

# INVICTA MEDITEK LIMITED

**2006 - 2007**

**CERTIFIED TRUE COPY**

**For INVICTA MEDITEK LIMITED**

  
**Authorised Signatory**

**15<sup>th</sup> Annual Report**

Director

Director

Director

Director

**REGISTERED OFFICE**

No.290, SIDCO Industrial Estate,  
Ambattur,  
Chennai - 600 098.

## BANKERS

ABN AMRO BANK  
STATE BANK OF INDIA

## AUDITORS

M/s. P.B. VIJAYRAGHAVAN & CO.  
CHARTERED ACCOUNTANTS,  
CHENNAI.

**REGISTRAR & SHARE TRANSFER  
AGENTS**

M/s. CAMEO CORPORATE SERVICES LTD.  
No.1, "Subramaniam Building"  
Club House Road, Chennai - 600 002.

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**NOTICE**

Notice is hereby given that the 15<sup>th</sup> ANNUAL GENERAL MEETING of the shareholders of M/S INVICTA MEDITEK LIMITED will be held at NO.290, SIDCO INDUSTRIAL ESTATE, AMBATTUR, CHENNAI 600098, on Wednesday, the 6th day of June 2007 at 10:30 A.M to transact the following business.

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Balance Sheet of the Company as on 31st March 2007 and the Profit and Loss Account of the Company for the year ended that date together with the Directors' Report and Auditors' reports thereon.
2. To appoint a director in place of Mr. M.R. Sathish Kumar, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a director in place of Mr. Abhilash Mayur, who retires by rotation and being eligible offers himself for reappointment
4. To appoint Statutory Auditors and fix their remuneration M/s. P.B. Vijayaraghavan & Co., Chartered Accountants, Chennai, the retiring statutory auditors of the Company who are eligible for reappointment

**SPECIAL BUSINESS**

5. To consider and if thought fit, to pass with or without modifications as an ordinary resolution the following:

RESOLVED that Mr. V.K.Murugesan appointed as an additional director of the Company with effect from 4th April 2007 by the Board of Directors be and is hereby appointed as a Director of the company liable to retire by rotation, requisite notice under Section 257 of the Companies Act, 1956 having been received for this purpose.

RESOLVED that in accordance with the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions of the Companies Act, 1956 approval be and is hereby accorded for the appointment of Mr. V.K.Murugesan as Whole- time Director of the company with the designation as "Vice President – Operations" or such other designation as may be determined by the Board from time to time, for a period of three years from 4th April 2007 to 3rd April 2010 on the remuneration and other terms and conditions set out in the Explanatory Statement attached to the Notice

RESOLVED that the Board be and is hereby authorized to increase, vary or amend the remuneration and other terms of the appointment from time to time subject to approval by the Remuneration Committee provided that such revised remuneration shall also be in conformity with and within the ceiling of Part II of Schedule XIII to the Companies Act, 1956 as stipulated from time to time and other applicable Government guidelines on managerial remuneration.

6. To consider and if thought fit, to pass with or without modifications the resolution as a Special resolution:

"RESOLVED that pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification, of re-enactment thereof for the time being in force) and subject to the provisions of the Memorandum of Association and Articles of Association of the company, the listing agreements entered into by the company with the stock exchanges where the equity shares of the company are listed and guidelines for preferential issues issued by the Securities and Exchange Board of India ("SEBI") under Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 ("SEBI Preferential Issue Guidelines") and other applicable rules, regulations, clarifications and/or guidelines, if any, of SEBI and such other authorities as may be applicable and as amended till date and subject to the requisite Reserve Bank of India, stock exchanges, SEBI, bank and financial institutions and any other appropriate authorities, institutions, bodies under any other time being and from time to time in force and further subject to such terms, conditions, stipulations and modifications as may be prescribed, imposed or suggested by any of them while granting such approvals which the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any duly authorised committee thereof for the time being and from time to time, to which all or any of the

## ALLOTMENT BY ISSUE OF EQUITY SHARES

| Sl. No.      | Name                        | No. of shares    | Nationality         |
|--------------|-----------------------------|------------------|---------------------|
| 1            | Michael Joseph Sullivan     | 276,667          | Foreign Citizen     |
| 2            | Paul Murphy                 | 69,167           | Foreign Citizen     |
| 3            | Vinoo Nedungadan            | 55,333           | Foreign Citizen     |
| 4            | Mark Brian Wright           | 41,500           | Foreign Citizen     |
| 5            | Ravi Thummarakudy           | 69,167           | Foreign Citizen     |
| 6            | Reid Hanson                 | 55,333           | Foreign Citizen     |
| 7            | Brian Boisseree             | 276,667          | Foreign Citizen     |
| 8            | Michael Miller              | 69,167           | Foreign Citizen     |
| 9            | Dr Murali Dharan            | 69,167           | Foreign Citizen     |
| 10           | Patrick Carroll             | 34,583           | Foreign Citizen     |
| 11           | Dr. Ravi Sethi              | 69,167           | Foreign Citizen     |
| 12           | Viswanathan Chandrasekharan | 34,583           | Foreign Citizen     |
| 13           | Dr. Ashit                   | 69,167           | Foreign Citizen     |
| 14           | Dr. Roger Lucero            | 83,000           | Foreign Citizen     |
| 15           | Dr. Sreekumar               | 96,833           | Non-Resident Indian |
| 16           | Jayaram Achuthan Kutty      | 41,500           | Non-Resident Indian |
| 17           | Ashok Krishnan              | 69,167           | Non-Resident Indian |
| <b>TOTAL</b> |                             | <b>1,480,168</b> |                     |

Up to 14,80,168 equity shares of Rs.10 each at a price of Rs.15 per share (i.e. Rs.10 on Capital account and Rs.5 on Premium account) of an amount not exceeding Rs. 22,202,520 (Rupees Twenty Two Million Two Hundred and Two Thousands Five Hundred and Twenty Rupees only) in the aggregate (the "Equity Shares") which price is calculated in accordance with the SEBI, Preferential Issue Guidelines with 6<sup>th</sup> May 2007 being the relevant date i.e. the date 30 days prior to the date of Annual General Meeting of the company where the proposed issue is to be considered (the 'Relevant Date') and shall be payable on or before the date of allotment, on such other terms and conditions as may be deemed appropriate by the Board.

RESOLVED FURTHER THAT the Equity Shares shall be issued and allotted within a period of fifteen (15 days) from the date of passing of this Special Resolution provided that where the allotment of the Equity Shares is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of fifteen (15) days from the date of such approval or such other extended period as may be permitted under the applicable SEBI Preferential Issue Guidelines as amended from time to time.

RESOLVED FURTHER THAT the Equity Shares shall be issued and allotted shall rank pari passu in all respects with the then existing equity shares of the company.

RESOLVED FURTHER THAT the Equity Shares to be issued and allotted shall be subject to lock-in of a total period of one year from the date of allotment of the equity shares or such other period as may be applicable under the applicable SEBI Preferential Issue Guidelines as amended from time to time.

RESOLVED FURTHER THAT for the purpose of creating, issuing, offering and allotting the Equity Shares of the company as aforesaid, the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, desirable or appropriate to give effect to this resolution in all respects and for matters connected therewith or incidental thereto, including in particular to settle any questions, difficulties or doubts that may arise with regard to creating, offering, issuing, allotting the Equity Shares and utilizing the issue proceeds of the Equity Shares, as it may in its absolute discretion, deem fit and proper.

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 and subject to the regulations/rules/guidelines issued by the Securities and Exchange Board of India (SEBI), Listing Agreement entered into with the Stock Exchanges and consents and approvals of all other concerned authorities, if any, and subject to such conditions and modifications as may be considered appropriate by the Board of Directors of the Company (hereinafter referred to as "Board" which term shall be deemed to include any committee thereof for the time being, to which all or any powers hereby conferred on the Board by this resolution, have been delegated) consent of the Company be and is hereby accorded to the Board with power to delegate all or any of the powers conferred to any committee thereof to offer, issue allot and deliver in one or more tranches on a preferential basis 747,000 (Seven Hundred and Forty Seven Thousand Only) warrants on preferential basis, convertible into 747,000 equity shares of the Company of the face value of Rs.10/- each, for cash which shall upon conversion rank pari-passu with the existing equity shares of the Company, to Promoters, in such form and manner and upon such terms and conditions as the Board may in its absolute discretion deem fit, at a price not exceeding Rs 15 and the relevant date for calculating the SEBI price being 5<sup>th</sup> May 2007, to the following persons"

#### ALLOTMENT BY ISSUE OF SHARE WARRANTS

| Sl. No. | Name           | No. of shares   | Nationality     |
|---------|----------------|-----------------|-----------------|
| 1       | Abhilash Mayur | 553,333         | Foreign Citizen |
| 2       | T. Ratnakumar  | 193,667         | Indian Citizen  |
|         | <b>TOTAL</b>   | <b>747, 000</b> |                 |

FURTHER RESOLVED THAT each warrant be convertible into one equity share(s) within a period of eighteen months from the date of its allotment and on such other terms and conditions, subject to SEBI (Disclosure and Investor Protection) Guidelines, 2000, as may be applicable, from time to time.

RESOLVED FURTHER THAT the Board be and are hereby authorized to do all such acts, deeds and things as may be necessary to give effect to this resolution and accept any alteration(s) or amendment(s) or corrections as they may deem fit and appropriate and give such directions/instructions as may be necessary to settle any questions, difficulties or doubts that may arise in regard to the offer, issue or allotment of the said securities and also to seek listing of such securities at the Stock Exchanges where the existing securities are listed."

8. To consider and if thought fit, to pass with or without modifications the following resolution as a Special resolution:

"RESOLVED that pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (the Act), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as "SEBI Guidelines") or any statutory modification(s) or re-enactment of the Act or the SEBI guidelines, provisions of any other applicable laws or regulations and listing agreement(s) entered into by the Company with the stock exchanges where the securities of the Company are listed and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions or modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and which may be agreed to and accepted by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the ESOPs Compensation Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), consent of the Company be and is hereby accorded to the introduction of the "INVICTA EMPLOYEES STOCK OPTION PLAN 2007" (hereinafter referred to as the "IESOP - 2007") or the Scheme, the salient features of which are furnished in the Explanatory Statement to the Notice and the consent of the Company be and is hereby accorded to the Board to create, grant, offer, issue and allot at any time to or to the benefit of such person(s) who are in permanent employment of the Company in the management cadre, whether working in India or out of India, including any Managing / Whole time Director of the Company (hereinafter referred to collectively as the "employees") as are proposed to be covered in the Scheme, options exercisable into not more than 6,00,000 Equity shares of Rs.10/-

**INVICTA MEDITEK LIMITED**

each of the Company, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant authority (ies).

RESOLVED FURTHER THAT without prejudice to the generality of the above but subject to the terms as approved by the Members, the Board be and is hereby authorised to formulate a Scheme including terms relating to eligibility of the employees under the Scheme, to grant the options under the Scheme (detailing the terms of the option) at such time or times as it may decide in its absolute discretion and is also authorised to determine, in its absolute discretion, as to when the said equity shares are to be issued, the number of shares to be issued in each tranche, the terms or combination of terms subject to which the said shares are to be issued (including the combination of terms for shares issued at various points of time), the conditions under which option vested in employees may lapse, terms relating to specified time within which the employee should exercise his option in the event of his termination or resignation, terms relating to dividend on the shares to be issued and all such other terms as could be applicable to the offerings of similar nature.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger, demerger, amalgamation, sale of division and any other form of corporate restructuring, if any additional equity shares are issued by the Company to the Option Grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 600,000 equity shares of Rs.10/- each shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot equity shares upon exercise of options from time to time in accordance with the Scheme and such equity shares shall rank pari passu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the Option Grantees under the Scheme shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs.10/- per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for listing of the securities allotted under the Scheme on the stock exchanges where the securities of the Company are listed as per the provisions of the listing agreement with the concerned stock exchanges, the SEBI guidelines and other applicable laws and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle all questions, difficulties or doubts that may arise in relation to the formulation and implementation of the scheme at any stage including at the time of listing of the securities issued herein without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to make modifications, changes, variations, alterations or revisions in the Scheme as it may deem fit, from time to time in conformity with the provisions of the Act, the Memorandum and Articles of Association of the Company, SEBI Guidelines and any other applicable laws unless such variation, amendment, modification or alteration is detrimental to the interest of the present and future employees of the Company

**9. To consider and if thought fit, to pass with or without modifications the following resolution as a Special resolution:**

"RESOLVED that pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (the Act), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as "SEBI Guidelines") or any statutory modification(s) or re-enactment of the Act or the SEBI guidelines, the provisions of any other applicable laws and regulations and listing agreement(s) entered into by the Company with the stock exchanges where the securities of the Company are listed and subject to such other



approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and which may be agreed to and accepted by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the ESOPs Compensation Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), the consent of the Company be and is hereby accorded to the Board, to extend the coverage of the "Employee Stock Option Scheme - 2007" referred to in the resolution under item No.7 of this Notice, also to such permanent employees of the holding and/or subsidiary company(ies), in the management cadre whether working in India or out of India and managing / whole time director(s) of the holding and/or subsidiary company(ies), as may be decided by the Board and/or such other persons, as may from time to time, be allowed under prevailing laws and regulations on such terms and conditions as may be decided by the Board.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle any questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of the securities without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution

On behalf of the Board

Place : Chennai

For INVICTA MEDITEK LIMITED

Date : 07/05/2007

Sd/-

**M.R. SATHISH KUMAR**  
DIRECTOR

#### NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and proxy need not be a member.
2. The proxies should be lodged with the company not later than 48 hours before the time fixed for the commencement of the meeting
3. Members are requested to notify change of address, if any, to the company.
4. The Registrar of Members and Share Transfer Books of the Company shall remain closed from 5<sup>th</sup> June 2007 to 6<sup>th</sup> June 2007 (Both days inclusive).
5. Members desiring to have any clarification on account are requested to write to the company at an early date so as to enable to keep the Company keep the information ready.
6. Members/ Proxies should bring the attendance slip duly filled in for attending the meeting.
7. Members are requested to inform the Company their Income Tax Permanent Number (PAN) / General Index Register Number (GIR), if any allotted to them by the Income Tax Department and the particulars of their Bank Account, in case the same have not been sent earlier.
8. Members are hereby informed that the Company has its own-in-house registry and handles share transfers, transmission etc. and therefore the shareholders are requested to send their share certificates for transfer to the Registered Office of the Company.
9. Members holding shares in physical form and desirous in making a nomination in respect of their shareholding in the Company, as permitted under section 109A of the company the prescribed Form 2B, which is attached for this purpose.

Account No :

No of Shares :

**FORM 2B****NOMINATION FORM****(To be filled in by the Individual(s) applying singly or jointly)**

I/We \_\_\_\_\_ and \_\_\_\_\_ and \_\_\_\_\_ the holders of shares \_\_\_\_\_ bearing number(s) \_\_\_\_\_ of INVICTA MEDITEK LIMITED wish to make a nomination and do hereby nominate the following person(s) in whom all rights of transfer and/or amount payable in respect of shares shall vests in the event of my or our death.

**Name and Address of Nominee**

|                        |  |
|------------------------|--|
| <b>Name</b>            |  |
|                        |  |
|                        |  |
|                        |  |
| <b>Date of Birth *</b> |  |

**(\*\* to be furnished in case the nominee is minor)****\*\* The Nominee is a minor whose guardian is**

|                |  |
|----------------|--|
| <b>Name</b>    |  |
| <b>Address</b> |  |
|                |  |
|                |  |
|                |  |

**(\*\* to be deleted if not applicable)**

|                     |  |
|---------------------|--|
| <b>1. Signature</b> |  |
| <b>Name</b>         |  |
| <b>Address</b>      |  |
| <b>Date</b>         |  |

|                     |  |
|---------------------|--|
| <b>2. Signature</b> |  |
| <b>Name</b>         |  |
| <b>Address</b>      |  |
| <b>Date</b>         |  |

|                     |  |
|---------------------|--|
| <b>3. Signature</b> |  |
| <b>Name</b>         |  |
| <b>Address</b>      |  |
| <b>Date</b>         |  |



**Name, Address and Signature of two Witness****Name and Address****Signature with date**

1.

2.

**Instruction**

1. The nomination can be made by individuals only applying/ holding shares on their own behalf singly or jointly. Non-individuals including trust, society, body corporate, partnership firm, karta of Hindu Undivided Family or a Power of Attorney holder can not nominate. If the shares held jointly, all joint holders will sign the nomination form. Space is provided as a specimen, if there are more joint holders more sheets can be added for signatures of holders of shares and witness.
2. A minor can be nominated by a holder of shares and in that event, the name and address of the guardian shall be given by the holder.
3. The nominee shall not be a trust, society, body corporate, partnership firm, karta of Hindu Undivided Family or a Power of Attorney holder. A non-resident Indian can be a nominee on repatriable basis.
4. Nomination stands rescinded upon transfer of shares.
5. Transfer of shares in favour of a nominee shall be valid discharge by the Company against the legal heir.
6. The Nomination Form shall be filed in duplicate with the Registered office of the Company No. 290 SIDCO Industrial Estate, Ambattur, Chennai 600 098 which will return one copy thereof to the Shareholder.

**FOR OFFICE USE ONLY****Nomination Registration Number****Date of Registration****Checked by(Name and Signature)**

**INFORMATION PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT IN RESPECT OF PROPOSED RE-APPOINTMENT OF DIRECTORS.**

M.R. Sathish Kumar, aged 40 years is presently occupying the position of the Directorship of the Company and also holds membership of the committees of the Directors of the Company.

The particulars in respect of M.R. Sathish Kumar, Directorship and Committee Membership in other Companies are as follows: -

| Directorship in other Companies | Committee Membership in other Companies |
|---------------------------------|---|
| NA                              | NA                                      |

Mr. Abhilash Mayur, aged 39 years is presently occupying the position of the Directorship of the Company and also holds membership of the committees of the Directors of the Company.

The particulars in respect of Mr. Abhilash Mayur, Directorship and Committee Membership in other Companies are as follows:

| Directorship in other Companies | Committee Membership in other Companies |
|---------------------------------|---|
| NA                              | NA                                      |

Explanatory statement as required by section 173(2) of the Companies Act, 1956.

Item no. 5

Mr V.K.Murugesan was elevated to the Board as an additional director of the company, with effect from 4th April 2007 by the Board of Directors vide resolution passed at their meeting held on 4<sup>th</sup> April 2007. He is liable to retire by rotation for which relevant notice under section 257 of the Companies Act, 1956 together with cash deposit has been received.

Mr.V.K. Murugesan was appointed by the Board as Whole time Director with the Designation 'Vice President - Operations on the following terms as approved by the Remuneration Committee:

|                         |  |
|-------------------------|--|
| I. Tenure               | : 04.04.2007 to 03.04.2010   |
| II. Salary              | : Rupees 29,884 per month  |
| III. Commission         | : Nil  |
| IV. Perquisites         | : Perquisites shall be restricted to an amount equal to the annual salary. Contribution to Provident Fund, Super-annuation Fund, Gratuity Scheme and Leave Encashment shall however be excluded in reckoning the said ceiling. |
| V. Minimum Remuneration | : In the event of loss or inadequacy of profits in any financial year, remuneration as above shall be paid as Minimum Remuneration. No commission however is payable in such a year.   |

Note: Profit for purpose of managerial remuneration shall be as per computation under Section 349 and 350 of the Companies Act, 1956.

Mr.V.K.Murugesan has more than 15 years of experience in engineering and product development. He has also managed the entire operations of IMEL since its inception. He has to his credit the development of the Madras knee. His experience in the field of bio-mechanics has enabled him to transfer technology and modify the designs to suit the manufacturing methodologies used in India. Mr. V.K. Murugesan has been instrumental in managing the development of the new manufacturing processes. He has completed the entire development and manufacture of the new products that are the product roadmap. Prior to the takeover of IMEL, Murugesan has managed all aspects of the business. Mr. V.K. Murugesan has earned his Batchelor's degree in Mechanical Engineering from the Bharathiar University, Coimbatore, India.

The terms of appointment of Mr.V.K.Murugesan are well within the ceiling stipulated under Schedule XIII of the Companies Act, 1956 and hence do not require the approval of the Central Government. In terms of Part III of the said Schedule, the remuneration as above has been approved by the Remuneration Committee of the Board of Directors and the terms of appointment are subject to the approval by a resolution of the shareholders in a