



WELLESLEY
CORPORATION LIMITED

23rd

ANNUAL REPORT

2013-2014

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Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report contains forward-looking statements based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

COMPANY INFORMATION

BOARD OF DIRECTORS

Executive Director

Mr. Dalip Singh Dasila (M.D)

Non-Executive Directors

Mr. Vishnu Gopal Rajgarhia
Mr. Deepak Jalan
Mr. Piyush Prakash
Mr. Sapan Mohan Garg
Mr. Manoj Gupta

COMPANY SECRETARY

Mr. Sumeer Narain Mathur

REGISTRAR & SHARE TRANSFER AGENT

M/s Sky Line Financial Services Pvt Ltd
D-153-A, 1st Floor, Okhla Industrial area Phase-I, New Delhi-110020
Tel: 91-11-2681-2682 Fax: 91-11-30857562 Email: admin@skylinerta.com
Web: www.skylinerta.com

STATUTORY AUDITORS

M/s Srivastava Kumar & Co., Chartered Accountants, New Delhi.

BANKERS

Kotak Mahindra Bank, New Delhi
Bank of Baroda, New Delhi

REGISTERED OFFICE

Shop# 1, Country Inn, Mehraoan, Bhimtal-248179, Uttarakhand

CORPORATE OFFICE

B-210, Ansal Chamber-I, Bhikaji Cama Place, New Delhi-110066

CIN NUMBER: L45202UR1991PLC000604

INVESTORS HELP DESK

Tel : 91-11-26184535, Fax : 91-11-26193448
Email : cs@wellesleycorp.com, investor@wellesleycorp.com
Website : www.wellesleycorp.com

NOTICE

To,
The Members,
Wellesley Corporation Limited

Notice is hereby given that the 23rd Annual General Meeting of the Company will be held on July 19, 2014, at 11:00 AM at "Country Inn", Mehraoan, Bhimtal, Uttarakhand-248179, to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at March 31, 2014 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. Manoj Gupta (DIN 00061630) who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint M/s Srivastava Kumar & Co., Chartered Accountants (ICAI Firm Regn No: 01120N) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting for next 3 years and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit to pass, with or without modification(s), the following resolution as "**Special Resolution**"
To appoint a Director in place of Mr. Deepak Jalan (DIN 01610473), Independent Director subject to retire by rotation:
"**RESOLVED THAT** Mr. Deepak Jalan (holding DIN 01610473), who was appointed as an Independent Director of the Company on 25th June, 2007 under Articles of Association of the Company and who by virtue of Section 255 of the erstwhile Companies Act, 1956 and Section 149 & 152 of the Companies Act, 2013 to the extent applicable, is subject to reappointment being eligible, offers himself for re-appointment and in respect of whom the recommendation of Board of director has received in writing, be and is hereby appointed as Director of the Company for next 5 years".
5. To consider and if thought fit to pass, with or without modification(s), the following resolution as "**Special Resolution**"
"**RESOLVED THAT** Mr. Vishnu Gopal Rajgarhia (DIN 00480125), who was appointed as an Additional Director (Independent) of the Company on 1st December, 2013 under Articles of Association of the Company and who by virtue of Section 260 of the erstwhile Companies Act, 1956 and Section 149, 152 & 161 of the Companies Act, 2013 to the extent applicable, holds office up to the date of this Annual General Meeting, but being eligible, offers himself for re-appointment and in respect of whom the recommendation of board has received in writing, be and is hereby appointed as Director of the Company for next 5 years"

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

Sumeer Narain Mathur
Company Secretary

Date: May 19, 2014
Place: New Delhi

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HERSELF/ HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide member's facility to exercise their right to vote by electronic means, as an alternative to vote physically at the Annual General Meeting (AGM) and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

Similarly, Members opting to vote physically can do the same by remaining present at the meeting and should not exercise the option for e-voting. However, in case Members cast their vote exercising both the options, i.e. physical and e-voting, then votes cast through e-voting shall be only be taken into consideration and treated valid whereas votes cast physically at the meeting shall be treated as invalid. The "E-Voting" procedure along with the user id and password of each shareholder is annexed along with the proxy form at the end of the annual report.

3. Corporate Members are requested to send a duly certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.
4. Members/Proxies should fill in the Attendance Slip for attending the Meeting and bring their Attendance Slips along with their copy of the Annual Report to the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of items no .4 & 5 is attached thereto .
7. Members who hold shares in electronic form are requested to write their DP ID and Client ID numbers and those who hold share(s) in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting to facilitate identification of membership at the Meeting.
8. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays between 11.00 A.M. and 1.00 P.M. up to the date of the Meeting.
9. The Company's Register of Members and Transfer Books will remain closed from July 13, 2014 to July 19, 2014(both days inclusive) for the purpose of the Meeting, and the "E-Voting " facility shall be open for the period from 00:01 hours of July 11, 2014 to 23:59 hours of July 13, 2014, after this period the event will be no longer available for casting votes by "E-Voting " mechanism .
10. Members are requested to intimate immediately any change in their address or other mandates to their Depository Participants with whom they are maintaining their demat accounts. The Company or its Registrar and Transfer Agent cannot change mandates for shares in electronic form.
11. Members holding shares in physical form are requested to advise any change of address or bank mandates immediately to the Company / Registrar and Transfer Agent, Skyline Financial Services Pvt Limited.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market.
13. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Transfer Agent.
14. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
15. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Registrar and Transfer Agent, for consolidation into a single folio.
16. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

The Board of Directors at their meeting held on 25.06.2007 appointed Mr. Deepak Jalan in the Board as Independent Director as per section 255 of the Company Act, 1956 his tenures of office expires by virtue of being a rotational director at the ensuing Annual General Meeting.

Deepak Jalan is a HR Professional and Associate Director- Resource Management Group in Tech Mahindra Ltd. An accomplished leader, he has led several organizations across industries, creating high performance teams and successful businesses. In a career spanning over 19 years, he has worked with the large Multinationals and Corporate.

He has work experience in Human Resources, General Management and Technology Business Management with Operations being an additional forte. He has worked with some of the Top companies in various Industrial sectors such as IT, ITES, Hospitality & FMCG and has held various management positions in HR, Marketing and General Management not just in Indian Organizations but also in Transnational Organizations.

Deepak is an Arts Honours graduate and an MBA in Marketing. Not only has this but he also to his credit various certifications and trainings which include Management Development Programs, Project Management, People Soft9 and PCMM.

Considering his qualification and experience the Board recommends keeping him on the board to strengthen the board and utilize his caliber for the overall development of the company.

The declaration of independence as required under section 149(7) of the Companies Act, 2013 is placed before the meeting.

The Board recommends the resolution for the approval of shareholders.

None of the Directors, KMP's and their relatives except Mr. Deepak Jalan, who shall be deemed to be concerned or interested in the resolution.

ITEM NO. 5

The Board of Directors at their meeting held on 01.12.2013 co-opted Mr. Vishnu Gopal Rajgarhia in the Board as Additional Director (Independent) as per section 260 of the Company Act, 1956 his tenures of office expires at the ensuing Annual General Meeting.

Mr Vishnu Gopal Rajgarhia is a businessman having rich experience of over 35 years. He has created many successful businesses in the field of Non Banking Financial Companies. He is an expert business analyst. Mr Vishnu Gopal Rajgarhia is a commerce graduate from Calcutta University.

Considering his experience the Board recommends to keep him on the board.

The declaration of independence as required under section 149(7) of the Companies Act, 2013 is placed before the meeting.

The Board recommends the resolution for the approval of shareholders.

None of the Directors, KMP's and their relatives except Mr. Vishnu Gopal Rajgarhia, who shall be deemed to be concerned or interested in the resolution.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 23rd Annual Report together with the audited accounts of the Company for the financial year ended on March 31, 2014.

FINANCIAL HIGHLIGHTS

(Figures in Rupees)

Particulars	Year ended 31.3.2014	Year ended 31.3.2013
Income	1,11,44,957	97,72,992
Expenditure	1,02,51,262	89,28,405
Profit before tax	8,93,695	8,44,587
Provision for tax (including deferred tax)	4,53,939	4,21,914
Profit after tax	4,39,757	4,22,673
Balance carried forward to Balance Sheet	(9,44,81,791)	(9,49,21,548)

REVIEW OF OPERATIONS & BUSINESS UPDATE

KEY FINANCIAL HIGHLIGHTS

Your company has recorded revenue of Rs 1.11 crores in financial year 2013-14 as compared to Rs 97.72 lacs in financial year 2012-13 an increase of 14%. The gross operating profit has also increased to Rs 8.93 lacs from Rs 8.44 lacs an increase of 6%. The profit after tax has also recorded an increase of 4.05% i.e. Rs 4.39 lacs from Rs 4.22 lacs.

FUTURE OUTLOOK

With the emergence of new government with full majority after 30 year without any coalition, your company expects that economy will grow at a faster pace and various new reforms for the upliftment of the Real estate sector will be seen in near future. Your company believes that new government to be formed under the dynamic leadership of Mr. Narendra Modi will create business friendly environment with clear policies, easy tax laws, and overall development of Indian infrastructure. Further rapid infrastructure development even in smaller towns, with quick finance and improved standards of living will keep pushing up the demand of housing projects.

DIVIDEND

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

PUBLIC DEPOSITS

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

DIRECTORS

In accordance with the provisions of Section 255 and 256 of the Companies Act, 1956 and Article 96 of the Articles of Association of the Company, Mr. Manoj Gupta (DIN: 00061630) and Mr. Deepak Jalan (DIN:01610473), Directors of the company, retire by rotation at the ensuing Annual General Meeting of the Company, and being eligible, offer themselves for reappointment.

Brief resumes of the Directors seeking reappointment, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees, as stipulated under Clause 49 of Listing

Agreement with the Stock Exchanges in India, are provided in the Report on Corporate Governance, forming part of the Annual Report.

LISTING AT STOCK EXCHANGES

The Equity Shares of the Company continue to remain listed with the Bombay Stock Exchange Limited (BSE) and the Delhi Stock Exchange Limited (DSE). The listing fees payable to both the exchanges for the financial year 2014-15 has been paid.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges in

India, is presented in a separate section forming part of the Annual Report.

CORPORATE GOVERNANCE REPORT

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, a detailed report on Corporate Governance is included in the Annual Report. A Certificate from a Practicing Chartered Accountant, certifying Company's compliance with the requirements of Corporate Governance, as stipulated under Clause 49 of the Listing Agreement, is annexed to the Corporate Governance Report.

AUDITORS & AUDITORS' REPORT

Srivastava Kumar & Co., Chartered Accountants, (Firm Registration No. 011204N), Statutory Auditors of the Company will retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received a certificate from the Auditors to the effect that their reappointment, The Board recommends their re-appointment for balance term of 3 years. The Notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further explanation.

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956

A) 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

B) PARTICULARS OF EMPLOYEES

None of the employees of the company are 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, 2014 on a going concern basis.

ACKNOWLEDGEMENTS

Your Directors wish to express their gratitude for the continuous assistance and support received from the investors, clients, bankers, regulatory and government authorities, during the year. Your Directors also wish to place on record their deep sense of appreciation for the contributions made and committed services rendered by the employees of the Company at various levels, to the growth & success of the Company.

For and on behalf of the Board of Directors

Dalip Singh Dasila
Managing Director

Vishnu Gopal Rajgarhia
Director

New Delhi
May 19, 2014

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 Overview

The year 2013-14 was a slight good year for the Indian economy since it has shown some sign of recovery of developments and a marginal increase in GDP.(From 4.5% to 4.9%) Source: Ministry of Economic Affairs Economic Division.

The real estate sector has transformed from being unorganized to a dynamic and largely organized sector over the past decade. Government Policies have been instrumental in providing support after recognizing the need for infrastructure development to improve the standard of living of its citizens. In addition to this, adequate infrastructure is necessity for the long term growth of the economy.

The recent move to introduce "Real Estate Investment Trust" is a progressive one as they may prove a great instrument to induce cash flow into the Indian economy and helps smaller investor's to access income-generating real estate assets. This will help both developers and investors, through better financing and investment options and will give the Indian real estate market more depth. Exemptions/Tax benefits to them for investment in the affordable housing sector will increase their chances of success.

SWOT

Strengths

The main strength of the company is its Land bank and the management team, putting their best to make the company grow.

Weaknesses

Being most of the company's JV projects are on hold/disputed it's not very easy for the company to get into high capital intensive projects until the resolutions of the same.

Opportunities

The New Government under the dynamic leader,"Mr Narendra Modi " is taking the guard shortly to start their innings and everyone is hoping for a better, bigger and overall development of India ,therefore we can hope that some sort of developments will definitely come in Real Estate sector also and your company will try to encash such opportunities.

Threats

Increase financing cost along with the burden of taxes increases the cost of constructions, in addition to this the induction of new players along with stringent laws may lead only the fittest to survive in this sector.

Future Outlook

As part of its strategic initiatives and focus on restructuring the company, the Managing Director of the company himself along with team of expert namely Dr M.C Gupta & Mr Sanjeev Saxena taking all the steps to settle the long pending litigation/disputed cases to unlock the value of Land bank strangled in the legal disputes. Management anticipates a major breakthrough in this area as we expect to settle some of the cases in near future. This will give company a much needed boost to reshape its business.

The company further firmly believes that with the emergence of new government with full majority, without any compulsions of coalition, economy will grow at faster pace and various new reforms for the upliftments of the real estate sector will be seen in near future. Your company anticipates that new government under the development friendly leader Mr Narendra Modi will create business friendly environment with clear polices, tax planning and overall development of Indian infrastructure. Further rapid infrastructure development even in smaller towns, with easy finance and improved standards of living will keep pushing up the demand of housing projects.

The company is fully confidant to flourish in this new positive sentiment for the business, more particularly in real estate and infrastructure development which will strengthen the financials of your company.

Operational and Financial Performance

The Financial Statement for the financial year ended on 31st March, 2014 have been prepared in compliance of the provisions of the Companies Act, 1956 and applicable Accounting Standards issued by the Institute of Chartered Accountants of India. The Board of Directors accepts the integrity and objectives of these financial statements.

The financial year 2013-14 remains a good year for the company during the year company's turnover has increased to Rs. 1,11,44,957/- from the previous year's turnover of Rs. 97,72,992/-. Even company's profit after tax has increased marginally to Rs.4,39,757/- from the previous year's profit of Rs. 4,22,673/-. There is no reportable segment as per AS-17 as "Trading" is the main activity of the company during the year ,therefore no segment wise disclosure required.

Human Resources

The company recognizes the fact that manpower is the most vital resource for the real estate sector. The company ensures that its employees are provided the best working environment and compensated with attractive remunerations. Beyond rewarding employees with attractive remunerations, the company constantly endeavours to create more conducive work environment. Employees are encouraged to be innovative and involved to pursue their goals which are allied with the larger interest of the company.

Adequacy of Internal Control Systems

The company has placed adequate and effective system of internal controls, which are wisely commensurate with the nature of business and its scale of operations. Reviews of the audit plans, significant audit findings, adequacy of internal controls, compliance with accounting standards including any changes in that is a regular course of action of the company's Audit committee. The Statutory Auditors of the Company have also, in their report to members for the financial year ended on 31st March 2014, confirmed the adequacy of internal control system of the Company.

New Delhi
May 19, 2014

For and on behalf of the Board of Directors

Dalip Singh Dasila
Managing Director

Vishnu Gopal Rajgarhia
Director

CORPORATE GOVERNANCE REPORT

1. The Company's philosophy on Sound Corporate Governance practices and responsible corporate behavior contribute to long term performance of company. Best practices on governance issues are an evolutionary and continuing process. There is no single template to define good governance. Broadly, however, Corporate Governance practices should aim at striking a balance between interests of various stakeholders on one hand and the duties and responsibilities of the Board and senior management in overseeing the affairs of the Company on the other. The corporate governance policy of Wellesley Corporation Limited (WCL) encompasses the simple tenets of integrity, transparency and fairness in whatever the company does and what it basically aims at achieving is a complete adherence to the applicable statutes whilst at the same time ensuring a complete commitment to values and the highest ethical standards in every facet of its operations and in each of the functional areas. This, in turn, ensures that best in the class concept of corporate governance practices become a way of life in the Company.

In line with the nature and size of operations of the Company, the Corporate Governance framework in WCL is based on the following main principles:

- Constitution of a Board of Directors of appropriate composition, size, varied experience and commitment to discharge their responsibilities and duties.
- Transparency and independence in the functions of the Board.
- Ensuring timely flow of information to the Board and its Committees to enable them discharge their functions effectively.
- Independent verification and assured integrity of financial reporting. Timely and balanced disclosure of all material information related to the Company to all stakeholders and protection of their rights and interests.
- A sound system of risk management and internal control.
- Compliance with applicable laws, rules and regulations in letter and spirit

2. BOARD OF DIRECTORS:

(A) Composition & size of the Board

The Board of Directors in WCL has been constituted in a manner which ensures appropriate mix of executive, non-executive and independent directors to ensure proper governance and management. The Board members have collective experience in diverse fields like construction, finance, architecture, human resources & hospitality.

As on March 31, 2014, the Board consisted of six directors, one of whom was Executive Director. The remaining five directors were Non-Executive Directors, with three of such Directors being Independent Directors and two non independent Directors. The Chairman being a Non-Executive Director, the number of Independent Non- Executive Directors on the Board was 50% of the Board strength at any point of time during FY'13-14. The details of various directors on the Board of the Company, the nature of their directorships, the number of directorships held by them in other companies as also the number of committee memberships or chairmanships held by them in the Audit Committees and the Shareholders' / Investors' Grievance Committees of WCL and other companies as on March 31, 2014, is depicted in the table given below:

Sl.No	Name of the Director	Category of Directorship	No of Directorships in other companies*	No of Memberships /chairmanships in Board committees of various companies (including the company)	
				Member	Chairman
1.	Mr. Dalip Singh Dasila (DIN:03613295)	Executive Director (M.D)	0	3	0
2.	Mr. Deepak Jalan (DIN:01610473)	Non Executive Independent Director	0	4	1
3.	Mr. Amar Singh Bhati **(DIN:01257900)	Non Executive Independent Director	1	3	0
4.	Mr. Piyush Prakash (DIN:01352769)	Non Executive Independent Director	0	1	0
5.	Mr. Sapan Mohan Garg (Din:00061098)	Non Executive	0	1	0
6.	Mr. Sanjeev Saxena*** (DIN:00550671)	Non Executive	0	0	0
7.	Mr. Manoj Gupta (DIN:00061630)	Non Executive	1	0	0
8	Mr.Vishnu Gopal Rajgariah**** (DIN:00480125)	Non Executive Independent Director	1	3	3

*Doesn't include directorships in held in private limited companies and foreign companies

**Resigned from the board w.e.f February 10, 2014.

***Resigned from the board w.e.f October 31, 2013

****Appointed on February 10, 2014 as additional director.

(B) Details of Board Meetings and the last Annual General Meeting and attendance record of Directors thereat

During the FY 2013-14 the Board of WCL met 5 (Five) times. The dates of the Board meetings were May 6, 2013, August 5, 2013, October 31, 2013, December 01, 2013 and February 10, 2014.

The last Annual General Meeting (AGM) of the Company was held on September 27, 2013. A table depicting the attendance of Directors at various Board Meetings and the AGM held during financial year 2013-14, is given below:

S.NO	Name of the Director	No of Board Meeting Attended	Attendance at the last AGM
1.	Mr. Dalip Singh Dasila	5	Yes
2.	Mr. Deepak Jalan	5	Yes
3.	Mr. Amar Singh Bhati **	3	Yes
4.	Mr. Piyush Prakash	2	Yes
5.	Mr. Sapan Mohan Garg	5	Yes
6.	Mr. Sanjeev Saxena*	2	Yes
7.	Mr. Manoj Gupta	5	Yes
8	Mr. Vishnu Gopal Rajgariah	1	N.A

*Resigned from the board w.e.f October, 31, 2013

**Resigned from the board w.e.f February, 10, 2014

*** Appointed on February 10, 2014 as additional director.

(C) Code of Conduct

The Board has laid down a Code of Conduct for all Board members and Senior Management Personnel of the Company. The Code of Conduct is available on the website of the company www.wellesleycorp.com. All Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Managing Director of the Company to this effect is enclosed at the end of Corporate Governance Report. The Code of Conduct seeks to ensure that the Directors and the Senior Management Personnel observe a total commitment to their duties and responsibilities while ensuring a complete adherence with the applicable statutes on one hand and values and ethics on the other.

3. COMMITTEES OF THE BOARD

The Board constituted committees namely, Audit Committee, Remuneration Committee, Shareholders'/ Investors' Grievance Committee & Committee of Directors to act in accordance with the terms of reference determined by the Board. Meetings of each of these Committees are convened by the respective Chairman. Matters requiring Board's attention/approval are placed before the Board. The role, the composition of these Committees including the number of meetings held during the financial year 2013-14 and the related attendance detail are provided hereunder.

(A) Audit Committee

Composition

The Audit Committee comprises of three members namely Mr. Vishnu Gopal Rajgarhia, Mr. Deepak Jalan and Mr. Dalip Singh Dasila, two of them are Non-Executive Independent Directors. During the year Mr Amar Singh Bhati had resigned from the Board and Committee w.e.f February, 10, 2014. Therefore the Audit committee was reconstituted appointing Mr Vishnu Gopal Rajgarhia as the member of the committee w.e.f February, 10, 2014. Mr. Sumeer Narain Mathur, Company Secretary, acts as the Secretary to the Audit Committee.

Terms of reference of the Audit Committee

The terms of reference of the Audit Committee, inter-alia, include:

- To oversee the financial reporting process and disclosure of financial information
- To review with management, quarterly and annual financial statements and ensure their accuracy and correctness before submission to the Board
- To review with management and internal auditors, the adequacy of internal control systems, approving the internal audit plans and reviewing the efficacy of their function, discussion and review of periodic audit reports including findings of internal investigations
- To recommend the appointment of the internal and statutory auditors and fixing their remuneration;
- To hold discussions with the Statutory and Internal Auditors to decide the scope of audit.

Meetings and attendance thereat during the year

During the financial year 2013-14, the Audit Committee met four times. The dates of the meetings being were May 6, 2013, August 5, 2013, October 31, 2013 and February 10, 2014

The attendance record of committee members in respect of the meetings so held is depicted in the table given below:

Name of Director	Meetings Held	Meetings Attended
Mr Deepak Jalan	4	4
Mr. Amar Singh Bhati*	4	3
Mr. Dalip Singh Dasila	4	4
Mr. Vishnu Gopal Rajgarhiha**	N.A	N.A

*Resigned from the committee w.e.f February 10, 2014.

**Appointed as member on February 10, 2014.

(B) Remuneration Committee

Composition

The Company has in place a Remuneration Committee comprising of three members comprises namely Mr. Sapan Mohan Garg, Mr Piyush Prakash & Mr. Deepak Jalan as Chairman, two of them are Non Executive Independent Director. Mr. Sumeer Narain Mathur, Company Secretary, acts as the Secretary to the Remuneration committee.

Terms of reference

The terms of reference of Remuneration Committee, inter-alia, include:

- To recommend to the Board compensation terms of the Executive Directors;
- To assist the Board in determining and implementing the Company's Policy on the remuneration of Executive Directors.

Meetings and attendance thereat during the year

During the year, no meeting of the Committee was held.

Remuneration Policy

Company's Remuneration Policy is market-led and takes into account the competitive circumstances of the business so as to attract and retain quality talent and leverage performance significantly.

Directors' Remuneration

- (i) Remuneration of Executive Director

The table given below specifies the details of remuneration package of Executive Directors and their relationship with other Directors on the Board:

(Rupees per Annum)

Name of the Director	Relationship with other directors	Salary & Allowances	Monitory Value of Perquisites	Total
Mr. Dalip Singh Dasila	None	4,14,000.00	Nil	4,14,000.00

Notes:

1. Components of the salary includes the Basic salary, House rent allowance as per the Company rules.
2. The terms and conditions of service of Executive Directors are contractual in nature and are governed by applicable rules and policy of the Company.

- (ii) Remuneration of Non-Executive Independent Directors

Non-Executive Independent Directors have been paid only sitting fees during the financial year 2013-14.

(C) Shareholders'/ Investors' Grievance Committee

Composition

The Shareholders'/ Investors' Grievance Committee comprises of three members namely Mr. Vishnu Gopal Rajgarhiha, Mr. Deepak Jalan and Mr. Dalip Singh Dasila, two of them are Non-Executive Independent Directors. During the year Mr Amar Singh Bhati had resigned from the Board and Committee w.e.f February 10, 2014. Therefore the Shareholders'/ Investors' Grievance Committee was reconstituted appointing Mr Vishnu Gopal Rajgarhiha as the member of the committee w.e.f February 10, 2014. Mr. Sumeer Narain Mathur, Company Secretary, acts as the Secretary to the Shareholders'/ Investors' Grievance Committee.

Terms of Reference

The scope, terms of reference and functioning of the Committee is as per areas prescribed by Clause 49 of the Listing Agreement including oversees all matters encompassing the shareholder / investor related issues.

Meetings and attendance thereat during the year

During the financial year 2013-14, the Shareholders/Investors Grievance Committee met four times. The dates of the meetings being were May 6, 2013, August 5, 2013, October 31, 2013 and February 10, 2014

The attendance record of committee members in respect of the meetings so held is depicted in the table given below:

<i>Name of Director</i>	<i>Meetings Held</i>	<i>Meetings Attended</i>
Mr Deepak Jalan	4	4
Mr Amar Singh Bhati*	4	3
Mr Dalip Singh Dasila	4	4
Mr. Vishnu Gopal Rajgariha*	N.A	N.A

*Resigned from the committee w.e.f February 10, 2014.

**Appointed as member on February 10, 2014.

(D) Committee of Directors

Composition

The Committee of Directors comprises of three members namely Mr. Vishnu Gopal Rajgarhia, Mr. Deepak Jalan and Mr. Dalip Singh Dasila, two of them are Non-Executive Independent Directors. During the year Mr Amar Singh Bhati had resigned from the Board and Committee w.e.f February 10, 2014. Therefore the Committee of Directors was reconstituted appointing Mr Vishnu Gopal Rajgarhia as the member of the committee w.e.f February 10, 2014. Mr. Sumeer Narain Mathur, Company Secretary, acts as the Secretary to the Committee of Directors.

Terms of Reference

The main term of reference is to approve the share transfers/split/renewal of old certificates.

Meetings and attendance thereat during the year

During the financial year 2013-14, the Committee of Directors met four times. The dates of the meetings being were September 25, 2013, September 28, 2013, December 10, 2013 and February 10, 2014.

The attendance record of committee members in respect of the meetings so held is depicted in the table given below:

<i>Name of Director</i>	<i>Meetings Held</i>	<i>Meetings Attended</i>
Mr Deepak Jalan 4	4	
Mr Amar Singh Bhati	4	3
Mr Dalip Singh Dasila	4	4
Mr. Vishnu Gopal Rajgariha*	N.A	N.A

*Resigned from the committee w.e.f February 10, 2014.

**Appointed as member on February 10, 2014.

Name and designation of Compliance Officer

Mr. Sumeer Narain Mathur, Company Secretary, is the Compliance Officer pursuant to clause 47(a) of the Listing Agreement with Stock Exchanges.

Details of queries / complaints received and resolved during the year 2013-14

<i>Sl. No</i>	<i>Nature of the complaint</i>	<i>Complaints Received</i>	<i>Complaints Redressed</i>
1.	Non Receipt of Annual Report	Nil	Nil
2.	Non Receipt of share certificates after lodgement for transfer	Nil	Nil
3.	Non Credit of shares in demat account	Nil	Nil
4.	Any other sort of complaint forwarded through SEBI/BSE/DSE/ROC and other authorities.	Nil	Nil

4. GENERAL BODY MEETINGS

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

Financial Year (ended)	Venue	Date	Time
March 31, 2011	36, Insaf Nagar, Sector-10, Indira Nagar, Lucknow Lucknow (U.P.)	30.09.2011	11:00 A.M.
March 31, 2012	36, Insaf Nagar, Sector-10, Indira Nagar, Lucknow Lucknow (U.P.)	28.09.2012	11:00 A.M.
March 31, 2013	Shop no :1, Country Inn, Mehragoan, Bhimtal-249179, Uttarakhand.	27.09.2013	01:00 P.M.

(B) Details of Special Resolution passed in previous three AGMs

At the 20th AGM of the Company held on September 30, 2011, three special resolutions as briefly described below, were passed:

SI No	Matter Cover by special resolution
1.	Special Resolution according consent to grant appointment of Mr Dalip Singh Dasila as managing director for five years and to decide his terms of apportionment as well remuneration in accordance with 198, 269, 309, 310 and other applicable provisions, read with Schedule XIII to the Companies Act, 1956 and Article 118 and 120 of Articles of Association of the Company.
2.	Special Resolution according consent to change the Articles of Association of the Company by deleting and replacing clause 88 of the Articles with this new clause- Each "Director shall be entitled to receive out of the funds of the Company for his services in attending meeting of the Board or Committee thereof, from time to time, be determined by the Board of Directors of the Company, subject to the provisions of the Act and Rules there under. The Director shall be entitled to the paid their reasonable travelling, hotel and other expenses incurred in consequence of their attending Board or Committee meeting otherwise incurred in the execution of their duties as Directors".
3.	Special Resolution according consent to change the "Name of the Company to Wellesley Corporation Limited from Usha Housing Development Company Limited".

-At the 21st AGM of the Company held on September 28, 2012, no special resolution was passed

-At the 22nd AGM of the Company held on September 27, 2013, no special resolution was passed

(C) Postal Ballot

(i) Special resolutions passed through Postal Ballot during the financial year 2013-14:

During the financial year 2013-14, no resolution was passed by the Company through Postal Ballot.

(ii) Procedure for Postal Ballot

For conducting a postal ballot, notice specifying the resolutions proposed to be passed through postal ballot as also the relevant explanatory statement and the postal ballot forms, are dispatched to all the shareholders along with self addressed postage pre-paid envelope. The shareholders are requested to send back the postal ballot forms duly filled up and signed, in the postage pre-paid envelopes provided to them by the Company, so as to reach the Scrutinizer (in whose name the envelopes are marked) on or before the 30th day from the date of issue of notice by the company. The Scrutinizer compiles the postal ballot result out of the postal ballot forms found valid and hands over the results to the Chairman. The Chairman thereupon declares the result of the postal ballot and the same is displayed on a notice board at the Registered office of the Company.

5) DISCLOSURE

(i) Materially Significant Related Party Transaction

SI No.	Name	Nature	Nature of Transaction	Amount (Rs)
1.	Mr Dalip Singh Dasila	Managing Director	Director Remuneration	Rs 4,14,000/-
2.	Mr Sumeer Narain Mathur	Company Secretary	Salary	Rs 6,06,113/-

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

- (a) There has been no instance of any non-compliance by the Company on any matter related to capital markets, and hence, no penalties or strictures have been imposed on the Company by SEBI or the Stock Exchanges or any other statutory authority on any such matter.
- (b) The Company has paid listing fee to Bombay Stock Exchange and Delhi Stock Exchange for the financial year 2014-15.

(iii) Insider Trading Regulations –Code

The Company has constituted and adopted a comprehensive Code of Conduct, viz. “Wellesley Corporation Limited Code of Conduct for Prohibition of Insider Trading (Code)”, for its Directors, Senior Management Personnel and such other designated employees who are expected to have access to unpublished price sensitive information relating to the Company in compliance with SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time. The Code’s objective is to prevent purchase and/or sale of the Company’s securities by an insider on the basis of unpublished price sensitive information. Under this Code, Directors and Senior Management Personnel and such designated employees are completely prohibited from dealing in the Company’s shares during the closure of Trading Window. Further, the Code specifies the procedures to be followed and disclosures to be made by Directors, Senior Management Personnel and other designated employees, while dealing with the Company’s securities. It also enlists the consequences of any violations. The Company Secretary has been appointed as the Compliance Officer for monitoring adherence to the said Code.

6. MEANS OF COMMUNICATION

(i) Publication of Results:

The quarterly/annual financial results of the Company are usually published in the leading newspapers viz; Financial Express, Business Standard and regional news papers of the area of the registered office of the company

(ii) News, Release etc.:

The Company has its own website <http://wellesleycorp.com> and all vital information relating to the Company and its performance including financial results are regularly posted on the website.

(iii) Investor Relations:

The Company’s website contains separate dedicated section “Investors” where Shareholders & Media related information is available.

(iv) Management’s Discussion and Analysis Report:

The same has been included in a separate section, which forms a part of the Annual Report.

7. GENERAL SHAREHOLDER INFORMATION

(a) Date, Time and Venue of AGM

The data time and venue of the ensuing AGM have been indicated in the Notice convening the meeting which is annexed to the Annual Report

(b) Profile of Directors seeking appointment/reappointment

Mr. Manoj Gupta- Manoj Gupta holds a Post Graduate Diploma in Business Administration and also holds a Diploma in Hospitality Management from AHLA (US). He has been working as an operation head in a group of companies having interest in real estate and hospitality. He has rich experience of more than 18 years in the field of operation, finance, business development and formulation of strategies for marketing/sales.

Mr. Deepak Jalan- Deepak Jalan is an Indian businessperson, an HR Professional and Associate Director- Resource Management Group in Tech Mahindra Ltd. He was a Founder & CEO of HRHonchos Consulting & Solutions Pvt Limited.

An accomplished leader, he has led several organizations across industries, creating high performance teams and successful businesses. In a career spanning over 19 years, he has worked with the large Multinationals and Corporate.

He has work experience in Human Resources, General Management and Technology Business Management with Operations being an additional forte. He has worked with some of the Top companies in various Industrial sectors such as IT, ITES, Hospitality & FMCG and has held various management positions in HR, Marketing and General Management not just

in Indian Organizations but also in Transnational Organizations, TECH MAHINDRA, SPANCO, HCL, BAKEMANS, ITC are some of the reputed organizations that reflect Mr. Jalan's work background.

Deepak is an Arts Honours graduate and an MBA in Marketing. Not only has this but he also to his credit various certifications and trainings which include Management Development Programs, Project Management, People Soft9 and PCMM.

Mr. Vishnu Gopal Rajgarhia: Vishnu Gopal Rajgarhia is a commerce graduate from Calcutta University. He is businessman having rich experience of over 35 years. He has created many successful businesses in the field of Non Banking Financial Companies. He is an expert business analyst.

(c) Date of book closure

Information about the book closure dates has been provided in the Notice convening the AGM, which is annexed to Annual Report.

(d)(I) Distribution of shareholding as on March 31, 2014

SI No	Shareholding (In Nos)	No of holders	%age of holders	Physical	Demat	Total Shares	%age
1	0 - 500	1773	90.69	235300	900	236200	1.75
2	501 - 1000	126	6.45	113600	1900	115500	0.86
3	1001 - 2000	16	0.82	19500	5250	24750	0.18
4	2001 - 3000	8	0.41	17000	2100	19100	0.14
5	3001 - 4000	4	0.20	10600	3600	14200	0.11
6	4001 - 5000	0	0.00	0	0	0	0.00
7	5001 - 10000	5	0.26	38400	0	38400	0.28
8	10001 & above	23	1.18	1957600	11094650	13052250	96.28
	Grand Total	1955	100	2392000	11108400	13500400	100

(II) Shareholding Pattern as on March 31, 2014

SI No	Category	Number of shares	%
1.	Promoter's Holding	1,00,00,000	74.07
2.	Institutional Investors, Banks etc	Nil	Nil
3.	Domestic Companies	2098501	15.54
4.	Indian Public	1401513	10.38
5.	Clearing House	1	0.00
6	Others	385	0/01
	Grand Total	13500400	100.00

(III) Dematerialization of Shares

Equity shares of the company are available in both physical as well demat mode at both the depositories i.e NSDL & CDSL.(ISIN No INE176O01011)As on March 31, 2014, 82.28% Equity shares of the Company representing 1,11,08,400 shares out of a total of 1,35,00,400 Equity shares, were held in dematerialized form and the balance 23,92,000 shares were held in physical form

(IV) Listing on stock Exchanges

The Company's securities are listed at the following stock exchanges

Bombay Stock Exchange Limited Corporate Relationship Department, 1 st Floor, New trading Ring, Rotunda Building, P J Towers, Dalal Street, Fort, Mumbai – 400 001	Delhi Stock Exchange Limited Listing Department DSE House, 3/1 Asaf Ali Road, New Delhi – 110 002
Security Code:532016	Security Code:8916

(V) Stock market price at Bombay Stock Exchange (BSE)

Month	High (Rupees)	Low (Rupees)
April 2013	N.A	N.A
May 2013	N.A	N.A
June 2013	N.A	N.A
July 2013	N.A	N.A
August 2013	N.A	N.A
September 2013	10.50	10.50
October 2013	10.50	10.50
November 2013	11.02	1100
December 2013	13.10	11.55
January 2014	22.96	13.50
February 2014	22.96	22.96
March 2014	23.00	23.00

(VII) INVESTOR'S ASSISTANCE

a. Registered Office	Shop#1, Country Inn, Mehragoan, Bhimtal-249179, Uttarakhand.
b. Corporate Office	B- 210, Ansal Chamber – I, 3, Bhikaji Cama Place, New Delhi – 66
c. Phone No.	91-11-26184535
Fax No.	91-11-26193448
d. Website	www.wellesleycorp.com
e. Email id	investor@wellesleycorp.com cs@wellesleycorp.com
f. Registrar & Share Transfer Agents for shares held in Physical Mode	M/s. Skyline Financial Services Private Limited (Unit- Wellesley Corporation Limited) D-153A, 1st Floor Okhla Industrial Area, Phase-I, New Delhi – 110 020 Tel:- +91 – 11 – 2681-2682, 2681-2683 Fax: - +91 – 11 – 3085 7562 Email: admin@skylinerta.com Web: www.skylinerta.com

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 contact the Company at its Corporate Office at the above address.

(VIII) Compliance Certificate on Corporate Governance

Certificate from a Practicing Chartered Accountant, certifying the Company's compliance with the provisions of Corporate Governance as stipulated under clause 49 of the Listing Agreement, is annexed to and forms a part of this report.

The certificate is also being forwarded to the Stock Exchanges in India where the securities of the Company are listed

(IX) Chief Executive Officer (CEO) & Chief Financial Officer certification

The Certificate referred to under clause 49 (V) of the Listing Agreement duly signed by the Managing Director has been submitted to the Board and is annexed to this report.

(X) NON MANDATORY REQUIREMENTS

(A) Non –Executive Chairman

The Company has a non-executive Chairman and hence, the requirements recommended as to a Non-executive Chairman under the clause 49, have been adopted by the Company.

(B) Remuneration Committee

The Company has a properly constituted Remuneration Committee in place.

(C) Shareholders Rights

The Company publishes its quarterly / annual financial results in leading newspapers with wide distribution across the country and regularly updates the same on its public domain website.

(D) Unqualified Financial Statements

The Auditors' Report on the annual accounts of the Company does not contain any qualification from the Statutory Auditors, and it shall be the endeavour of the Company to continue the trend by building up accounting systems and controls which ensure complete adherence to the applicable accounting standards and practices obviating the possibility of the Auditors qualifying their report as to the audited accounts.

(E) Whistle Blower Policy

The Company is in process to develop a strong mechanism in this connection

ANNUAL DECLARATION BY THE CEO PURSUANT TO CLAUSE 49(I)(D)(ii) OF THE LISTING AGREEMENT

As the Managing Director of Wellesley Corporation Limited, and as required by Clause 49(I)(D)(ii) of the Listing Agreement, I hereby declare that all the Board Members and Senior Management personnel of the Company have affirmed compliance with the Company's Code of Business Conduct and Ethics, for the financial year 2013-14.

For and on behalf of the Board of Directors

Dalip Singh Dasila
Managing Director

Vishnu Gopal Rajgarhia
Director

New Delhi
May 19, 2014

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To

The Members,

Wellesley Corporation Limited

We have reviewed the compliance of conditions of Corporate Governance by Wellesley Corporation Limited having its registered office at Shop# 1, Country Inn, Mehragoan, Bhimtal-249179, Uttarakhand, for the year ended on 31st March, 2014 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, 2014 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 procedural 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 on the Bombay Stock Exchange and Delhi Stock Exchange. The Company has paid listing fee the listing fees for the financial year 2014-15.

The Company's shares are registered with NSDL and CDSL for demate. The Company has paid depository fees up to 31.3.2015 to NSDL and to CDSL upto December'2015.

All the transfers are recorded and necessary compliance has been done on time and no Investor Grievances are reported pending by the Registrar and Transfer Agent.

The Company is managed by Board of Directors, as on March 31, 2014 the Board of Directors comprised of following 6 Directors being Executive, Non Executive and Independent Directors. Mr. Dalip Singh Dasila, Managing Director is being Executive Director, Mr. Manoj Gupta and Mr. Sapan Mohan Garg has been a Non Executive Director and Mr. Deepak Jalan, Mr. Piyush Prakash and Mr. Vishnu Gopal Rajgarhia are Independent Directors. Mr. Vishnu Gopal Rajgarhia 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

M. K. Jain
Partner

M No.F-88223
FRNo:011204N

Place: New Delhi
Date: May 19, 2014

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 31.03.2014 and that to the best of their knowledge and belief :
 - i. These statements 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 volatile 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

Dated : May 19, 2014
Place : New Delhi

Dalip Singh Dasila
Managing Director

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
Wellesley Corporation Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Wellesley Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the profits for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") as amended issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose 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 those books
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 to the extent applicable;
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **Srivastava Kumar & Company**
Chartered Accountants
(Firm Regn No 011204N)

(M.K.Jain)
Partner

Membership No.F-88223

Place: New Delhi
Date: May 19, 2014

The Annexure referred to in paragraph 1 of the Independent Auditor's Report to the members of Wellesley Corporation Limited for the year ended 31st March, 2014.

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) In our opinion and according to the information and explanations given to us, fixed assets have been physically verified by the management at reasonable intervals having regard to the size of the company and nature of its business. No material discrepancies were noticed on such verification.
- (c) Some of the fixed assets having "NIL"WDV have been disposed off during the year .
- (ii) (a) Inventories have been physically verified during the year by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of inventories by the management as compared to book records.
- (iii) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses 4 iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses 4 (iii) (f) & (g) are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets & for sale of goods & services. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
- (v) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the company has not entered into transaction which requires to be recorded in a register to be maintained in pursuance of Section 301, of the Companies Act. Consequently ,the provision of clause 4 (v)(b) of the order is not applicable to the company.
- (vi) The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
- (vii) As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
- (ix) (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2014 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there is no disputed demand pending as at 31st March, 2014.

- (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, 2014 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) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank as at 31st March, 2014 .
- (xii) According to the information and explanations given to us, 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 Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of the clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
- (xiv) According to information and explanations given to us, the Company is not dealing or trading in Shares, securities, debentures & other Investments hence no comment is required under this clause.
- (xv) According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution hence no comment is required under this clause.
- (xvi) Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year hence no comment is required under this clause.
- (xvii) Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
- (xviii) Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year hence no comment is required under this clause.
- (xix) Company has not issued any debentures hence no comment is required under this clause.
- (xx) The Company has not raised any money by public issue during the year hence no comment is required under this clause.
- (xxi) Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For **Srivastava Kumar & Company**
Chartered Accountants
(Firm Regn No 011204N)

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

Place: New Delhi
Date: May 19, 2014

Balance Sheet as at 31st March 2014

(All amount in Indian Rupees)

Particulars	Note No	As at March 31, 2014	As at March 31, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	2	135,004,000	135,004,000
(b) Reserves and Surplus	3	(94,481,791)	(94,921,548)
		40,522,209	40,082,452
(2) Non-current liabilities			
(a) Other Long Term liabilities	4	-	2,500,000
		-	2,500,000
(3) Current liabilities			
(a) Other current liabilities	5	1,514,554	104,349
		1,514,554	104,349
	TOTAL	42,036,763	42,686,801
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	6	14,170	18,101
(ii) Intangible assets under development		143,000	143,000
(b) Deferred tax assets (net)	7	7,811,909	8,095,554
(c) Long-term Loans and Advances	8	30,203,913	29,676,261
		38,172,992	37,932,916
(2) Current assets			
(a) Inventories	9	-	486,192
(b) Trade receivables	10	3,323,153	2,525,321
(c) Cash and bank balances	11	495,822	1,160,500
(d) Short term Loan and Advances	12	44,796	581,872
		3,863,771	4,753,885
	TOTAL	42,036,763	42,686,801

Notes to the financial statements 1

The accompanying notes are an integral part of financial statements

As per our report of even date attached

FOR SRIVASTAVA KUMAR & CO.
CHARTERED ACCOUNTANTS
 (Firm Regn No 011204N)
 (M K JAIN)
PARTNER
M NO F-88223

For and on behalf of the Board of Directors

Managing Director : Dalip Singh Dasila
 Director : Vishnu Gopal Rajgarhia
 Director : Deepak Jalan
 Company Secretary : Sumeer Narain Mathur

Place : New Delhi
 Date : May 19, 2014

Statement of Profit and loss for the year ended 31st March 2014

(All amount in Indian Rupees)

Particulars	Note No	For the year Ended March 31, 2014	For the year Ended March 31, 2013
I. Revenue from operations	13	11,126,003	9,761,650
II. Other operating revenue		10,000	-
III. Other income	14	8,954	11,342
IV. Total Revenue (I + II)		11,144,957	9,772,992
V. Expenses:			
Purchases- Steel & Other products		7,925,250	6,828,990
Changes in inventories of work-in-progress and Stock-in-Trade	15	486,192	425,426
Employee benefits expenses	16	1,025,764	944,787
Depreciation and amortization expenses		3,931	3,931
Other expenses	17	810,125	725,271
Total expenses		10,251,262	8,928,405
VI. Profit before tax (IV- V)		893,695	844,587
VII. Tax expense:			
(1) Current tax		170,293	160,936
(2) Deferred tax		283,645	260,978
VIII. Profit (Loss) for the year		439,757	422,673
IX. Earnings per equity share (face value Rs. 10/-each)			
(1) Basic		0.03	0.03
(2) Diluted		0.03	0.03

Notes to the financial statements 1

The accompanying notes are an integral part of financial statements

As per our report of even date attached

FOR SRIVASTAVA KUMAR & CO.
CHARTERED ACCOUNTANTS
 (Firm Regn No 011204N)
(M K JAIN)
PARTNER
M NO F-88223

For and on behalf of the Board of Directors

Managing Director	: Dalip Singh Dasila
Director	: Vishnu Gopal Rajgarhia
Director	: Deepak Jalan
Company Secretary	: Sumeer Narain Mathur

Place : New Delhi
 Date : May 19, 2014

Cash Flow Statement for the year ended 31st March 2014

(All amounts in Indian Rupees)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES BEFORE INTEREST		
Profit before taxation	893,695	844,587
Adjustment for :		
Depreciation and amortisation	3,931	3,931
Interest income	(8,954)	(8,333)
Operating cash flow before working Capital changes	888,672	840,185
Decrease/(Increase) in Trade Receivables	(797,832)	361,249
Decrease/(Increase) in Inventories	486,192	425,426
Decrease/(Increase) in Short Term Loan and Advances	537,076	-
Decrease/(Increase) in Long Term Loan and Advances	(527,652)	35,595
Increase/(Decrease) in Current Liabilities	1,410,205	(113,898)
Increase/(Decrease) in Other Long Term Liabilities	(2,500,000)	(2,500,000)
Adjustment for conversion of Non Cash equivalent items into Cash and Cash Equivalents	5,425	-
Cash generated from operation	(497,914)	(951,443)
Income taxes paid, (net)	(170,293)	(160,936)
NET CASH FROM OPERATING ACTIVITIES (A)	(668,207)	(1,112,379)
B. CASH FROM INVESTING ACTIVITIES		
Interest received	8,954	8,333
Less: Being not related to Cash and Cash Equivalent items.	(8,954)	(8,333)
NET CASH FROM INVESTING ACTIVITIES (B)	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES	-	-
NET CASH USED IN FINANCING ACTIVITIES (C)	-	-
Net Inc/(Dec) in Cash and Cash Equivalents(A+B+C)	(668,207)	(1,112,379)
Cash & Cash Equivalents as at the beginning of the year	971,821	2,084,200
Cash & Cash Equivalents as at the end of the year	303,613	971,821

As per our report of even date attached

FOR SRIVASTAVA KUMAR & CO.
CHARTERED ACCOUNTANTS
 (Firm Regn No 011204N)
 (M K JAIN)
PARTNER
 M NO F-88223

For and on behalf of the Board of Directors

Managing Director : Dalip Singh Dasila
 Director : Vishnu Gopal Rajgarhia
 Director : Deepak Jalan
 Company Secretary : Sumeer Narain Mathur

Place : New Delhi
 Date : May 19, 2014

Notes Forming Part of Financial Statements for the year ended March 31, 2014

Note No. 1

(A) CORPORATE INFORMATION

The Company was incorporated on October 23, 1991, under the provisions of the Companies Act, 1956. The company Registered Office is located at Bhimtal, Dist Nainital (Uttarakhand). The Company has been doing trading of Steel and other products and rendering Property Maintenance services.

(B) SIGNIFICANT ACCOUNTING POLICIES

I. BASIS OF PREPARATION

The financial statements of Wellesley Corporation Limited have been prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention unless otherwise stated and on the basis of the principle of accrual. GAAP comprises accounting standards notified by the Central Government of India under Section 211 (3C) of the Companies Act, 1956, as amended, to the extent applicable, other pronouncements of Institute of Chartered Accountants of India, the provisions of Companies Act, 1956.

The company, generally, follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis except those with significant uncertainties.

II. USE OF ESTIMATES

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates and assumptions and such differences, if arise, are recognized in the period in which the results are crystallized.

III. CURRENT AND NON CURRENT CLASSIFICATION

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realised within 12 months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within 12 months after the reporting date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets / liabilities include the current portion of non current financial assets / liabilities respectively. All other assets / liabilities are classified as noncurrent.

Normal operating cycle (Six months) is based on the time between the acquisition of assets for processing and their realisation into cash and cash equivalents

Notes Forming Part of Financial Statements for the year ended March 31, 2014

IV. CASH FLOW STATEMENT

The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. Cash flows from operating activities are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

V. TANGIBLE FIXED ASSETS & DEPRECIATION

Tangible Assets.

Fixed assets are stated at cost, less accumulated depreciation. 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 a 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.

Depreciation

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

VI. 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

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method and spread over the period during which the benefit is expected to be derived from employees' services, consistent with the advice of qualified actuaries.

The long term obligations are measured at present value of estimated future cash flows discounted at rates reflecting the yields on risk free government bonds that have maturity dates approximating the terms of the Company's obligations. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

All actuarial gains and losses arising during the year are recognized in the statement of profit and loss.

VIII. INVENTORIES

Inventories are stated at cost or net realizable value, whichever is lower. Net realisable value (NRV) is the estimated selling price in the ordinary course of the business, less the estimated costs of completion and the estimated costs necessary to make the sale. Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of all categories of inventory is determined using weighted average cost method. The cost is arrived at first in first out basis(FIFO).

IX. REVENUE RECOGNITION

Sale of Goods

Revenue from sale of goods is recognised when significant risks and rewards in respect of ownership of products are transferred to customers. Sale of goods is recognised on dispatch of goods. Sales excludes sales tax / VAT, discounts and returns as applicable.

Sale of Services

Revenue from rendering of services priced on a time and material basis is recognised on rendering of services as per the terms of contracts with customers

Notes Forming Part of Financial Statements for the year ended March 31, 2014

X. INCOME TAX EXPENSE

Income tax expense comprises current tax and deferred tax charge or credit.

Current tax.-The current charge for income taxes is calculated in accordance with the relevant tax Regulations applicable to the Company.

Deferred tax.-Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax consequences of timing differences that originate in the tax holiday period and reverse after the tax holiday period are recognised in the period in which the timing differences originate. Timing differences that originate and reverse within the tax holiday period are not considered for deferred tax purposes. Deferred tax assets are reviewed at each balance sheet date and are written-down or written-up to reflect the amount that is reasonably/virtually certain (as the case maybe) to be realised. Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to set-off assets against liabilities representing current tax.

XI. RESEARCH & DEVELOPMENT

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalized only if:

- Development costs can be measured reliably;
- The product or process is technically and commercially feasible;
- Future economic benefits are probable; and
- The Company intends to and has sufficient resources to complete development and has the ability to use or sell the asset.

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. Since there is no potential; dilutive equity shares hence there is no impact on basic EPS while calculating dilutive EPS.

XIII. SEGMENT REPORTING

In accordance with AS-17 "Segment Reporting", segment information has been given in the consolidated financial statements of Usha General Food Limited (holding company) and therefore no separate disclosure on segment information is given in these financial statements.

XIII. PROVISIONS

A provision is recognized when an company 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 on best estimate basis 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.

XIV. 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.

Notes Forming Part of Financial Statements for the year ended March 31, 2014

NOTE - 2

SHARE CAPITAL

PARTICULARS	As at March 31, 2014 (Rs.)	As at March 31, 2013 (Rs.)
AUTHORISED:		
1,50,00,000 (Previous Year 1,50,00,000) Equity share of Rs 10 each	150,000,000	150,000,000
	150,000,000	150,000,000
ISSUED		
1,35,00,400 (Previous Year 1,35,00,400) Equity shares of Rs 10 each	135,004,000	135,004,000
	135,004,000	135,004,000
SUBSCRIBED AND FULLY PAID		
1,35,00,400 (Previous Year 1,35,00,400) Equity shares of Rs 10 each	135,004,000	135,004,000
TOTAL	135,004,000	135,004,000

2.1

Details of reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2014		As at March 31, 2013	
	No. of shares	Rupees	No. of shares	Rupees
Number of shares outstanding at the beginning of the year	13,500,400	135,004,000	13,500,400	135,004,000
Add: Changes during the year	-	-	-	-
Number of shares outstanding at the end of the year	13,500,400	135,004,000	13,500,400	135,004,000

2.2

The details of Shareholders holding more than 5% equity shares in the company

Name of the Shareholder	As at March31, 2014		As at March31, 2013	
	No of Shares	%	No of Shares	%
Usha General Food Ltd	10000000	74.07	10000000	74.07

2.3 The company has not reserved any equity shares for issue under options and contracts/commitments for sale of shares/disinvestment

2.4 The company for the period of five years immediately preceding the Balance Sheet date has not

- (i) allotted any equity shares as fully paid up pursuant to contract(s) without payment being received in cash
- (ii) allotted any fully paid up shares by way of bonus shares nor has bought back any class of equity shares

2.5 The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders, in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are entitled to receive only the residual assets of the company. The distribution of dividend, if any, is in the proportion to the number of equity shares held by the shareholders.

Notes Forming Part of Financial Statements for the year ended March 31, 2014

NOTE - 3

RESERVES & SURPLUS

Particulars	As At March 31, 2014	As At March 31, 2013
Surplus in the Statement of Profit & Loss - Opening balance	(94,921,548)	(95,344,221)
Add : Profit for the year.	439,757	422,673
TOTAL	(94,481,791)	(94,921,548)

NOTE - 4

OTHER LONG TERM LIABILITIES

PARTICULARS	As At March 31, 2014	As At March 31, 2013
Other - Advance against Projects	-	2,500,000
TOTAL	-	2,500,000

NOTE - 5

OTHER CURRENT LIABILITIES

PARTICULARS	As At March 31, 2014	As At March 31, 2013
Due to Statutory Authorities	11,428	6,943
Accrued Expenses	103,126	97,406
Advance against projects	500,000	-
Other Advances	900,000	-
TOTAL	1,514,554	104,349

NOTE - 6

FIXED ASSETS

(In Rupees)

PARTICULARS	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK	
	As at March 31 2013	Addition/Deletion during the year	As at March 31, 2014	As at March 31, 2013	For the year	Deductions during the year	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
TANGIBLE ASSETS									
COMPUTERS	215,050	-	215,050	196,949	3,931	-	200,880	14,170	18,101
FURNITURE & FIXTURES	16,378	(16,378)	-	16,378	-	16,378	-	-	-
OFFICE EQUIPMENTS	56,340	(56,340)	-	56,340	-	56,340	-	-	-
Total	287,768	(72,718)	215,050	269,667	3,931	72,718	200,880	14,170	18,101
Previous year	287,768	-	287,768	265,736	3,931	-	269,667	18,101	

Notes Forming Part of Financial Statements for the year ended March 31, 2014

NOTE - 7

DEFERRED TAX

PARTICULARS	As at March 31, 2013	Movement During the year (Rs)	As at March 31, 2014
Deferred Tax Asset (Brought forward losses & Un absorbed depreciation)	8,099,272	284,073	7,815,199
Deferred Tax Liability (Timing difference in Fixed assets as per Companies act and Income Tax Act)	3,718	(428)	3,290
Net Deferred Tax Asset/(Liability)	8,095,554	283,645	7,811,909

NOTE - 8

LONG TERM LOANS & ADVANCES

PARTICULARS	As At March 31, 2014	As At March 31, 2013
<u>Unsecured considered good</u>		
Security Deposits	6,575,000	6,575,000
Other Loans and Advances	22,799,083	22,299,083
Prepaid taxes (Net of provision Rs 170293/- (previous year Rs.160936/-)	829,830	802,178
	<u>30,203,913</u>	<u>29,676,261</u>
<u>Unsecured considered doubtful</u>		
Other Loans and Advances	839,214	839,214
	<u>839,214</u>	<u>839,214</u>
Less:-Provision for doubtful advance	839,214	839,214
TOTAL	30,203,913	29,676,261

NOTE - 9

INVENTORIES

PARTICULARS	As At March 31, 2014	As At March 31, 2013
Work In Progress	-	391,012
Stock in Trade	-	95,180
TOTAL	-	486,192

NOTE - 10

TRADE RECEIVABLES

PARTICULARS	As At March 31, 2014	As At March 31, 2013
<u>Unsecured, considered good</u>		
Over six months from the date these were due for payment	3,323,153	1,590,821
Others	-	934,500
TOTAL	3,323,153	2,525,321

Notes Forming Part of Financial Statements for the year ended March 31, 2014

NOTE - 11

CASH AND BANK BALANCES

PARTICULARS	As At March 31, 2014	As At March 31, 2013
Cash on Hand	9,916	6,613
Bank balances		
In Current Accounts	293,697	965,208
In term deposit accounts (Maturity less than 3 months)	-	-
Cash & cash equivalents (A)	303,613	971,821
In Current Accounts	63,065	68,490
In term deposit account (maturity more than 3 months)	-	-
In term deposit account (Maturity more than 12 months)	100,000	100,000
Interest Accrued on Bank FDRs	29,144	20,190
Other bank balances (B)	192,209	188,680
TOTAL	495,822	1,160,500

11.1

Bank Balances of Rs 63065/- under the head other bank balance's (in current account) represents bank accounts seized by statutory authorities.

11.2

Term deposit of Rs 1,00,000/- has been given as security against the bank guarantee submitted to Department of Trade and Taxes Delhi.

NOTE - 12

SHORT TERM LOAN AND ADVANCES

PARTICULARS	As At March 31, 2014	As At March 31, 2013
<u>Unsecured, considered good</u>		
Other Advance	-	500,000
Input VAT	862	862
Prepaid Expenses	43,934	81,010
TOTAL	44,796	581,872

NOTE - 13

REVENUE FROM OPERATIONS

PARTICULARS	For the year ended on March 31, 2014	For the year ended on March 31, 2013
Sale of Products-Steel and other products	10,195,003	8,792,150
Sale of Services- Property Maintenance services	931,000	969,500
TOTAL	11,126,003	9,761,650

NOTE - 14

OTHER INCOME

PARTICULARS	For the year ended on March 31, 2014	For the year ended on March 31, 2013
Interest on term deposit	8,954	8,333
Interest on income tax refund	-	3,009
TOTAL	8,954	11,342

Notes Forming Part of Financial Statements for the year ended March 31, 2014

NOTE - 15

CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

PARTICULARS	For the year ended on March 31, 2014	For the year ended on March 31, 2013
Closing Stock		
Work in Progress	-	391,012
Stock In Trade	-	95,180
		486,192
Opening Stock		
Work in Progress	391,012	816,438
Stock In Trade	95,180	95,180
	486,192	911,618
Decrease/(Increase) In Inventory	486,192	425,426

NOTE - 16

EMPLOYEE BENEFITS EXPENSES

PARTICULARS	For the year ended on March 31, 2014	For the year ended on March 31, 2013
Salaries, wages & bonus	964,027	894,133
Contribution to Provident and other funds	61,737	49,485
Staff Welfare	-	1,169
TOTAL	1,025,764	944,787

NOTE - 17

OTHER EXPENSES

PARTICULARS	For the year ended on March 31, 2014	For the year ended on March 31, 2013
Legal & Professional Exp	222,213	122,393
Payments to Auditor- Audit Fees	28,090	28,090
Travelling and Conveyance Expenses	2,171	49,689
Fee to Stock Exchanges	67,416	68,540
Depository Fee(NSDL & CDSL)	67,416	44,382
Statutory Publication Expenses	121,176	65,791
Printing & Stationery	24,020	12,707
Directors Sitting Fees	17,976	19,483
Postage & Couriers	14,747	16,772
Trade Expenses	20,238	15,937
Bad Debts written off	175,300	197,537
Rent	12,750	2,000
Misc Expenses	22,501	81,950
Prior period expenses (Legal & Professional Expenses)	14,112	-
TOTAL	810,125	725,271

Notes Forming Part of Financial Statements for the year ended March 31, 2014

18. Commitment & Contingent Liabilities:-

a) 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 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 of Rs. 87,19,200/- received by the Company to the said Trust. However, Hon'ble High Court of Delhi 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.

However, the management is of the opinion based on legal advices, that the Company shall not be liable to make any payment to L.G, even the amount of Rs 4,50,000/- shall be recovered by the company from LG Electronics India Pvt. Ltd (LG). Presently Rs 4,50,000/- so transferred to LG Electronics has been shown under the head of Long term Loan and Advances .

(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) has not taken the case till date.

c) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Nil (previous year Nil)

19. Details of the transactions with Related Parties as per the requirements of AS–18 **Related Party Disclosures**’ issued by the Institute of Chartered Accountants of India are as follows:-

SI No.	Name	Nature	Nature of Transaction	Amount(Rs)
1.	M/s Usha General Food Ltd	Holding Co.	NIL	NIL
2.	M/s Marry Gold Steel Co Private Ltd	Holding Co.of holding company	NIL	NIL
3.	Mr Dalip Singh Dasila	Managing Director	Director Remuneration	Rs 4,14,000/-
4.	Mr Sumeer Narain Mathur	Company Secretary	Salary	Rs 6,06,113/-

20. Earning per share As on31.03.2014 As on31.03.2013
- 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 4,39,757 4,22,673
- C) Basic & Diluted Earning per share (Annualised) 0.03 0.03
21. Value of Imports on CIF basis : NIL (P. Year Nil)
22. Details of imported and indigenous raw materials, spare parts, and components consumed
Raw Materials: NIL(P. Year Nil)
Stores & spares: NIL(P. Year Nil)
23. Expenditure in foreign currency: NIL (P Year Nil).
Earning In Foreign currency: NIL (P Year Nil).
24. EMPLOYEE BENEFIT PLAN
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 31.03.2014.
25. Previous year’s figures have been regrouped / rearranged wherever necessary.
26. Figures in brackets denotes negative figures.

FOR SRIVASTAVA KUMAR & CO.
CHARTERED ACCOUNTANTS
(Firm Regn No 011204N)
(M K JAIN)
PARTNER
M NO F-88223

For and on behalf of the Board of Directors

Managing Director : Dalip Singh Dasila
Director : Vishnu Gopal Rajgarhia
Director : Deepak Jalan
Company Secretary : Sumeer Narain Mathur

Place : New Delhi
Date : May 19, 2014

Form No.MGT-11

Proxy Form

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies Act (Management and Administration) Rules, 2014

CIN: L45202UR1991PLC000604

Name of the company: WELLESLEY CORPORATION LIMITED

Registered office: Shop#1, Country Inn, Mehragaon, Bhimtal, Uttarakhand

Name of the member (s):

Registered address:

Email id.

Folio No/Client id ;

DP ID:

I /We, being the member(s) of _____ shares of the above named company, hereby appoint

1. Name:

Address:

Email id:

Signatures _____,or falling him

2. Name:

Address:

Email id:

Signatures _____,or falling him

3. Name:

Address:

Email id:

Signatures _____,or falling him

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the company, to be held on the 19th July,2014at 11:00 A.M at "Country Inn",Bhimtal,Mehragaon,Uttarakhand-248179, and at the any adjournment thereof in respect of such resolutions as are indicated below :

Resolution no:

- 1) Adoption of Financial statements for the year 2013-14
2) Re-appointment of Retiring Director
3) Re-appointment of Statutory Auditors
4) Re-appointment of Retiring Director
5) Regularization of additional director

Signed this ___day of _____2014

Signatures of shareholder

Signatures of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.

Affix Revenue Stamp

Attendance Slip

I certify that I am registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the Annual General Meeting of the Company on July19, 2014 at 11:00A.M. at "Country Inn", Mehragaon, Bhimtal, Uttarakhand.

Clint id/Folio Number _____

Signature of attending Member/Proxy _____

Dear Members,

Subject: Instruction for e-voting

Pursuant to provisions of section 108 of the Companies Act, 2013, read with Companies (Management & Administration) Rules, 2014 the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 23rd Annual General Meeting to be held on Saturday July 19, 2014, at 11:00 A.M. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide e-voting facility .

E-voting facility is available at the link: www.evoting.nsdl.com

The electronic voting details are as under:

EVEN	
Login id	
Password	

The e-voting will be available during the following voting period:-

Commencement of e-voting	End of evoting
00:01 hrs of 11 th July, 2014	23:59 hours of 13 th July, 2014

Please read the following instructions for casting the votes through e-voting mechanism:-



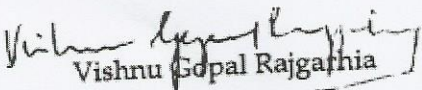
- 1) Please note that the password is an initial password.
- 2) Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>
- 3) Click on "Shareholder - Login".
- 4) Put User ID and password as initial password noted in step (1) above and Click Login.
- 5) Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. In case you are already registered with NSDL you can use your existing login and password.
- 5) Home page of "e-Voting" opens. Click on e-Voting: Active Voting Cycles.
- 6) Select "EVEN" of **WELLESLEY CORPORATION LIMITED**
- 7) Now you are ready for "e-Voting" as "Cast Vote" page opens.
- 8) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted. Kindly note that vote once casted cannot be modified.
- 9) Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc, together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail csdharm@gmail.com.
- 10) During the e- Voting period, shareholders of the Company, holding shares either in physical form or in Dematerialized form, as on the record date may cast their vote electronically. The record date for the purpose of e-voting is May 30, 2014.
- 11) Since the company is required to provide members the facility to cast their vote by electronic means, shareholders of the company holding shares in either physical form or in dematerialized form as on cut off date (record date) of May 30, 2014 and not casting their vote electronically, may only cast their vote at the Annual General Meeting .
- 12) The Company has appointed Mr. Dharmnath Prasad Practicing Company Secretary as the Scrutinizer to count the votes casted in favour or against the resolution proposed for all the items of the Notice as mentioned in the Notice and to comply with the provisions of Section 108 of the Companies Act, 2013. He will submit his report on 18th July, 2014 to the Chairman of the Company and in turn the Chairman will announce the same on the date of Annual General Meeting.
- 13) All the documents referred to in this Notice and explanatory statements are open for Inspection of the members at the registered office of the Company on all working day up to the declaration of the results of the 23rd Annual General Meeting of the Company.

If Undelivered, Please return to:

WELLESLEY CORPORATION LIMITED

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

FORM -A

1.	Name of Company	Wellesley Corporation Limited
2.	Annual Financial statements for the year ended	31 st March,2014
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not applicable.
5a.	CFO/Managing Director	 Dalip Singh Dasila
5b.	Auditor	For Srivastava Kumar & Co Chartered Accountants (Firm Regn. No 011204N)  (S.K. Jain) Partner Membership No 88223
5c.	Chairman of Audit Committee	 Vishnu Gopal Rajgaria