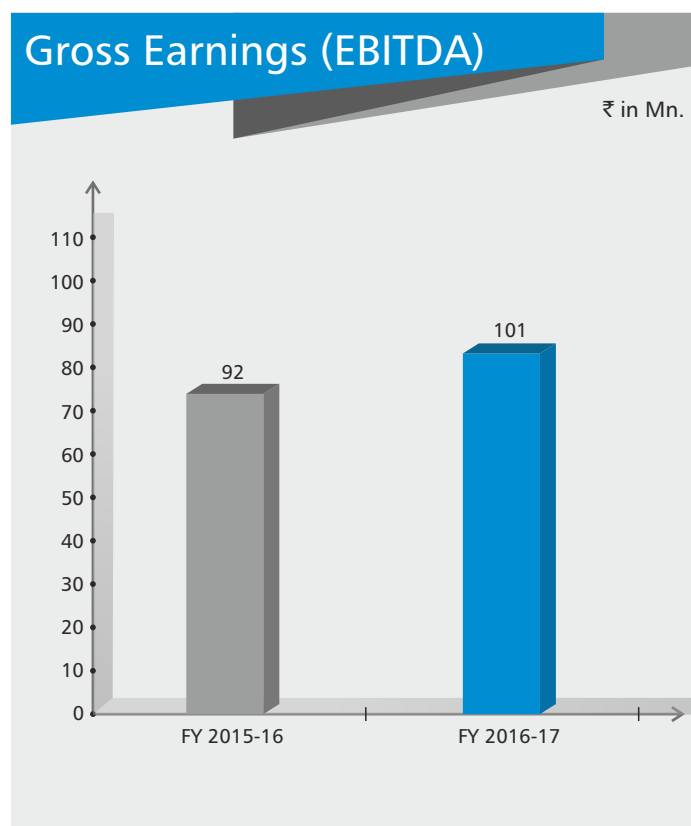
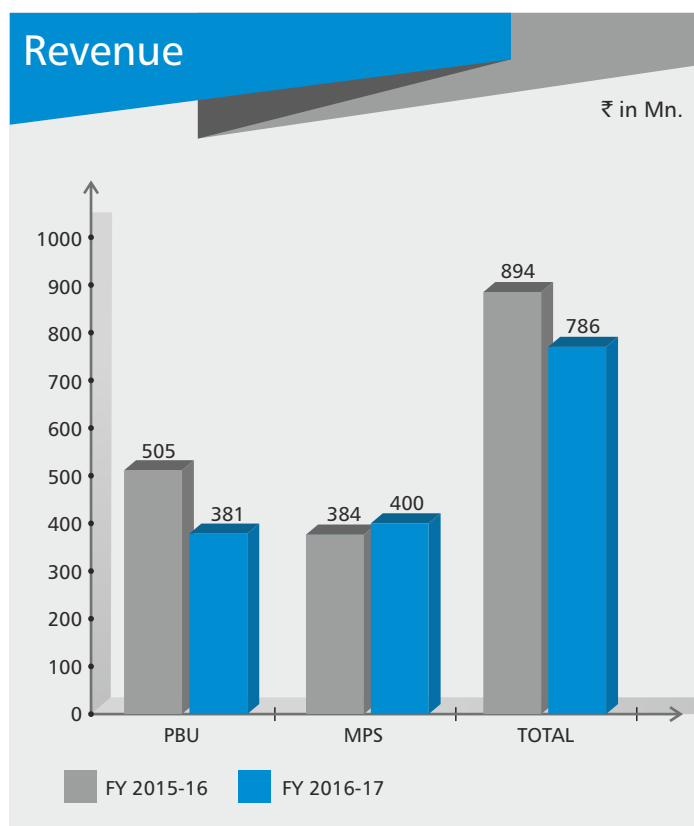


Standalone Highlights



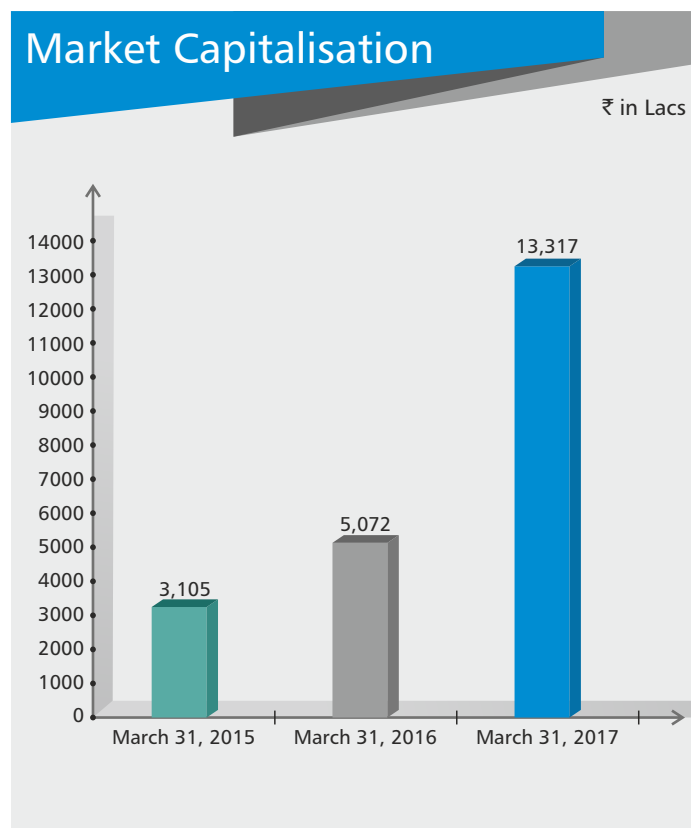
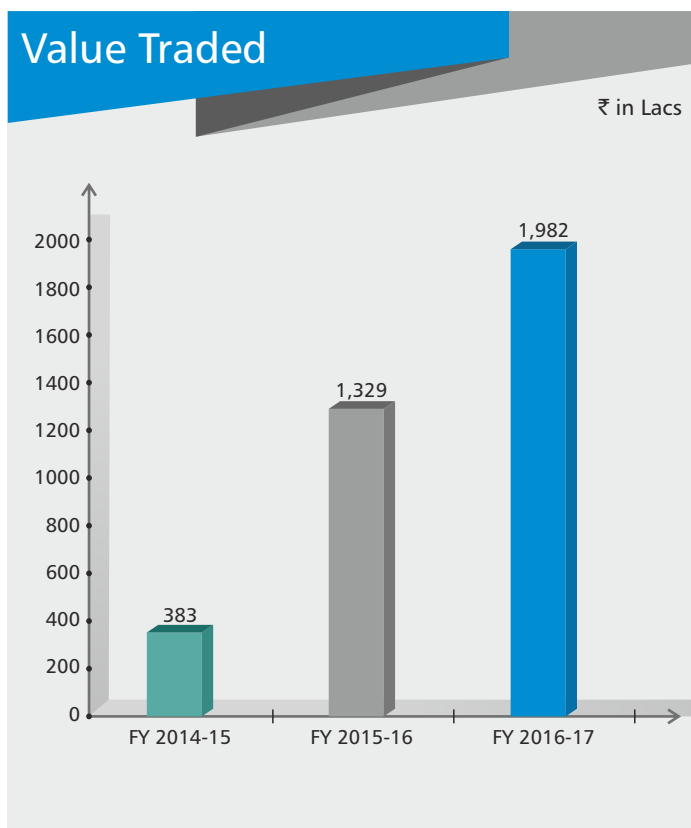
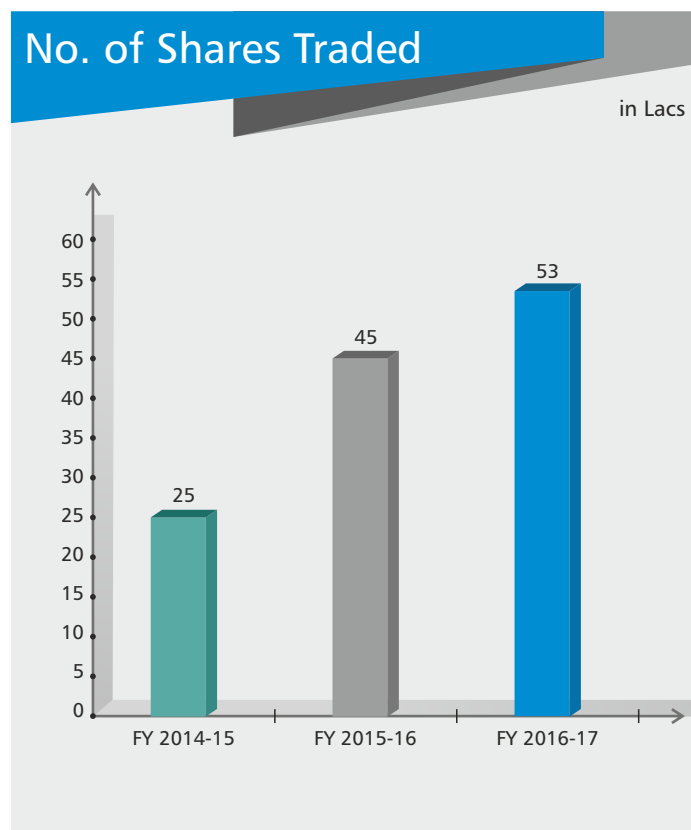
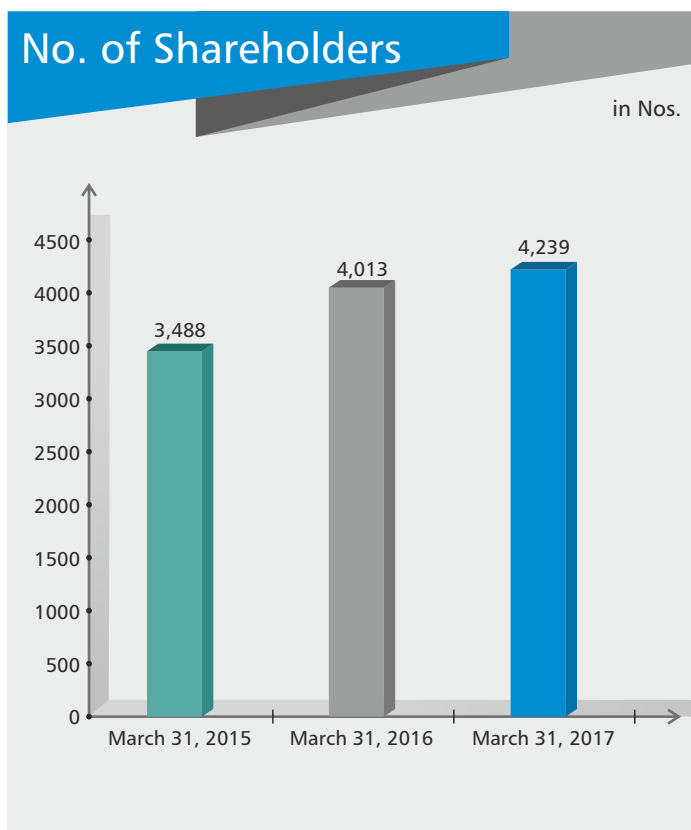


Consolidated Highlights





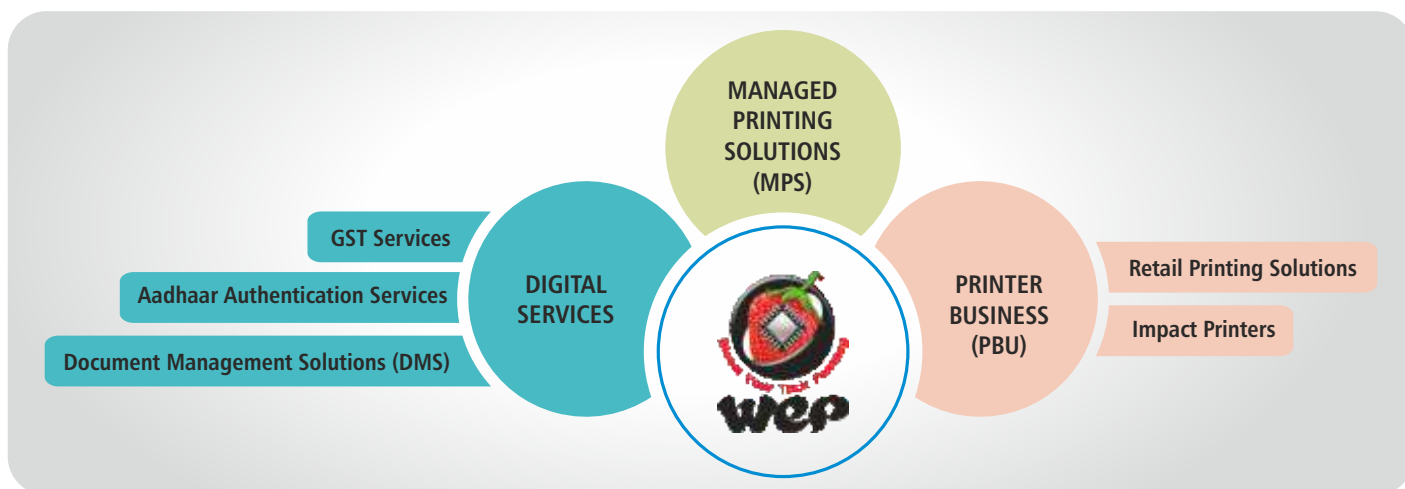
Shareholders Analytics



(Source: www.bseindia.com)



Business Overview



I. DIGITAL SERVICES

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

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

a. GST Services

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



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

GST Introduction:

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

Our Mission

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



b. Aadhaar Authentication Services

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

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

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

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

WeP Aadhaar Authentication system supports the following Authentication types:

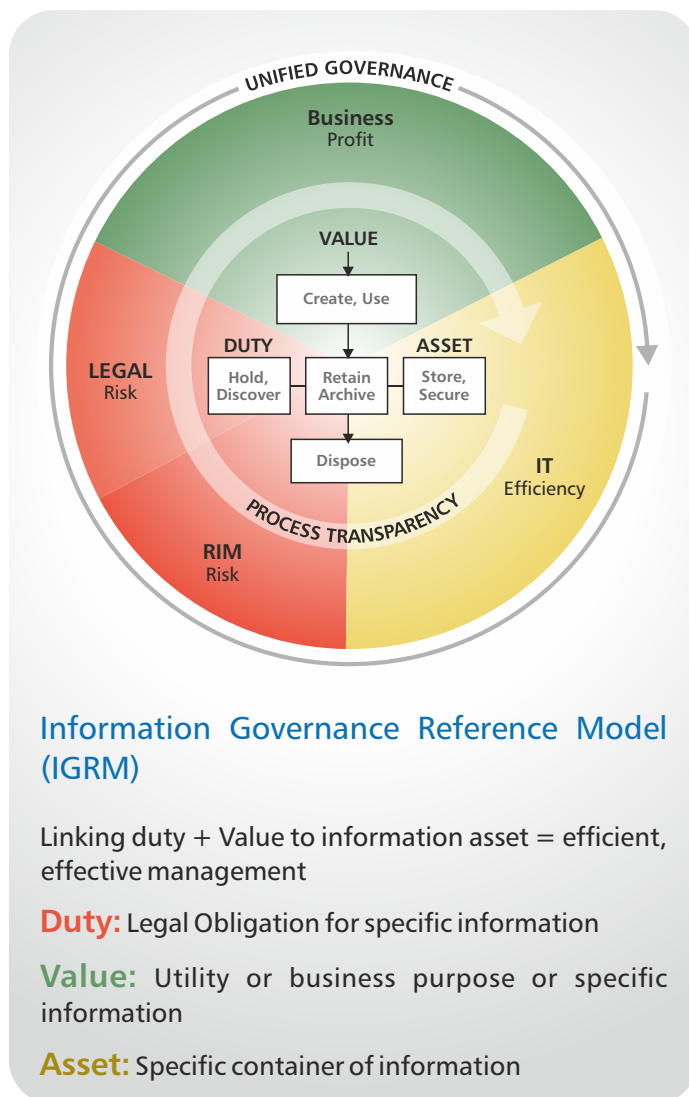
- ◆ Biometric Matching ◆ Finger Print Authentication ◆ IRIS Authentication ◆ Demographic Matching ◆ Additional features such as One-Time-PIN (OTP)

c. Document Management Solutions (DMS)

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

WeP Document Management Solutions consists of:

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



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

- b. **Scanning:** → Quality Check → Indexing → Converting to PDF/A → Repository
3. **Data Entry Services:** WeP DMS provides high volume- low cost, accurate data entry services. We use specialised quality checking software for data entry. Data entry services can be used for forms processing such as survey or customer satisfaction forms, membership scheme administration and ticket forms processing.

Features of WeP Document Management Services:

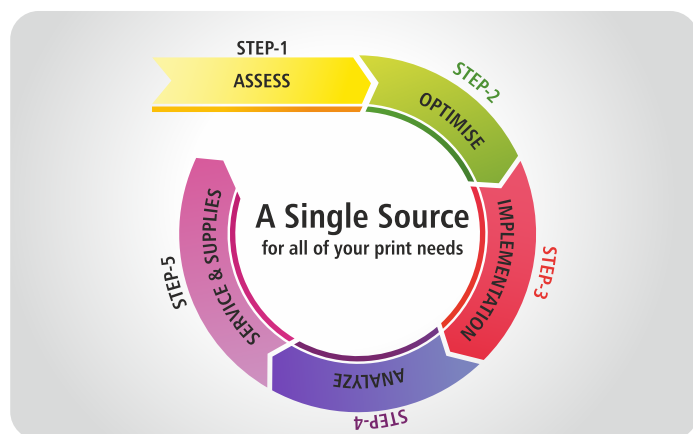
- ◆ Paper-less ◆ Hassle-free ◆ Efficient ◆ Affordable ◆ Secure

II. MANAGED PRINTING SOLUTIONS (MPS)

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



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



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

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

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

WeP MPS Offerings:

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

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

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

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

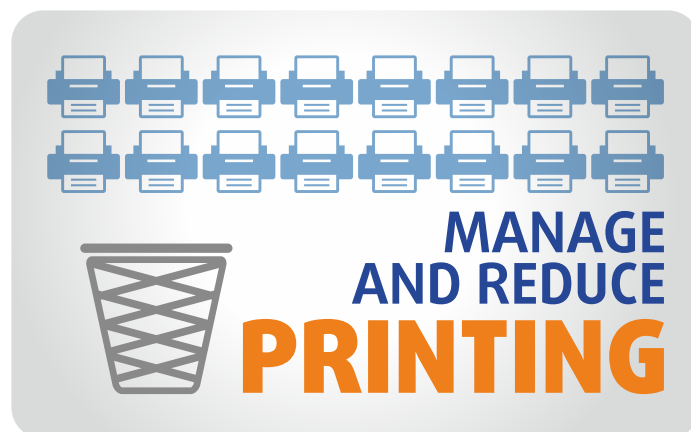
New Offerings under WeP MPS: WeP Introduced Line Matrix Printers under Managed Print Services.

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

WeP Value Added Services under MPS:

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

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



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

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

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



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

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

III. PRINTER BUSINESS

a. Retail Printing Solutions



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

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

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

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



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

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

b. Impact Printers

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