



WELLESLEY
CORPORATION LIMITED

23rd

ANNUAL REPORT

2013-2014

| CONTENTS | |
|---|----|
| Company Information | 1 |
| Notice of AGM | 2 |
| Director's Report | 5 |
| Management Discussion & Analysis Report | 7 |
| Corporate Governance Report | 9 |
| Financial Statements | 20 |

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

BANKERS

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

REGISTERED OFFICEShop# 1, Country Inn, Mehragoan, Bhimtal-248179, Uttarakhand

CORPORATE OFFICEB-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", Mehrauli, 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 re-appointment 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 Narender 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 Narender Modi will create business friendly environment with clear policies, 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 confident 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.

For and on behalf of the Board of Directors

Dalip Singh Dasila
Managing Director

Vishnu Gopal Rajgarhia
Director

New Delhi
May 19, 2014