

## ANNUAL REPORT 2005-2006



**WISEC GLOBAL LIMITED**

## CORPORATE INFORMATION

### Board of Directors

DR. MANOJ KUMAR JAIN	Chairman
DR. ASHOK K. MITTAL	Vice Chairman
SAM D. CAMPBELL	Director
AMAR MITTAL	Alternate Director
K.V S. PRAKASH	Alternate Director
B.B. NAGPAL	Director
S.K. SONI	Director
PROF. K. KANNAN	Director
RAKESH RAMPAUL	Whole Time Director

### Company Secretary

SATISH GOLA

### Auditors

Report Junction.com

SMS & Associates  
16/100, Vikram Vihar, Lajpat Nagar-IV  
New Delhi - 110 024

### Registered Office

B-6/6, COMMERCIAL COMPLEX,  
SAFDARJUNG ENCLAVE,  
NEW DELHI - 110 029

### Registrar and Share Transfer Agent

ALANKIT ASSIGNMENT LIMITED  
2-E/21, ANARKALI MARKET  
JHANDEWALAN EXTENSION  
NEW DELHI - 110 055.

**DIRECTORS' REPORT****To The Members,**

The Directors of your Company present their 13<sup>th</sup> Annual Report, together with the Audited Accounts for year ended on March 31, 2006.

**Financial**

During the year, the Company achieved Income from Operations amounting to Rs. 365.74 Lacs (previous year Rs. 300.90 Lacs). The Profit & Loss Account shows the loss of Rs. 11.44 Lacs (previous year Rs. 19.82 Lacs).

**Dividend**

In view of Company's performance, the Board does not recommend any dividend.

**Operational Update**

The business operations of the Company have grown in the normal course and, therefore, the total business turnover has grown by 21.50% over the previous year. The implementation of the Biotech Pharma Project of the Company at Bhiwadi, Rajasthan has got delayed since the planned means of finance including fresh issue of capital could not be arranged in time. Necessary efforts, however, are being made to expedite the implementation as much as possible within limited resources available at the disposal of the Company.

**Subsidiaries**

As required under Section 212 of the Companies Act, 1956, the audited statements of Accounts, report of the Board of Directors of Envy International Pvt. Ltd., Jalpradeep Securities Limited and Mani Management Consultants Private Limited and respective Auditors' Report thereon are annexed.

**Directors**

Mr. B. B. Nagpal has stepped down as Managing Director of the Company w.e.f. May 08, 2006. In his place Mr. Rakesh Rampaul the Whole Time Director is looking after the day-to-day affairs of the Company under the overall superintendence, control and direction of its Board of Directors.

Mr. Sam D Campbell, Director, will retire by rotation at the forthcoming Annual General Meeting. Since Mr. Sam D. Campbell is not offering himself for re-appointment, the vacancy caused by his retirement is proposed to be filled by the Board of Directors by appointing Shri Amar Mittal as Director of the Company. Shri. Amar Mittal a Chartered Accountant by profession and having vast experience in Accounting and Taxation is currently the Alternate Director of Mr. Sam D. Campbell.

Shri. S. K. Soni and Prof. K. Kannan were appointed as Additional Directors on 30.12.2005 and will hold the office as Additional Director upto the next Annual General Meeting of the Company. Mr. Soni has vast exposure in the field of Banking and Finance retired from Oriental Bank Of Commerce as Chairman and Managing Director and. Prof. K. Kannan is a well known personality in the field of Biotechnology and currently a Professor of Biotechnology in the Guru Gobind Singh Indraprastha University, Delhi. His experience and vast knowledge of Science and Biotechnology will help the Company in future to flourish the Biotechnology business of the Company.

The Board of Directors recommend the candidature of Shri Amar Mittal, Shri S. K. Soni and Prof. K. Kannan for appointment as Directors of the Company for approval at next Annual General Meeting of the Company.

**Auditors and Auditor's Report**

The auditors M/s SMS Associates, Chartered Accountants hold office until the conclusion of ensuing Annual General Meeting and are recommended for re-appointment. The certificate from auditors Under Section 224 (1B) of the Companies Act, 1956, has been received. Observations made in the Auditor's Report are self explanatory and therefore, do not call for any further explanation.

**Public Deposits**

During the year under review, the Company did not accept any deposits but it rather refunded Rs. 2.02 Lacs to the deposit holders. The deposits aggregating Rs. 86.76 Lacs were over due on 31.03.2006, mostly comprising the depositors who are not covered, under CLB Directions / Order of Consumer and Other Courts. Legal claims made against the Company in terms of various directions by the Hon'ble Company Law Board (CLB) from time

to time and the orders of Consumer Courts and other Courts have been complied. The claims of remaining depositors are also being gradually honoured as and when the demand is raised by the said depositors on the Company.

The Directors are making vigorous efforts including realization of old business assets and internal accruals to pay back the deposits and whosoever approaches the company is being immediately settled. The Directors proposes to take appropriate steps for repayment to the each depositor

### **Statutory Disclosures**

Additional information on conservation of energy, technology absorption as required to be disclosed in terms of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988, are not applicable as the Company is a non manufacturing Company.

There is no foreign earning and outgo during the year.

There are no employees in respect of whom information required under Section 217 (2A) of the Companies Act, 1956 relating to the Companies (Particulars of Employees) Rules 1975, is applicable.

### **Responsibility Statement**

The Board of Directors of the Company confirms in respect of the financial year under review that:

- I. in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- II. the selected accounting policies were applied consistently and the Directors 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 as at March 31, 2006 and of the profit of the Company for the year ended on that date;
- III. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- IV. the annual accounts have been prepared on a going concern basis.

### **Corporate Governance**

As per Clause 49 of the Listing Agreement with Stock Exchange a Management Discussion and Analysis is annexed to this report. A report on Corporate Governance together with Auditors Certificate regarding the compliance of conditions of Corporate Governance forms part of the Annual Report.

### **Acknowledgement**

The Directors place on record their appreciation for the cooperation and support extended by the bankers, clients, distributors and members of the Company. The Directors also thank the employees for their sincere efforts and hard work.

**For and on behalf of the Board of Directors**

New Delhi  
Date : 20.06.2006

**Dr. Ashok K. Mittal**  
Vice Chairman

**ANNEXURE TO THE DIRECTORS' REPORT****Management Discussion & Analysis Report (MDAR)****Industry Structure and development**

So far in the country, the focus in health related matter has been to the eradication of major communicable diseases such as small pox, malaria, polio, hepatitis etc. Recently AIDS control programme has been added to the Government agenda. After having achieved major success in these programmes, the focus is now being shifted to other therapies. Effective wound care and better wound management is one such area, which has started attracting the attention of physicians for better patient care. This will result in substitution of traditional wound care products with third generation products developed using advanced technologies.

**Opportunities**

Collagen has since long been hailed as one of the best wound healing products but until a few years ago, the process of purification of collagen obtained from bovine source was confined to laboratory scale only since no technology was available which would produce collagen at commercial scale and which would also be cost effective. BioCore Medical Technologies Inc. U.S.A. through its extensive R&D efforts has achieved a major breakthrough in developing their Kollagen™ technology which is cost effective and gives natural collagen to the human body for wound healing.

**Outlook / risks and concerns**

No proper attention is being given to wound management to ensure better patient care, lesser healing time and efficient wound closure. In most of the cases wounds are being treated in the traditional manner requiring longer period in wound healing. This delay in healing process results in wound infection, inadequate tissue repair and improper closure of wounds having infection underneath. Therefore, country really needs a product, which is versatile, cost effective, which is easy to apply and have better healing qualities.

**Internal Control Systems and their adequacy**

The Company has strong internal control systems, commensurate with its size, in all financial and functional areas.

**Material Development in Human Resources / Industrial Relations front, including number of employees employed**

The Company believes that human resources and industrial relations are at the core of its business strategy. Participation at all levels is encouraged through suggestion schemes and other means. Industrial relations continue to be harmonious and positive. As a result, employee motivation is high and turnover low.

The total number of employees as on March 31, 2006 was 543.

## CORPORATE GOVERNANCE REPORT

## I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

WISEC believes in the principle of good Corporate Governance in pursuit of overall excellence over the years. Corporate Governance at WISEC does not only mean ensuring compliance with regulatory requirements, but also being responsive to the aspirations of customers and expectations of the society. Here, the customer has never been only a buyer, but every constituent that interacts with the Company, including its shareholders. It always strives for excellence in quality of goods and services with the twin objective of enhancing customer satisfaction and shareholders value.

## II. BOARD OF DIRECTORS

The present Board of Director comprises of 8 members inclusive of 2 Alternate Director. It includes Chairman, Managing Director, one whole time Director and five non-executive independent Directors. This accounts for 75% of the Board strength as against the requirement of 50% as per the Listing Agreements. The non-executive independent Directors are eminent professionals with experience in business and industry, finance and public enterprises.

The Directors do not have any pecuniary relationship with the Company except to the extent of the following:

- (a) In case of Whole Time Director - Remuneration as per the terms of appointment and reimbursement of expenses actually incurred.
- (b) In case on Non-Executive Independent Directors - Payment of Sitting Fees  
Rs. 2,500/- for each Board Meeting attended by the Director

## A. Composition of the Board of Directors as on 31.03.2006

Name of the Directors	Designation	Executive / Non-Executive / Independent	No. of other directorship in Public Limited Companies	No. of other Board Committee of which Member/ Chairman
Dr. Manoj Kumar Jain	Chairman	Non-Executive	-	-
Dr. Ashok Mittal	Vice- Chairman	Non-Executive/ Indp.	1	Audit
Mr. Sam D. Campbell	Director	Non Executive /Indp.	NIL	-
Mr. B. B. Nagpal	Managing Director	Executive	-	Shareholder
Mr. Rakesh Rampaul	Whole time Director	Executive	2	Shareholder
Mr. Ashok K. Jain*1	Alternate Director	Non-Executive/ Indp.	-	Audit
Mr. Amar Mittal	Alternate Director	Non-Executive	-	Audit
Mr. K.V.S. Prakash*2	Alternate Director	Non-Executive /Indp	-	-
Mr. S. K. Soni*3	Additional Director	Non-Executive	1	-
Prof. K. Kannan*3	Additional Director	Non-Executive	NIL	-

\*1 was Alternate Director upto July 7, 2005

\*2 was appointed as Alternate Director from July 7, 2005

\*3 were appointed as Additional Director from December 30, 2005

As stipulated under clause 49 of the Listing Agreement, none of the Directors is a member of more than 10 Board-Level Committees of Public Companies in which they are Directors or is Chairman of more than five such committees.

**B. DETAILS OF DIRECTORS BEING APPOINTED**

Information in case of appointment of Directors as required under Listing Agreement

Shri S. K. Soni, Prof. K. Kannan and Shri Amar Mittal are proposed to appoint as Director of the Company. A brief resume and other information as required under clause 49(VI)(9) of the Listing Agreement in respect of the above named Directors is given as under.

Shri. S. K. Soni has vast exposure in the field of Banking and Finance retired from Oriental Bank Of Commerce as Chairman and Managing Director.

Prof. K. Kannan is a well known personality in the field of Biotechnology and currently a Professor of Biotechnology in the Guru Gobind Singh Indraprastha University, Delhi. His experience and vast knowledge of Science and Biotechnology will help the Company in future to flourish the Biotechnology business of the Company.

Shri. Amar Mittal a Chartered Accountant by profession and having vast experience in Accounting and Taxation.

**C. ATTENDANCE OF THE DIRECTORS AT THE MEETINGS OF THE BOARD ANNUAL GENERAL MEETING.**

Eleven Board Meetings were held during the year 2005-06 i.e., on 24.06.2005, 07.07.2005, 26.07.2005, 30.07.2005, 27.08.2005, 30.09.2005, 14.10.2005, 21.10.2005, 29.10.2005 30.12.2005, 31.01.2006. The frequency and quorum etc. at these meetings were in conformity with the provisions of the Companies Act, 1956.

The Annual General Meetings was held on 30.09.2005 at New Delhi.

The attendance of Directors at Board Meetings and at the previous Annual General Meeting is as under:

<b>Name of the Directors</b>	<b>Number of Board Meetings attended during the period 1<sup>st</sup> April 05 to 31<sup>st</sup> March, 06</b>	<b>Whether present at the previous AGM</b>
Dr. Manoj Kumar Jain	1	No
Dr. Ashok Mittal	9	Yes
Mr. Sam D. Campbell	NIL	No
Mr. B. B. Nagpal	10	Yes
Mr. Rakesh Rampaul	11	Yes
Mr. Ashok K. Jain	NIL	No
Mr. Amar Mittal	11	Yes
Mr. K.V.S. Prakash	NIL	No
Mr. S. K. Soni	1	No
Prof. K. Kannan	1	No

**III. REMUNERATION OF DIRECTORS**

The remuneration to Executive / Whole Time Directors is determined by the Board of Directors (as there is no remuneration committee) and approved by the Shareholders. No remuneration is paid to the Non – Executive Directors except the sitting fee of Rs. 2,500/- for each meeting they attended. The remuneration paid to each Director during the period from 1<sup>st</sup> April 2005 to 31<sup>st</sup> March 2006 is as under:

Name of Director	Salary	Perquisites	Sitting Fee	Total Remuneration
Mr. B. B. Nagpal	Rs. 12.96 lacs	-	-	Rs. 12.96 lacs
Mr. Rakesh Rampaul	Rs. 4.70 lacs	-	-	Rs. 4.70 lacs
Dr. Ashok K. Mittal	-	-	Rs. 2,500/-	Rs. 2,500/-
Mr. S. K. Soni	-	-	Rs. 2,500/-	Rs. 2,500/-
Prof. K. Kannan	-	-	Rs. 2,500/-	Rs. 2,500/-
Mr. Amar Mittal	-	-	Rs. 2,500/-	Rs. 2,500/-

#### IV. COMMITTEE OF THE BOARD

##### A. Audit Committee

a) Audit Committee comprises three independent Directors

i) Dr. Ashok K. Mittal

ii) Mr. Amar Mittal

iii) Mr. K. V. S. Prakash

b) Audit Committee meetings were held on 24.06.2005, 30.07.2005, 30.09.2005, and 31.01.2006 were attended by Dr. Ashok K. Mittal, and Mr. Amar Mittal.

##### B. Investors' Grievance Committee

The Investors' Grievance Committee comprises of three Company Directors, viz. Dr. Ashok K. Mittal, Shri B. B. Nagpal, and Shri Rakesh Rampaul as members. The Board has also appointed the Company Secretary of the Company as the compliance officer of the Committee.

During the year 2005-06, complaints were received from the shareholders / investors and those were resolved to the satisfaction of the complainants.

The shareholders' complaints are being disposed off within one month. Further no securities were pending for transfer or for dematerialise.

##### C. Remuneration Committee

WISEC does not have a formal remuneration committee. However, all decisions regarding the remuneration of Whole Time Director is taken by the Board of Directors subject to approval from Shareholders at General Meeting and Central Government, wherever required as per the provisions of Companies Act, 1956. Non-Executive Directors are being paid sitting fee each meeting the have attended.

#### V. SHARE TRANSFER

Since the Company's shares are compulsory traded in the demat segment on the Stock Exchanges, bulk of the transfers take place in the electronic form.

For expediting physical transfers, the Company has appointed a common agency, M/s Alankit Assignments Ltd. for demat as well as physical transfers. The Board has delegated share transfer function to the Share Transfer Committee. Physical transfers are effected well within the statutory period of one month. The Board has designated the Company Secretary as the Compliance Officer.



**A. Details of share transfer during 2005-06**

i)	Number of Transfers (Physical)	143
ii)	Average Number of Transfers per Month (Physical)	12
iii)	Number of shares transferred (Physical)	356300
iv)	Average Number of Shares transferred per month (Physical)	29692
v)	Number of Transfers (Demat)	325
vi)	Average Number of Transfers per Month (Demat)	27
vii)	Number of shares transferred (Demat)	2391700
viii)	Average Number of Shares transferred per month (Demat)	199300
ix)	Number of pending share transfers (as at 31.03.2003)	NIL

**B. Share holding pattern as on 31<sup>st</sup> March, 2006**

Category		No. of shares held	Percentage of shareholding
<b>A. Promoter's holding</b>			
1.	Promoters*		
	- Indian Promoters	10,00,000	8.58
	- Foreign Promoters	40,50,000	34.77
2.	Persons acting in concert	-	-
<b>Sub-Total</b>		<b>50,50,000</b>	<b>43.35</b>
<b>B. Non-Promoters Holding</b>			
3.	<b>Institutional Investors</b>	-	-
a.	Mutual Funds and UTI	-	-
b.	Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions / Non-government Institutions)	-	-
c.	FIs	-	-
<b>Sub-Total</b>		<b>-</b>	<b>-</b>
4.	<b>Others</b>		
a.	Private Corporate Bodies	41,92,170	35.99
b.	Indian Public	20,47,030	17.56
c.	NRIs/OCBs	3,60,900	3.10
d.	Any other (please specify)		
<b>Sub-Total</b>		<b>66,00,100</b>	<b>56.65</b>
<b>GRAND TOTAL...</b>		<b>1,16,50,100</b>	<b>100.0</b>

**C. Distribution of share holding as at 31<sup>st</sup> March, 2006**

No. of Shares	No. of Shares held	%	In physical	In Demat	Total	%
1 100	3074	77.372	267397	29917	297314	2.552
101 500	388	9.766	67050	44692	111742	0.959
501 1000	303	7.626	153400	75045	228445	1.961
1001 5000	134	3.373	95040	205563	300603	2.580
5001 10000	17	0.428	55200	75700	130900	1.124
10001 20000	17	0.428	84800	162155	246955	2.120
20001 30000	7	0.176	151000	26507	177507	1.524
30001 40000	3	0.076	32500	68189	100689	0.864
40001 50000	6	0.151	240700	40390	281090	2.413
50001 100000	11	0.277	369300	429443	798743	6.856
100001 500000	9	0.227	736550	889562	1626112	13.958
500001 above	4	0.101	6350000	1000000	7350000	63.090
	3973	100	8602937	3047163	11650100	100

**VI. SHAREHODER INFORMATION****1. 13<sup>th</sup> Annual General Meeting (to be held)**Date : 29<sup>th</sup> September, 2006

Time : 10:00 AM

Venue : Arya Samaj Mandir, Behind W Block, Green Park, New Delhi – 110 016

**2. Date of Book Closure**

27/09/06 to 29/09/06 (both days inclusive) for Annual General Meeting for the year 2005-06.

**3. Financial Calendar of the Company for 2006-07**

The Financial Year covers the April, 1 to March, 31

Quarterly results for

- |   |   |                      |
|---|---|----------------------|
| (a) 1 <sup>st</sup> Quarter ending June 30, 2006        | - | before end July 2006 |
| (b) Half year ending Sept. 30, 2006                     | - | before end Oct. 2006 |
| (c) 3 <sup>rd</sup> Quarter ending Dec. 31, 2006        | - | before end Jan. 2007 |
| (d) Audited yearly results for the year ending March 31 | - | before end June 2007 |

Note: The above dates are indicative.

**4. Registered Office**B-6/6, Commercial Complex,  
Safdarjung Enclave, New Delhi – 110 029.**5. Listing of Equity Shares on Stock Exchanges**

The Company's shares are listed on the Bombay Stock Exchange Limited, Mumbai.

The required listing fees have been paid for the year 2006-07.