

21st
ANNUAL REPORT
2011-2012

WELLESLEY CORPORATION LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Deepak Jalan	Director
Mr. Amar Singh Bhati	Director
Mr. Piyush Prakash	Director
Mr. Sapan Mohan Garg	Director
Mr. Manoj Gupta	Director
Mr. Sanjeev Saxena	Director
Mr. Dalip Singh Dasila	Managing Director

COMPANY SECRETARY

Mr. Sumeer Narain Mathur

REGISTRAR & SHARE TRANSFER AGENT

M/s. Skyline Financial Services Private Limited
D-153A, 1st Floor Okhla Industrial Area,
Phase-I, New Delhi - 110 020
Tel:- +91 - 11 - 3085 7575 (10 lines)
Fax: - +91 - 11 - 3085 7562
Email: admin@skylinerta.com
Web: www.skylinerta.com

AUDITORS

M/s. Srivastava Kumar & Co (F.R.No 011204N).
21 - A, Nangali Rajapur, Near Sarai Kale Khan (I.S.B.T),
Nizamuddin East, New Delhi - 110 013
Tel:- +91 - 11 - 2435 4215, 2435 3216
Fax: - +91 - 11 - 2435 3216
Email: skc123ca@gmail.com

BANKERS

Kotak Mahindra Bank,

REGISTERED OFFICE

36, Insaf Nagar, Sector 10,
Indira Nagar, Lucknow,
Uttar Pradesh - 226 016

CORPORATE OFFICE

B-210, Ansal Chamber - I,
3, Bhikaji Cama Place,
New Delhi - 110 066

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NOTICE

To,

The Members

Wellesley Corporation Limited

(Formerly Known as Usha Housing Development Company Limited)

Notice is hereby given that the 21st Annual General Meeting of the Company will be held on Friday, the 28th September, 2012 at 11: 00 AM at the registered office at 36, Insaf Nagar, Sector 10, Indira Nagar, Lucknow Uttar Pradesh – 226 016 to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March 2012 and Profit & Loss Account for the financial year ended on that date and the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr.Sanjeev Saxena who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr.Sapan Mohan Garg who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s Srivastava Kumar & Co., Chartered Accountants (F.R No:01120N) as Auditors of the Company to hold office from the conclusion of this meeting to the conclusion of the next Annual General Meeting and to fix their remuneration.

For and on behalf of the Board of Directors
Wellesley Corporation Limited

Sumeer Narain Mathur
Company Secretary

Date: 07.08.2012

Place: New Delhi

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY, PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. The Register of Members and share Transfer Books of the company shall remain closed from 27.09.2012 to 28.09.2012 (Both days inclusive).
3. A blank proxy form is sent herewith.
4. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
5. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company between 10.00 A.M. to 1.00 P.M. on all working days except Sundays and other holidays upto the date of the Annual General Meeting.
6. The Register of Contract/arrangement and Register of Directors Shareholding shall be open for inspection by the members during the continuation of meeting.
7. Members desirous of any information concerning the accounts and operation of the Company are requested to send their queries to the Company at least one week before the meeting, so as, to enable the management to keep information ready. Replies will be provided only at the meeting.

WELLESLEY CORPORATION LIMITED

DIRECTOR'S REPORT

To

The Members,
Wellesley Corporation Limited
(Formerly Known as Usha Housing Development Company Limited)

Your Directors have pleasure in presenting the 21st Annual Report together with Audited Balance Sheet of the Company as at 31st March, 2012 and the Profit and Loss Account for the year ended on that date and Auditor's Report thereon.

FINANCIAL HIGHLIGHTS

(Figures in Rupees)

Particular	Financial Year ended 31.3.2012	Financial Year ended 31.3.2011
Income	39,63,858	95,00,723
Expenditure	32,24,005	93,60,893
Profit before tax	7,39,853	1,39,830
Provision for tax (including deferred tax)	3,73,329	37,847
Profit after tax	3,66,524	101,983
Balance carried forward to Balance Sheet	(9,53,44,221)	(9,57,10,745)

DIVIDEND

In view of accumulated losses, the Directors do not recommend any dividend during the year.

OPERATION AND FUTURE OUTLOOK

The year 2011-12 remained a very busy and happening year for your company. The company has expanded its business to include in its kitty trading activities of products such as chocolates, beauty and barter trade along with the real estate business.

Your company believes that these sectors have immense potential and entering into the same should help your company to establish and grow in a speedy manner.

By this diversification of business your company has recorded 259% increase in its net profit, inspite of the fact that the total turnover has gone down from Rs 95 lacs to Rs 39 lacs, profit after tax has gone up from Rs 1.01 lacs to Rs 3.66 lacs.

This year has been a good one, but it's just a beginning for establishing and increasing its market share vis-a vis from big players in the industry. The company has to go a long way with unique systems, procedures and strong business strategies.

Inspite of all this still the Company has accumulated losses of more than fifty percent of its net worth as at the end of financial year 31st March, 2012.

DIRECTORS

Mr. Sanjeev Saxena and Mr Sapan Mohan Garg retire by rotation and being eligible offer themselves for re-appointment.

DEPOSITS

The Company has not invited or accepted any deposits from the public.

PARTICULARS OF EMPLOYEES

None of the employees of the company is in receipt of remuneration exceeding the limit as prescribed under Section 217 (2A) of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. that in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

2. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are 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 profit of the company for that period.
3. that the Directors had 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;
4. that the Directors have prepared the annual accounts for the financial year ended 31st March, 2012 on a going concern basis.

AUDITORS

Srivastava Kumar & Co., Chartered Accountants, (Firm Registration No. 011204N), Statutory Auditors of the Company hold office up to the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received communication from them to the effect that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. They are proposed to be appointed as Auditors of the Company for the financial year 2012-13.

AUDITOR REPORT

The Company has accumulated losses of more than fifty percent of its net worth as at the end of financial year 31st March, 2012. However the company has not incurred cash losses during the financial year .

CORPORATE GOVERNANCE

The principles of Corporate Governance are followed by the Company. As required under clause 49 of the Listing Agreement, Corporate Governance Report alongwith the necessary certificates and Management Discussion and Analysis Report are annexed as Annexure I & II and form an integral part of this Annual Report.

LISTING ARRANGEMENTS

The Company is listed at Bombay and Delhi Stock Exchanges. The Company has paid listing fee to the Bombay and Delhi Stock Exchanges for the financial year 2012-13.

DEMATERIALIZATION OF SHARES

As on date the company's shares are in Physical Form. The Company had made application to the Central Depository Services Limited for dematerialization of its securities. The application was rejected by the Depository on the ground that the networth of the Company has been eroded by more than 50%.

CONSERVATION OF ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE EARNING ETC

In absence of any manufacturing activities, no details have been given as required under Section 217(1) (e) of the Companies Act, 1956 and the rules framed there under. Foreign Exchange earnings / outgo: NIL.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their deep appreciation for the continued support received from the business associates of the Company.

For and on behalf of the Board of Directors
Wellesley Corporation Limited

Dated : 07.08.2012
Place : New Delhi

Dalip Singh Dasila
Managing Director

Deepak Jalan
Director

WELLESLEY CORPORATION LIMITED

Annexure-I

CORPORATE GOVERNANCE

A. BOARD OF DIRECTORS:

Composition of the Board

The composition of Board during the year ended 31st March, 2012 has been tabled below:

Structure of Board of Directors as on 31st March, 2012 and attendance at Board Meetings held during the financial year 2011-12 and Annual General Meeting (AGM) are given below:

Name	Category	Designation	Appointed on	Board Meeting	Annual General Meeting
Mr. Sapan Mohan Garg	NE***	Director	29.07.2009	6	Yes
Mr. Sanjeev Saxena	NE***	Director	29.07.2009	5	Yes
Mr. Manoj Gupta	NE***	Director	29.07.2009	5	Yes
Mr. Deepak Jalan	NE & ID*****	Director	25.06.2007	7	Yes
Mr. Amar Singh	NE & ID*****	Director	20.08.2005	6	No
Mr. Piyush Prakash	NE & ID*****	Director	29.07.2010	6	No
Mr Dalip Singh Dasila	ED****	Managing Director	05.09.2011	3	Yes

*** Non Executive Director

**** Executive Director

***** Non Executive & Independent Director

No. of Board Meetings

During the year under review seven Board Meetings were held on 14.05.2011, 21/5/2011, 12/8/2011, 5/9/2011, 14/11/2011, 20/12/2011 and 6/2/2012. The time gap between the two meetings did not exceed the maximum prescribed time gap of four months.

None of the directors is a member of more than ten Board level Committees or acts as a chairman of more than five such Committees, as required under clause 49 of the Listing Agreement.

B. AUDIT COMMITTEE

The Company has an Audit Committee in accordance with the requirements of Section 292A of the Companies Act, 1956 & Clause 49 of the Listing Agreement. Mr. Deepak Jalan, Independent Non Executive Director is the Chairman of the Committee. The Audit Committee met four times during the year on 14/5/2011, 12/8/2011, 14/11/2011 and 06.02.2012

Attendance record of Audit Committee members

Name of Director	Meetings Attended
Mr. Deepak Jalan	4
Mr. Amar Singh	4
Mr Manoj Gupta	3

C. REMUNERATION COMMITTEE:

The Company has a Remuneration Committee in accordance with the requirements of Clause 49 of the Listing Agreement. Mr. Deepak Jalan, Independent & Non Executive Director, is the Chairman of the Committee. The Remuneration Committee met one time during the year on 5/9/2011.

During the year under reference the Company has paid remuneration to the Executive Director viz, Managing Director amounting to Rs. 3,21,869/- (Rupees three lac twenty one thousand eight hundred sixty nine only) and an amount of Rs. 4,000/- (Rupees Four thousand only) as sitting fee to the Independent Directors for attending the meetings of the Board.

During 2011-12, the company did not advance any loan to any of its Directors except advance for travel or other purposes to discharge their official duties in the normal course of business.

D. SHAREHOLDER'S / INVESTOR GRIEVANCE COMMITTEE

The Company has a Shareholders/Investors Grievance Committee in accordance with the requirements of Clause 49 of the Listing Agreement. Mr. Deepak Jalan, Independent & Non Executive Director, is the Chairman of the Committee.

The Shareholders/Investors Grievance Committee met five times during the year on 14/5/2011, 12/8/2011, 14/11/2011, 6/2/2012.

Attendance record of Shareholders/Investors Grievance Committee members

Name of Director	Meetings Attended
Mr. Deepak Jalan	4
Mr. Amar Singh	4
Mr Manoj Gupta	3
Mr Govind Sharan Verma	1

E. GENERAL BODY MEETINGS

Location and time, where last three Annual General Meetings were held:-

Financial Year (ended)	Venue	Date	Time
31st March, 2009	B-704, Sterling Apartment, 9, University Road, Lucknow (U.P.)	30.09.2009	11.00 A.M
31st March, 2010	B-704, Sterling Apartment, 9, University Road, Lucknow (U.P.)	30.09.2010	11.00 A.M
31st March, 2011	36, Insaf Nagar, Sector-10, Indira Nagar, Lucknow (U.P.)	30.09.2011	11.00 A.M

F. DISCLOSURE**(i) Materially Significant Related Party Transaction**

During the year there was no transaction with Related Parties as per requirements of Accounting Standard-18.

(ii) Details of Non-Compliance by the Company, penalties etc imposed by Stock Exchange/ SEBI/ Any Statutory Authority on any matter related to Capital Market during the last three years.

- (a) No penalties etc were imposed on the Company by SEBI or any other Statutory Authority However the Bombay Stock Exchange levied a Listing Re-instatement Penalty of Rs 10.80 Lac on the Company.
- (b) The Company has paid listing fee to Bombay Stock Exchange up to 2012-13 and Delhi Stock Exchange up to March, 2013.

G. MEANS OF COMMUNICATION

Information like quarterly/half yearly/annual financial results and press releases has been submitted to the stock exchanges. The quarterly/half yearly/annual financial results are published in English and Hindi Newspapers.

H. GENERAL SHAREHOLDER INFORMATION**(i) 21st Annual General Meeting:**

Date & Time of ensuing Annual General Meeting : 28.09.2012 at 11 A.M.

Venue of Annual General Meeting : 36, Insaf Nagar, Sector 10, Indira Nagar, Lucknow Uttar Pradesh – 226 016

(ii) Book Closure : 27th September, 2012 to 28th September, 2012 (both days inclusive)

(iii) Financial Calendar : The next financial year of the company is 1st April, 2012 to 31st March, 2013

WELLESLEY CORPORATION LIMITED

iv) STOCK MARKET DATA

The Shares of the Company are not presently traded on stock exchanges hence no stock trade data for the shares of the Company for the last financial year is available.

v) DEMATERIALIZATION OF SHARES

As on date the Company's shares are in Physical Form. The Company had made application to the Central Depository Services Limited for dematerialization of its securities. The application was rejected by the Depository on the ground that the networth of the Company has been eroded by more than 50%.

vi) LISTING ARRANGEMENTS

The Company is listed at Bombay and Delhi Stock Exchanges. The Company has paid listing fee to the Bombay and Delhi Stock Exchanges for the financial year 2012-13.

vii) DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2012

Category	No. of Shares Held	Percentage of Holding
Promoter's Holding	10001100	74.08
Institutional Investors, Banks etc	Nil	Nil
Domestic Companies	3095200	22.93
Indian Public	404100	2.99
Total	13500400	100.00

viii) INVESTOR'S ASSISTANCE

- a. **Registered Office** : 36, Insaf Nagar, Sector 10, Indira Nagar, Lucknow Uttar Pradesh – 226 016
- b. **Corporate Office** : B- 210, Ansai Chamber - I, 3, Bhikaji Cama Place, New Delhi - 110 066
- c. **Registrar & Share Transfer Agents for shares held in Physical Mode** : M/s. Skyline Financial Services Private Limited
(Unit- Usha Housing Development Company Limited)
D-153A, 1st Floor Okhla Industrial Area,
Phase-I, New Delhi - 110 020
Tel:- +91 - 11 - 3085 7575 (10 lines)
Fax: - +91 - 11 - 3085 7562
Email: admin@skylinerta.co

All queries pertaining to share transfer / transmission, change of address, bank mandate, nomination forms, loss of shares, issue of duplicate shares, Annual Report be forwarded directly to the Registrar and Share Transfer Agent at the above mentioned address.

In case of any specific query / complaint, the member may like to contact the Company at its Corporate Office at above address.

ix) NON MANDATORY REQUIREMENTS

The Company has not adopted non mandatory requirements of Corporate Governance during the year under report.

x) AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

The auditor's certificate on compliance of clause 49 of the Listing agreement relating to corporate governance is annexed to this report.

xi) CEO CERTIFICATION AND CODE OF CONDUCT

The CEO certificate and Code of Conduct on compliance of clause 49 of the Listing agreement relating to corporate governance is annexed to this report.

For and on behalf of the Board of Directors
Wellesley Corporation Limited

Dated : 07.08.2012
Place : New Delhi

Dalip Singh Dasila
Managing Director

Deepak Jalan
Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members,

Wellesley Corporation Limited
(Formerly Known as Usha Housing Development Company Limited)

We have reviewed the compliance of conditions of Corporate Governance by Wellesley Corporation Limited having its registered office at 36, Insaf Nagar, Sector-10, Indira Nagar, Lucknow, Uttarpradesh-226016 for the year ended on 31st March, 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange in India.

We have conducted our review on the basis of the relevant records and documents maintained by the company for the year 31st March, 2012 and furnished to us for the purpose of review and the information and explanations given to us by the company during the course of such review.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the company for ensuring the conditions of the 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,

The Company's shares are listed at the Bombay and Delhi Stock Exchanges. The Company has paid listing fee to the Bombay and Delhi Stock Exchange up to March, 2013.

There have been no transfers in the securities of the Company for the current year also and no Investor Grievances are reported pending by the Registrar and Transfer Agent.

The Company is managed by Board of Directors, as on 31.03.2012 the Board of Directors comprised of following 7 Directors being Executive, Non Executive and Independent Directors. Mr. Dalip Singh Dasila, Managing Director being Executive Director, Mr. Manoj Gupta, Mr. Sanjeev Saxena and Mr. Sapan Mohan Garg being Non Executive Director and Mr. Deepak Jalan, Mr. Piyush Prakash and Mr. Amar Singh being Independent Directors. Mr. Deepak Jalan is the Chairman of the Board

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

For **Srivastava Kumar & Co.**
Chartered Accountants

Place: New Delhi
Date: 07/08/2012

M. K. Jain
Partner
M No.88223
Fr no:011204N

CEO CERTIFICATION

I, Dalip Singh Dasila, Managing Director of Wellesley Corporation Limited, certify to the Board that:

- a) We have reviewed financial statements and the cash flow statement for the year ended 31.03.2012 and that to the best of their knowledge and belief :
 - i. These statement 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 comply 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 that are fraudulent, illegal or violative of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee that –
 - i. there has not been any significant changes in internal control over financial reporting during the year under reference;
 - ii. there has not been any significant changes in accounting policies during the year under requiring disclosure in the notes to the financial statements; and
 - iii. there has not been any instances during the year of significant fraud of which we had 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.

For Wellesley Corporation Limited

Dalip Singh Dasila
Managing Director

Dated: 07.08.2012

Place: New Delhi

CODE OF CONDUCT

Declaration under Clause 49(1)(D) of the Listing Agreement for compliance with the Code of Conduct

As per the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges, the Company has laid down a Code of Conduct for its Board of Directors and Senior Management.

I, Dalip Singh Dasila, Managing Director of the Company confirm the compliance of this Code of Conduct by myself and other members of the Board of Directors and Senior Managerial personnel as affirmed by them individually.

For Wellesley Corporation Limited

Dalip Singh Dasila
Managing Director

Dated: 07.08.2012

Place: : New Delhi

Annexure-II**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The management of Wellesley Corporation Limited is pleased to present its analysis report on its performance and future outlook.

Industry Outlook**Real Estate**

The Real estate industry is the second largest industry of the country after agriculture. Investment of about Rs 23,871 billion is required in the infrastructure sector during the XI Five Year Plan .Apart from infrastructure spending, investment in industrial capacity expansion and revival in real estate could give rise to vast opportunities. Such exponential growth in infrastructure spend could result in orders of Rs 4462 billion a year for Indian construction companies. Out of the Government's Rs 23,871 billion infrastructure development plan, it is estimated that the private sector would contribute around 30%. Its role would be much higher in Central Government projects than in State Government projects.

Trading

The trading in chocolates, beauty products & barter trade has huge potential and growing at a rate of 18-20% per annum .Chocolates market is estimated of over Rs 4462 billion while that of cosmetics products of over Rs 323 billion

Opportunities and Threats**Real Estate :-**

India has been recognized as one of the fastest developing economy in the world and this is expected to provide a boost to the industrial growth and to open the new avenue for Real estate and construction sector. The intense competition for the new projects, which resulted in aggressive bidding, high interest rate and the cost overruns due to unintentional delays in implementation are likely to result in continued pressure on margins.

Trading

Introducing a new product whether a chocolate or cosmetic is always a tough job, and this become toughest when the market is captured by big players like Cadbury ,Nestle, Loreal Group, Procter & Gamble & Uniliver.

Risk & Returns:-

The Company's business, results of operation and financial condition are effected by a number of factors such as:

- Industry Risks

Demand for construction work is dependent on the overall economic conditions. A downturn can adversely affect the Company's business and earnings.

Demand of cosmetics products and confectionery items is dependent on the mood of the consumer which can be adversely effected in case of economy downturn.

Competition Risks

Increasing competition from domestic and international construction companies affects the market share and profitability.

In the market of Cosmetics as well confectionery items the competition is intense ,since most of the market has been ruled by some big Internationals .

- Price Inflation Risks

Increase in prices of inputs and/or changes in assumptions may cause cost overruns, affecting the profitability delay in completion of projects and supply of finished products. In some cases, delay in completion of projects and products could result in liquidated damages/and or additional costs, affecting profitability.

- Government and Political Risks

Uncertainties regarding Government policies can significantly affect operations.

- Operational Risks

Staff attrition and non-availability of key personnel affect the Company's operations. Volatility in the prices of critical raw materials also impacts project profitability.

WELLESLEY CORPORATION LIMITED

Further, adverse financial position of the company, which has resulted in erosion of more than 50% of the Net Worth of the company coupled with the pending litigation of material nature, may further act as an impediment in the future growth of the company.

Operational and Financial Performance

The Financial Statement for the financial year ended on 31st March, 2012 have been prepared in compliance of provisions of the Companies Act, 1956 and applicable Accounting Standards issued by Institute of Chartered Accountants of India. The Board of Directors accepts the integrity and objectives of these financial statements.

During the year company's turnover has decreased to Rs. 39,63,858/- from the previous year's figure of Rs. 95,00,723/-/. However company's profit after tax has increased to Rs.3,66,524/- from the previous year's figure of Rs. 1,01,983/-

Your Company is confident that it will find path to grow in the future.

Adequacy of Internal Control Systems

The company has in place adequate system of internal control, commensurate with the nature of business and its scale of operations. The Audit Committee regularly reviews the audit plans, significant audit findings, adequacy of internal controls, compliance with accounting standards, as well as reasons for changes in accounting policies and practices, if any. The Statutory Auditors of the Company have also, in their report to members for the financial year ended on 31st March 2012 confirmed the adequacy of internal control system of the Company.

Segment Wise Performance

Segment Wise Performance details are as under

Particulars	2011-2012 (Figures in thousand)		2010-2011 (Figures in thousand)	
	Real Estate	Trading	Real Estate	Trading
Net Sales	1889.91	2073.95	9500.72	N.A
Earnings	436.51	303.34	139.83	N.A

Cautionary Statement

The statements in this Report, particularly which relate to Management Discussion and Analysis describing the current industry structure, outlook and opportunities reflects the company's assessment and perception of the situation within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied in the statement depending on the circumstances, which are beyond the control of the Company. The Company assumes no responsibility in respect of forward looking statements which may be amended or modified in the future on the basis of subsequent developments, information or events.

For and on behalf of the Board of Directors
Wellesley Corporation Limited

Dated : 07.08.2012
Place : New Delhi

Dalip Singh Dasila
Managing Director

Deepak Jalan
Director

AUDITORS' REPORT

To

The Members,

Wellesley Corporation Limited
(Formerly known as Usha Housing Development Company Limited)

1. We have audited the attached Balance Sheet of **Wellesley Corporation Limited** (Formerly known as Usha Housing Development Company Limited) as at 31st March, 2012 and the related Profit and loss account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report in the Annexure of this report, on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable to the Company.
4. Further to our comments in the Annexure referred to in paragraph 3 above, 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 purposes 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 such books.
 - (c) The Balance Sheet and the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet and the Profit and Loss Account and the Cash Flow Statement comply with the mandatory Accounting Standards referred to in section 211(3C) of the Companies Act, 1956 to the extent applicable;
 - (e) On the basis of written representation received from the Directors as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March 2012 from being appointed as Directors Under Section 274(1)(g) of the Companies Act 1956.
 - (f) In our opinion and to the best of our information and according to explanations given to us, the said accounts read together with notes thereon as per schedule '8' gives the information required by the Companies Act 1956, 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 Balance Sheet, of the state of affairs of the company as at 31st March, 2012:
 - (ii) In the case of Profit and Loss Account, of the profit of the company for the year ended on that date.
 - (iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For & on behalf of
Srivastava Kumar & Company
Chartered Accountants
(Firm Regn No 011204N)

(M.K.Jain)
Partner
Membership No.88223

Place : New Delhi
Date: 26th May 2012



ANNEXURE TO THE AUDITORS' REPORT

REFERRED TO IN PARAGRAPH 3 OF AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF WELLESLEY CORPORATION LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED ON 31st MARCH, 2012

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The physical verification of fixed assets has been carried out by the management during the year and no material discrepancy was found during such verification.
- (c) During the year the company has not disposed off any of its fixed assets.
- (ii) (a) The stocks of work in progress of the company have been physically verified by the management as at the year end. There is no stock of finished goods with the company.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) According to the information and explanations given to us, the company has maintained proper records of inventory and no material discrepancies were noticed on physical verification of inventory as compared to book records.
- (iii) The company has not granted or taken any loan secured or unsecured to / from companies, firms and parties covered in the register maintained under Section 301 of the Companies Act, 1956 and as such the provisions of clause (iii) (b),(c),(d) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchases of inventory and fixed assets and for sale of goods.
- (v) (a) The transactions need to be entered in to the register maintained in pursuance of Section 301 of the Companies Act, 1956 have been so entered.
- (b) The company has not entered in any transactions with the parties mentioned in the register maintained in pursuance of the provisions of Section 301 of Companies Act, 1956.
- (vi) The Company has not accepted any deposit from public within the meaning of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 and directives issued by the Reserve Bank of India.
- (vii) The company has an internal audit system commensurate with its size and nature of its business.
- (viii) Maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956.
- (ix) According to the records of the company, the company is generally been regular in depositing undisputed statutory dues including income tax, provident fund and other statutory dues. According to the information and explanations given to us, no undisputed amount is payable in respect of above was outstanding, as at 31st March, 2012 for a period of more than six months from the date it became payable. As explained to us, Investor education and protection fund, employees state insurance, custom duty, excise duty, cess and wealth tax is not applicable to the company.
- (x) ***The company has accumulated losses of more than fifty percent of its net worth as at the end of the financial year 31st March, 2012 and the company has not incurred any cash losses during such financial year and also in the financial year immediately preceding such financial year.***

- (xi) The company has not taken any loans from banks and no loan has been taken from the financial institution and debentures holders, hence this clause is not applicable.
- (xii) According to information and explanations given, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the company.
- (xiv) In our opinion, the company is not dealing or trading in shares, securities, debenture and other investment.
- (xv) According to information and explanations given, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The company has not obtained any term loan during the year.
- (xvii) In our opinion and according to the information and explanations given to us, there are no funds raised on short-term basis which have been used for long-term investment and vice-versa.
- (xviii) The company has not made any preferential allotment of shares during the year.
- (xix) The company has not issued any debentures.
- (xx) The company has not raised any money by public issue during the year.
- (xxi) During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For & on behalf of
Srivastava Kumar & Company
Chartered Accountants
(Firm Regn No 011204N)

(M.K.Jain)
Partner
Membership No.88223

Place : New Delhi
Date: 26th May 2012

WELLESLEY CORPORATION LIMITED

Balance Sheet as at 31st March 2012

Particulars	Note No	(In Rupees)	
		As at 31.03.2012	As at 31.03.2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	1	135,004,000	135,004,000
(b) Reserves and Surplus	2	(95,344,221)	(95,710,745)
		39,659,779	39,293,255
(2) Share application money pending allotment		-	-
(3) Non-current liabilities			
(a) Other Long Term liabilities	3	5,000,000	5,000,000
		5,000,000	5,000,000
4) Current liabilities			
(a) Trade payables	4	119,399	88,704
(b) Other current liabilities	5	98,848	1,805,821
(c) Short-term provisions	6	140,980	25,925
		359,227	1,920,450
TOTAL		45,019,006	46,213,705
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	7	22,032	3,948
(ii) Intangible assets under development	7	143,000	-
(b) Deferred tax assets (net)	8	8,356,532	8,588,881
(c) Long-term loans and advances	9	28,886,211	28,613,781
		37,407,775	37,206,610
(2) Current assets			
(a) Inventories	10	911,618	1,532,747
(b) Trade receivables	11	2,870,241	4,206,263
(c) Cash and cash equivalents	12	2,264,547	1,191,864
(d) Other Current assets	13	1,564,825	2,076,221
		7,611,231	9,007,095
TOTAL		45,019,006	46,213,705
Significant accounting Policies			
Notes on Financial statements No 1 to 28			

As per our report of even date attached

FOR SRIVASTAVA KUMAR & CO.
CHARTERED ACCOUNTANTS
 (Firm Regn No 011204N)

For and on behalf of the board

(M K JAIN)
PARTNER
M NO 88223

DALIP SINGH DASILA
MANAGING DIRECTOR

AMAR SINGH BHATI
DIRECTOR

Place : New Delhi
 Date : 26th May, 2012

SUMEER NARAIN MATHUR
COMPANY SECRETARY

Profit and loss statement for the year ended 31st March 2012

Particulars	Note No	For the year 2011-12	(In Rupees) For the year 2010-11
I. Revenue from operations	14	3,942,320	9,308,985
II. Other income	15	21,538	191,738
III. Total Revenue (I + II)		3,963,858	9,500,723
IV. Expenses:			
Cost of materials consumed		76,556	7,954,086
Purchases of Stock-in-Trade		1,424,779	-
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	16	621,129	(1,282,321)
Employee benefits expense	17	655,471	797,204
Depreciation and amortization expense		6,166	3,983
Other expenses	18	439,904	1,887,941
Total expenses		3,224,005	9,360,893
V. Profit before exceptional and extraordinary items and tax (III-IV)		739,853	139,830
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		739,853	139,830
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		739,853	139,830
X. Tax expense:			
(1) Current tax		140,980	25,925
(2) Deferred tax		232,349	11,922
XI Profit (Loss) for the period from continuing operations (IX-X)		366,524	101,983
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV Profit (Loss) for the period (XI + XIV)		366,524	101,983
XVI Earnings per equity share:			
(1) Basic		0.03	0.01
(2) Diluted		0.03	0.01
<i>See accompanying notes to the financial statements</i>			
Significant accounting Policies			
Notes on Financial statements No 1 to 28			

As per our report of even date attached

FOR SRIVASTAVA KUMAR & CO.
CHARTERED ACCOUNTANTS
(Firm Regn No 011204N)

For and on behalf of the board

(M K JAIN)
PARTNER
M NO 88223

DALIP SINGH DASILA
MANAGING DIRECTOR

AMAR SINGH BHATI
DIRECTOR

Place : New Delhi
Date : 26th May, 2012

SUMEER NARAIN MATHUR
COMPANY SECRETARY

Cash Flow Statement for the year ended 31st March 2012

Particulars	(In Rupees)	
	For the year 2011-12	For the year 2010-11
A. CASH FLOW FROM OPERATING ACTIVITIES BEFORE INTEREST		
Net Profit before Tax and Extra-ordinary Items	739,853	139,830
Adjustment for :		
Depreciation	6,166	3,983
Miscellaneous Expenditure	-	-
Profit on sale of Fixed Assets	-	(95,000)
Operating Profit before working Capital changes	746,019	48,813
Decrease/(Increase) in Trade and Other Receivables	1,336,022	(3,874,947)
Decrease/(Increase) in Inventories	621,129	(1,282,321)
Decrease/(Increase) in other Current Assets	511,396	(1,213,501)
Increase/(Decrease) in Current Liabilities	(1,561,223)	6,878,134
Increase/(Decrease) in Loans and Advances	(272,430)	-
Taxes Paid	(140,980)	(25,925)
Cash Generated from operations	1,239,933	530,253
NET CASH FROM OPERATING ACTIVITIES(A)	1,239,933	530,253
B. CASH FROM INVESTING ACTIVITIES		
Expenses on Intangible Assets	(143,000)	-
Purchase of Fixed Assets	(24,250)	95,000
NET CASH FROM INVESTING ACTIVITIES(B)	(167,250)	95,000
C. CASH FLOW FROM FINANCING ACTIVITIES		
NET CASH USED IN FINANCING ACTIVITIES (C)	-	-
Net Inc/(Dec) in Cash and Cash Equivalents(A+B+C)	1,072,683	625,253
Cash & Cash Equivalents as at the beginning of the year	1,191,864	566,611
Cash & Cash Equivalents as at the end of the year	2,264,547	1,191,864

As per our report of even date attached
FOR SRIVASTAVA KUMAR & CO.
CHARTERED ACCOUNTANTS
 (Firm Regn No 011204N)

For and on behalf of the board

(M K JAIN)
PARTNER
M NO 88223

DALIP SINGH DASILA
MANAGING DIRECTOR

AMAR SINGH BHATI
DIRECTOR

Place : New Delhi
 Date : 26th May, 2012

SUMEER NARAIN MATHUR
COMPANY SECRETARY

NOTE - 1**SHARE CAPITAL**

PARTICULARS	As at 31.03.2012 (Rs.)	As at 31.03.2011 (Rs.)
AUTHORISED:		
15000000(P Year 15000000)		
Equity share of Rs 10 each	150,000,000	150,000,000
ISSUED, SUBSCRIBED AND PAID UP		
13500400 (P Year 13500400)		
Equity shares of Rs 10 each fully paid up	135,004,000	135,004,000
TOTAL	135,004,000	135,004,000

1.1 The details of Shareholders holding more than 5% shares

Name of the Shareholder	No of Shares	As at 31.03.2012 % held	No of Shares	As at 31.03.2011 % held
Usha General Foods Ltd	10000000	74.07	10000000	74.07

1.2 There is no change in the share outstanding at the beginning and at end of the year.

NOTE - 2**RESERVES & SURPLUS**

PARTICULARS	As at 31.03.2012 (Rs.)	As at 31.03.2011 (Rs.)
<u>Profit & Loss Account</u>		
As per last Balance Sheet	(95,710,745)	(95,812,728)
Add : Profit for the year	366,524	101,983
TOTAL	(95,344,221)	(95,710,745)

NOTE - 3**OTHER LONG TERM LIABILITIES**

PARTICULARS	As at 31.03.2012 (Rs)	As at 31.03.2011 (Rs)
Others - Advance against Projects	5,000,000	5,000,000
TOTAL	5,000,000	5,000,000

NOTE - 4**TRADE PAYABLES**

PARTICULARS	As at 31.03.2012 (Rs)	As at 31.03.2011 (Rs)
Micro, small and Medium Enterprises	-	-
Others	119,399	88,704
TOTAL	119,399	88,704

WELLESLEY CORPORATION LIMITED

NOTE - 5

OTHER CURRENT LIABILITIES

PARTICULARS	As at 31.03.2012 (Rs)	As at 31.03.2011 (Rs)
Statutory Liabilities	5,755	368,323
Salary Payable	66,293	107,718
Audit Fee payable	22,472	22,060
Other Expenses payable	4,328	7,720
Others	-	1,300,000
TOTAL	98,848	1,805,821

NOTE - 6

SHORT TERM PROVISIONS

PARTICULARS	As at 31.03.2012 (Rs)	As at 31.03.2011 (Rs)
Provision for Income Tax	140,980	25,925
TOTAL	140,980	25,925

NOTE - 7

FIXED ASSETS

(In Rupees)

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	AS AT 01.04.2011	ADDITION DURING THE YEAR	SOLD DURING THE YEAR	AS AT 31.03.2012	UP TO 31.03.2011	DURING THE YEAR	AS AT 31.03.2012	AS AT 31.03.2012	AS AT 31.03.2011
TANGIBLE ASSETS									
COMPUTERS	190,800	24,250	-	215,050	190,800	2,218	193,018	22,032	-
FURNITURE & FIXTURE	16,378	-	-	16,378	16,378	-	16,378	-	-
OFFICE EQUIPMENTS	56,340	-	-	56,340	52,392	3,948	56,340	-	3,948
	263,518	24,250	-	287,768	259,570	6,166	265,736	22,032	3,948
INTANGIBLE ASSETS									
(Under Development)									
BRAND/TRADE MARK	-	143,000	-	143,000	-	-	-	143,000	-
Total	-	143,000	-	143,000	-	-	-	143,000	-
Previous year	1,277,993	-	-	1,277,993	1,266,079	3,983	1,270,062	7,931	

NOTE - 8

DEFERRED TAX

PARTICULARS	As at 31.03.2011 (Rs)	Movement During the year (Rs)	As at 31.03.2012 (Rs)
Deferred Tax Asset	8,589,255	229,664	8,359,591
Deferred Tax Liability	374	2,685	3,059
Net Deferred Tax Asset/(Liability)	8,588,881	232,349	8,356,532

NOTE - 9

LONG TERM LOANS & ADVANCES

PARTICULARS	As at 31.03.2012 (Rs)	As at 31.03.2011 (Rs)
<u>Unsecured considered good</u>		
Security Deposits	6,587,628	6,587,628
Other Loans and Advances	22,298,583	22,026,153
	<u>28,886,211</u>	<u>28,613,781</u>
<u>Unsecured considered doubtful</u>		
Other Loans and Advances	3,425,141	3,425,141
	<u>3,425,141</u>	<u>3,425,141</u>
Less:-Provision for doubtful advance	3,425,141	3,425,141
	<u>-</u>	<u>-</u>
TOTAL	<u>28,886,211</u>	<u>28,613,781</u>

9.1 The Company has completed the project "Usha Niketan, Beni Park ,Jaipur" as per the collaboration agreement dated 7th Jan, 1994, and as per the terms and conditions of the agreement, requested the owner of the land Mr Anil Parashar to refund of Rs 12 lacs paid to him as refundable security. On his failure to pay the amount, the company filed a legal suit for recovery of the above said amount in the District court Delhi. The amount of Rs 12 Lacs has been grouped under the head"Security Deposits".

9.2 The company had entered into an agreement dated 28th September 1993 with R. L. Baiswala & Sons HUF for purchase of a Plot No.D-71, Satya Villa, Jamuna Lal Bajaj Marg, C-Scheme, Jaipur. But as the vendor of the land could not transfer the land and hand-over its possession,the company filed a suit against the vendor.

District Trial Court in Jaipur has decreed the suit to the extent of refund of the money of Rs 17 lacs to company plus interest @18% plus cost of the suit but dismissed the prayer for specific performance and thereafter company filed an appeal with the Rajasthan High Court for specific performance. Meanwhile the company also filed another appeal with High Court of Rajasthan praying for injunction order against the defendants restraining them from sale of the property. The amount of 8,39,214/- including litigation expenses of Rs 755000/- have been shown as other loans and advances. The High Court has issued a injunction order dated 08.10.2001 in favour of the Company. There has been no change in the status of the project during the year.

9.3 The company had signed a Memorandum of Understanding (MOU) on 28.03.1995 with Mrs. P. Jayamma, Mrs. J. Savithamma, and Mrs. P. Nagarathna for the purpose of putting up residential and commercial complex on the property bearing S.No. 170 and 172 of Kodihalli Village, Varthur, Hobli, Bangalore, South Taluk. On completion of the said project each party was to share 50% of the built-up area including terrace right.

Company had been forced to keep the project suspended because of the defect in title deeds of the property and acquisition of some part of property by the Bangalore Development Authority (BDA). Company had filed a legal suit against the party in the City Civil Judge at Bangalore, for the specific performance of the agreement and in the alternative for recovery of entire amount paid together with interest of 21% per annum. The company has Paid Rs 30 Lacs against the J V agreement and as per the agreement the possession of the aforesaid land is with the company. The amount of Rs. 15,22,878/- including litigation expenses of Rs 5,20,000/- has been shown as "other loans and advances". There has been no change in the status of the project during the year .

9.4 The Company entered into an MOU for joint development of residential and/or commercial complexes at Hoodi Village, K.R.Puram, Bangalore, South Taluk on 26th August, 1999 with Mr.Y.Rajendra and others. They failed to perform his obligations under the MOU and therefore the company had filed a legal suit against them for specific performance of the agreement.

Subsequently the company has entered into a transfer agreement with M/s Windsor Infrastructure Ltd (WIL) for the said project on 22.10.2010 for transferring all its rights, claims, entitlements, liabilities etc for a total consideration of Rs 10 crores out of which Rs 50 Lacs is received from the transferee with the balance consideration of Rs 9.50 Crores shall be paid by WIL to the company on successful completion of the development and construction of project at schedule land without any legal hindrance. The company has to return the advance of Rs 50 Lacs to WIL without any interest or charges in case of any legal hindrance in developing the project.

Thereafter Honble' Senior Civil Judge, Bangalore Rural District Court passed an order on 29th November 2010 by directing Mr Y Rajendra and Others to refund the deposit amount along with interest @ 10 % p.a on the deposit amount from the date of termination of contract till the date of deposit of amount in court to the company against which the company and M/s Windsor Infrastructure Ltd jointly filed an appeal before the Hon'ble High Court of Karnataka which is pending for admission.

WELLESLEY CORPORATION LIMITED

NOTE - 10

INVENTORIES

PARTICULARS	As at 31.03.2012 (Rs)	As at 31.03.2011 (Rs)
Work In Progress (At cost)	816,438	1,532,747
Stock in Trade (At Cost)	95,180	-
TOTAL	911,618	1,532,747

10.1 The company was to recover the amount of Rs 8,50,000/- along with interest and litigation expenses arising out of our agreement dated 9th September, 2003 from Mr. Rakesh Sharma on account of the company's project located at Basant Kunj, Bhopal in which case the company decided to invoke the arbitration clause of the agreement and the arbitration proceedings started on 26th May, 2007. The arbitrator vide its order dated 12th March, 2009 has given an award in favor of the company and accordingly the execution proceedings has been initiated to recover the amount Rs 4,25,426/- which has been shown under the head Work in progress being the cost of the property.

NOTE - 11

TRADE RECEIVABLES

PARTICULARS	As at 31.03.2012 (Rs)	As at 31.03.2011 (Rs)
Unsecured, considered good		
- Outstanding for six months	1,662,549	331,316
- Others	1,207,692	3,874,947
TOTAL	2,870,241	4,206,263

NOTE - 12

CASH AND CASH EQUIVALENTS

PARTICULARS	As at 31.03.2012 (Rs)	As at 31.03.2011 (Rs)
Balances with banks - current account	1,477,917	979,470
Balances with banks - Fixed Deposits	100,000	100,000
(Held as security against bank guarantee submitted to DVAT)		
Cash on Hand	686,630	112,394
TOTAL	2,264,547	1,191,864

Balance of the following bank accounts are not confirmed being seized by Govt authorities.

Bank Name	Account No	Amount
Canara Bank, Sarita Vihar	75	43879
Syndicate Bank , Mumbai	50001010007890	1737

NOTE - 13**OTHER CURRENT ASSETS**

PARTICULARS	As at 31.03.2012 (Rs)	As at 31.03.2011 (Rs)
Unsecured, considered good		
Imprest advances with Staff	17,000	612,246
Advance Tax, TDS recoverable and Input VAT	1,019,139	959,373
interest accrued on Bank FDs	11,857	4,102
Others	516,829	500,500
TOTAL	1,564,825	2,076,221

NOTE - 14**REVENUE FROM OPERATIONS**

PARTICULARS	For the year 2011-12 (Rs)	For the year 2010-11 (Rs)
Sale of Products	2,761,070	9,308,985
Sale of Services	1,181,250	-
TOTAL	3,942,320	9,308,985

NOTE - 15**OTHER INCOME**

PARTICULARS	For the year 2011-12 (Rs)	For the year 2010-11 (Rs)
Interest from: Bank Fixed Deposits	7,755	4,102
Amounts written off	11,607	16,963
Interest from IT refunds	2,176	8,221
Profit on sale of car	-	95,000
Rental Income	-	67,452
TOTAL	21,538	191,738

NOTE - 16**CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE**

PARTICULARS	For the year 2011-12 (Rs)	For the year 2010-11 (Rs)
Inventories at Close		
Work in Progress	816,438	1,532,747
Stock In Trade	95,180	-
	911,618	1,532,747
Inventories at Commencement		
Work in Progress	1,532,747	250,426
Stock In Trade	-	-
	1,532,747	250,426
Decrease/(Increase) In Inventory	621,129	(1,282,321)

WELLESLEY CORPORATION LIMITED

NOTE - 17

EMPLOYEE BENEFITS EXPENSE

PARTICULARS	For the year 2011-12 (Rs)	For the year 2010-11 (Rs)
Salary & Wages	585,494	723,749
Provident Fund & Family Pension Fund	31,261	55,986
PF Admn. Expenses	4,260	7,557
Staff Mediclaim Insurance	-	1,427
Leave Encashment	29,850	-
Directors Sitting Fee	4,000	8,000
Staff Welfare	606	485
TOTAL	655,471	797,204

17.1 Remuneration to Director included under various heads of Accounts.

Particulars	For the year 2011-12	For the year 2010-11
Salary	321869	2,88,000
Contribution to P.F.	16,902	16,320
Director's Sitting Fee	4,000	8,000
TOTAL	342,771	3,12,320

NOTE - 18

OTHER EXPENSES

PARTICULARS	For the year 2011-12 (Rs)	For the year 2010-11 (Rs)
Legal & Professional	86,568	130,147
Audit Fee including Service Tax	22,472	22,060
Travelling and Conveyance Expenses	27,935	63,601
Fee to Stock Exchanges	93,755	55,150
Listing Fee penalty and Interest	18,413	1,372,091
Depository Fee(CDSL)	-	22,060
Advertisement Expenses	59,148	30,717
Printing & Stationery	17,070	11,936
Misc Expenses	114,543	180,179
TOTAL	439,904	1,887,941

SIGNIFICANT ACCOUNTING POLICIES**I. BASIS OF PREPARATION**

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company

II. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liability at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

III. FIXED ASSETS

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition to fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relates to the period till such assets are ready to be put to use.

IV. DEPRECIATION

Depreciation on assets is provided using the Straight Line Method at the rates computed based on estimated useful life of the assets, which are equal to corresponding rates prescribed under Schedule XIV to the Companies Act, 1956.

V. IMPAIRMENT

The carrying amounts are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

VI. INVESTMENTS

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investment are classified as long-term investment. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long Term Investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

VII. RETIREMENT AND OTHER EMPLOYEE BENEFITS.Defined Contribution Plan

Contributions to the provident and pension funds are made monthly at a predetermined rate to the Regional Provident Fund Commissioner and debited to the profit and loss account on an accrual basis. There are no other obligations other than the contribution payable to the respectable funds.

Defined Benefit Plan

Gratuity liability is defined benefit obligations and liability toward gratuity is provided on the basis of an actuarial valuation as at balance sheet date using the Projected Unit Credit method and debited to the profit and loss account on an accrual basis. Actuarial gains and losses arising during the year are recognized in the profit and loss account.

Long term compensated absence is similarity valued on an actuarial basis. Short term compensated absence are provided for on estimates basis.

VIII. INVENTORIES

Inventories are stated at cost or net realizable value, whichever is lower. The cost is arrived at on first in first out method (FIFO).

IX. REVENUE RECOGNITION

Sales have been recognized on the basis of works completed and billed to the customers.

WELLESLEY CORPORATION LIMITED

X. PRIOR PERIOD ITEMS

Income and Expenses pertaining to the earlier year, if any, which have a material impact on the financial statements are disclosed separately.

XI. TAXATION

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the authority in accordance with Income-tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax and deferred tax liabilities relate to the taxes on income levied by some governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against such deferred tax assets can be realized. In situation where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognized unrecognized deferred tax assets to the extent that it has become reasonable certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

XII. EARNING PER SHARE

Basic earning per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

XIII. PROVISIONS

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined bases on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized not disclosed in the financial statement.

19. Contingent Liabilities:-**(a) Claims against the company not acknowledged as debt :**

LG Electronics India Pvt. Ltd (LG) had filed a suit against the company, Usha India Ltd., and Others for the recovery of Rs. 4,65,02,400/- given by it as security deposit for the premises A-41, Mohan Co-operative Industrial Estate, New Delhi -110044 taken by it on lease from Usha India Ltd. and against the maintenance service agreement for the same premises entered into with the company. The company has denied its liability on the ground that it has already assigned the agreement to Lord Mahadev Trust on 6th August, 1997 and transferred the security deposit to the said Trust. LG was also intimated about this assignment. However, Honorable Court has passed a part joint decree of Rs. 2,31,25,803/- in favour of LG and the LG filed an execution petition and subsequently the Court directed the ICICI Bank, New friends Colony, New Delhi to transfer a sum of RS.4,50,000/- to LG. The liability on account of above decree has not been ascertained by the court among the parties to the suit. Company is contesting the execution petition filed by LG Electronics India Pvt. Ltd.

(b) Other money for which the company is contingently liable :

Assessing officer has filed an appeal before the ITAT, New Delhi against the order of Commissioner of Income Tax (Appeals) allowing the appeal for deleting the demand of Rs 6,51,050/- towards the penalty imposed by the Assessing Officer U/s 271(1) (C) relating to the assessment year 2003-04. The case was remanded back to CIT(Appeals) for adjudication on merit vide order dated 06-06-2008 by ITAT. However the CIT(Appeals) have not taken the case till date.

20. Balances of Loans and Advances are subject to reconciliation and confirmation.

21. As per AS 17 on segment reporting the company has identified two reportable segments i.e Real Estate and Trading taking into account the nature of products and services.

Particulars	Current Year	Previous Year
Segment Revenue		
Real Estate	1889911	9500723
Trading	2073947	Nil
Total Revenue	3963858	9500723
Inter Segment Revenue	Nil	Nil
Net Revenue	3963858	9500723
Segment Result		
Real Estate	436513	139830
Trading	303340	Nil
Total	739855	139830
Segment Assets		
Real Estate	43852636	46213705
Trading	1166370	Nil
Total	45019006	46213705
Segment Liabilities		
Real Estate	5239828	6920450
Trading	119399	Nil
Total	5359227	6920450
Segment Capital Expenditure		
Real Estate	24250	Nil
Trading	143000	Nil

WELLESLEY CORPORATION LIMITED

22. During the year there is no transactions with Related Parties as per the requirements of AS-18 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India.

23. Earning per share

		As on 31.03.2012	As on 31.03.2011
A)	No. of Shares at the beginning and at the end of the year	13500400	13500400
B)	Net Profits after Tax available for Equity Shareholders	3,66,524	1,01,983
C)	Basic & Diluted Earning per share (Annualised)	0.03	0.01

24. Value of Imports on CIF basis : NIL (P. Year Nil)

25. Expenditure in foreign currency : NIL (P Year Nil)

26. Provision for gratuity and leave encashment has not been provided in the books as none of the employees of the company are eligible for these benefits as on 31.03.2012.

27. Previous year's figures have been regrouped / rearranged wherever necessary.

28. Figures in brackets denotes negative figures.

FOR SRIVASTAVA KUMAR & CO.
CHARTERED ACCOUNTANTS
(Firm Regn No 011204N)

For and on behalf of the Board

(M K JAIN)
PARTNER
M NO 88223

Place : New Delhi
Date : 26th May, 2012

DALIP SINGH DASILA
MANAGING DIRECTOR

AMAR SINGH BHATI
DIRECTOR

SUMEER NARAIN MATHUR
COMPANY SECRETARY

PART IV

(Figures in Rs)

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I	REGISTRATION DETAILS		STATE CODE	20
	Registration No.			20 - 23147
	Balance Sheet Date			31.03.2012
II	CAPITAL RAISED DURING THE YEAR			
	Public Issue	NIL	Right Issue	NIL
	Bonus Issue	NIL	Private Placement	NIL
III	POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS			
	Total Liabilities	135,004,000	Total Assets	135,004,000
	SOURCE OF FUNDS			
	Paid Up Capital	135,004,000	Reserve & Surplus	-
	Secured Loan	-	Unsecured Loan	-
	Other Liabilities	-		
	APPLICATION OF FUNDS			
	Net Fixed Assets	165,032	Investment	-
	Net Deferred Tax Asset	8,356,532	Misc. Expenditure	-
	Net Current Assets	7,252,004		
	Accumulated Losses	95,344,221		
IV	PERFORMANCE OF COMPANY			
	Turnover	3,963,858	Total expenditure	3,224,005
	Profit/ (Loss) before Tax	739,853	Profit/ (Loss) after Tax	366,524
	Earning Per Share	0.03	Dividend Rate %	NIL

V **GENERIC NAME OF THREE PRINCIPAL PRODUCT / SERVICES OF COMPANY**
(AS PER MONETARY TERMS)

ITEM CODE NO.

N.A

PRODUCT DESCRIPTION

N.A

For and on behalf of the Board

DALIP SINGH DASILA
MANAGING DIRECTOR

AMAR SINGH BHATI
DIRECTOR

SUMEER NARAIN MATHUR
COMPANY SECRETARY

WELLESLEY CORPORATION LIMITED

TWENTY FIRST ANNUAL GENERAL MEETING

ATTENDANCE SLIP

I/We hereby record my/our presence at the 21st Annual General Meeting of the Company held on Friday, the 28th September, 2012 at 11:00 AM at 36, Insaf Nagar, Sector 10, Indira Nagar, Lucknow Uttar Pradesh - 226 016

NAME OF THE SHAREHOLDER (IN BLOCK LETTERS)	
SIGNATURE OF THE SHAREHOLDER	
NAME OF THE PROXY (IN BLOCK LETTERS)	
SIGNATURE OF THE PROXY	

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

Note : 1. Please bring Annual report and duly filled in Attendance Slip when attending the meeting.

2. Please do not bring with you any person who is not a member of the Company.

WELLESLEY CORPORATION LIMITED

TWENTY FIRST ANNUAL GENERAL MEETING

PROXY FORM

I/We.....of.....in the district of thebeing a member/members of Wellesley Corporation Limited, hereby appoint Mr./Miss/Mrs..... ofof falling him/her, Mr./Miss/Mrs.....in the district of.....as my/our proxy to vote for me/us on my/our behalf at the Twenty First Annual General Meeting of the Company to be held on Friday, the 28th September, 2012 and at any adjournment thereof.

Signed thisday of2012

Affix
1 Rupee
Revenue
Stamp

Note : The Proxy must reach the Registered Office and /or Corporate Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

BOOK POST

If Undelivered, Please return to:

WELLESLEY CORPORATION LIMITED

B- 210, Ansal Chamber - I, 3, Bhikaji Cama Place,
New Delhi - 110 066