

## Directors' Report

Your Directors are pleased to present the Third Annual Report and the Audited Statement of Accounts for the year ended 31st March 2003

### 1. FINANCIAL RESULTS

The financial results for year ended 31st March 2003 are presented below with the segregation as Product division, Service division and Consolidated results with its Subsidiary unit, Select Technologies Limited.

(Rs. in Millions)

Sl. No.	Particulars	WeP Products Division	WeP Smart Division	WeP (non consolidated) Year ended 31st Mar 2003	WeP Consolidated Year ended 31st Mar 2003	Year ended 31st Mar 2002
1	Sales and Services	1854.7	16.1	1,870.8	1981.8	1856.0
2	Other income	10.5	0.0	10.5	10.5	5.1
3	Total revenue (1+2)	1865.2	16.1	1,881.3	1992.3	1861.1
4	Profit before Depreciation, Interest and Taxes	122.6	(14.7)	107.9	114.7	127.9
5	Interest	3.9	3.9	7.8	8.2	10.3
6	Depreciation	39.6	0	39.6	40.15	31.1
7	Profit Before tax & Non-recurring expenses	79.1	(18.6)	60.5	66.3	86.5
8	Non-recurring expenses	0.4	0.0	0.4	0.4	8.3
9	Profit Before Tax (PBT)	78.7	(18.6)	60.1	65.9	78.2
10	Provision for Taxation	21.5	0.0	21.5	24.2	30.8
11	Profit After Tax (PAT)	57.2	(18.6)	38.6	41.7	47.4
12	Appropriations					
	- Dividend on Equity shares	12.9		12.9		8.5
	- Tax on dividend	1.6		1.6		0.9
	- Transfer to DRR			0.0		8.0
13	Retained Profits	42.7	(18.6)	24.1		30.0

### 2. OPERATIONAL PERFORMANCE

#### a. Product Division:

During the year, WeP Products division has increased the sales of new products apart from entering the Networking product segments of IT peripherals. This has resulted in a well diversified product mix and provides a platform for consolidation in the years ahead.

The Company has achieved an export turnover of Rs.162 Million for the year 2002-03 against Rs.147 Million during the last year. Focus was on moving into new business segments as stated elsewhere in the report.

#### b. WeP Smart Division: (Printing Services)

Your Company has pioneered the concept of Business Printing Outsourcing with the launch of "WeP Print & Save" service this year. This is structured as an independent business division from July 2002. While Rs. 16 million of service revenues accrued to this business for the year, there is a loss of Rs. 18.6 million mainly on account of initial investment required in establishing the infrastructure for the business. With revenues increasing month-on-month, the focus of this division is to address the entire gamut of on-site and off-shore business printing services.