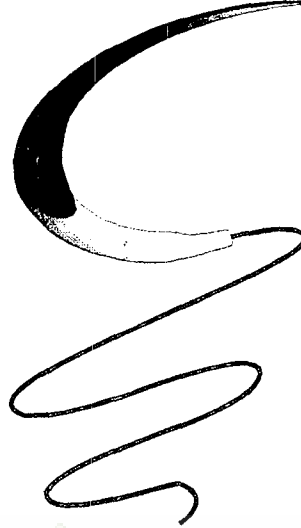


MD	✓	PKC	MA
CS	MA	DPY	MA
RO	✓	DIV	MA
TRA	MA	AC	✓
AGM	✓	SH	✓
YE	✓		



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**CENTENIAL
SURGICAL SUTURE LTD.**

**THIRD
ANNUAL REPORT
1997 - 1998**

CERTIFIED TRUE COPY
CENTENIAL SURGICAL SUTURE LTD.



BOARD OF DIRECTORS

Mr. VIJAY MAJREKAR - *CHAIRMAN cum MANAGING DIRECTOR*

Ms. ANURADHA KASHIKAR - *EXECUTIVE DIRECTOR*

Mr. VIJAY S. NADKARNI - *DIRECTOR PRODUCTION*

Mr. JOHN FERNANDES - *DIRECTOR TECHNICAL*

Dr. J. N. KHARKAR - *DIRECTOR*

Dr. N. S. LAUD - *DIRECTOR*

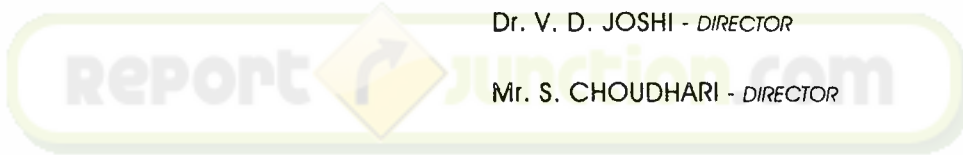
Mr. P. K. PANDIT - *DIRECTOR*

Dr. G. N. JOSHI - *DIRECTOR*

Dr. Y. J. KHARKAR - *DIRECTOR*

Dr. V. D. JOSHI - *DIRECTOR*

Mr. S. CHOUDHARI - *DIRECTOR*



Registered Office
F-29, MIDC, Murbad, Thane - 421401.

Manufacturing Site, Plant & Research Facilities
Village Dhavale, Ulhasnagar, Thane.
F-29, MIDC, Murbad, Thane - 421401.

Auditors
VIPUL N. SHAH & ASSOCIATES
Chartered Accountants.

Legal Advisor
Jateen M. Sharma B.Sc. L.L.B.

Bankers
Bank of India
Banque Indosuez
Co-operative Bank of Ahmedabad Ltd.
Oman International Bank S.A.O.G.
State Bank of Indore
Janakalyan Sahakari Bank Ltd.
Rupee Co-operative Bank Ltd.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRD ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY WILL BE HELD ON MONDAY, SEPTEMBER 28, 1998 AT 2.00 P.M. AT THE REGISTERED OFFICE OF THE COMPANY AT F-29, MIDC, MURBAD, THANE - 421401 TO TRANSACT THE FOLLOWING BUSINESS :

1. To receive, consider and adopt the Balance Sheet for the year ended March 31, 1998 alongwith notes and schedules thereon as on date and the reports of Directors and Auditor thereon.
2. To appoint a Director in place of Mr. P.K. Pandit who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. S. Choudhari who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Dr. Y.J. Kharkar who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors and to authorise the Board to fix their remuneration.

NOTES :

- a) A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not to be a member of the Company.
- b) The instrument appointing proxy should however, be deposited with the Registered office of the Company not less than forty eight hours before the commencement of the meeting.
- c) Members are requested to notify any changes in their Addresses to the Company's registered office.
- d) Any member requiring further information on Accounts at the meeting is requested to send their queries in writing to the Chairman cum Managing Director of the Company before September 15, 1998.

For and on behalf of the Board of Directors
CENTENIAL SURGICAL SUTURE LTD.

Vijay Majrekar
Chairman cum Managing Director

Murbad, Thane
August 27, 1998

CHAIRMAN cum MANAGING DIRECTOR'S REPORT

To the Shareholders,

I have pleasure in presenting the Third Annual Report together with the Audited Accounts of the Company for the year ended March 31, 1998.

1. FINANCIAL PERFORMANCE

Financial Results of the Company's operation for the year under review are as follows :-

	For the year ended 31.3.1998	For the year ended 31.3.1997
Net Profit / (Loss) before Depreciation and Taxation	4,76,110.00	27,46,798.00
Less : Depreciation	46,77,235.00	27,87,037.00
Taxation	-	-
Net Profit/ (Loss)	(42,01,125.00)	(40,239.00)
Add : Balance from Last Year	(40,239.00)	-
Prior Period Profit adjustments	-	-
Less : Appropriation	-	-
Transfer to Reserves	-	-
(Loss) carried to Balance Sheet	(42,41,364.00)	(40,239.00)

2. OPERATIONS

The sales and other income of the company was Rs. 80.27 lakhs. Sustained marketing efforts has helped the Company to get recognition in the market as a supplier of reliable World Class Quality Atraumatic Needled sutures. In today's competitive world and the opening of the Indian economy the country witnessed new International entrants in the Suture Industry. Our country has now been exposed to international competition. Our Company has recognised the need to provide a level playing field to the Indian Suture industry and has therefore obtained exclusive marketing rights for Asia from Lukens Medical Corporation, U.S.A., for all its Cardiovascular and Synthetic Absorbable Sutures.

Lukens Medical Corporation U.S.A. is a 90 year old company founded in 1906 by C. DeWitt Lukens, M.D., Lukens Medical Corporation supplies a broad range of disposable medical products to the global market, an

early pioneers in modern suture and bone wax manufacturing and packaging, Lukens has a distinguished history of achievements and advancements which include over fifty patents. These innovations have largely been the result of a commitment to excellence and a sensitivity to customer needs and priorities. Lukens addresses the need for both improving quality and lower costs. This approach assures us of an increasingly competitive position in a rapidly changing international marketplace. Lukens Medical Corporation has established a great tradition in the Worldwide medical products industry and has a long history of innovations specifically designed to address special customer needs. New and experienced management with multi-disciplinary backgrounds positions Lukens to aggressively continue its leadership role with many exciting new products. Lukens has FDA approval on a broad line of various medical products which enables us to address the multi-billion dollar global markets in surgical, dental, and veterinary supplies, as well as the hematology, laboratory supply and infection control markets. Lukens Medical Corporation is committed to building on the achievements of the past and to carrying their proud traditions into the future.

The Company took various steps during the year to re-structure its products portfolio and the object clearly is to establish leadership and make the operations world class and increasingly competitive. Efforts are also directed at reducing cost and improving deliveries and its ultimate aim is to enhance shareholder's value. With all the efforts made, Our company is confident of withstanding the rigours of international and domestic competition and emerging successful.

RESEARCH & DEVELOPMENT

Surgeon's expectations continually increase. CENTENIAL's commitment is to meet and exceed those expectations. To achieve this, Centenial continues to invest heavily in technology, managerial and employee development. Our company's Research and Development activities continue to be directed towards up gradation of technology and development of new products. To strengthen its technical and engineering capabilities and achieve productivity improvements the Company has had various R&D activities carried out and innovative methods as suggested by Lukens Medical Corporation, U.S.A.

PEOPLE AND SAFETY

Our Company has always placed emphasis on people and safety at workplaces. Industrial relations in the company were cordial throughout the year under review. Our Company has introduced absolute quality management and this has taken deep roots and is helping our company face the challenges of competition, resulting in substantial cost savings and enhanced customer satisfaction. Our Company's continued efforts to educate employees on the importance of good health will certainly go a long way in improving the overall effectiveness of the organisation. Undoubtedly, CENTENIAL's fortunes rest in the hands of its people. Our people have responded to the Challenge with enthusiasm and enterprise. This year's results were possible due to the excellent individual and team efforts of our employees. I take this opportunity to thank them for their efforts and for those that will come this year. I would also like to thank our customers, friends for their faith in us and for their contribution to our efforts during the year. The Board of Directors wish to place on record their sincere appreciation for the continued support and excellent work of all the employees.

3. DIVIDEND

The Directors do not recommend dividend for the year under review in view of loss.

4. DIRECTOR'S

Mr. P.K. Pandit, Dr. Y. J. Kharkar and Mr. S. Choudhari are the Directors who are retiring by rotation are eligible for re-appointment.

5. DEPOSITS

The Company has not accepted any deposits under section 58-A of the Company's Act, 1956 during the year.

6. PARTICULARS OF EMPLOYEES

In accordance with section 217 (2-A) of the Companies Act, 1956 read with companies (Particulars of Employees) Rules 1975 as amended, your Directors have to report that during the year under review there has been no employee in the service of the company drawing a salary of Rs.25,000 per month or where employed for the whole year remuneration aggregating Rs.3,00,000 or above.

7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUT GOINGS

In compliance with provision of clause (e) of sub-section I of section 217 read with companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988, the statement giving the required information relating to energy conservation, Technology absorption, foreign exchange earnings and out going is annexed hereto.

8. SUBSIDIARIES

Since the Company has no subsidiaries, Section 212 of the Companies Act, 1956 does not apply.

9. AUDITORS

Auditors M/s. VIPUL N. SHAH & ASSOCIATES, Chartered Accountants, retire and being eligible offer them selves for reappointment. Members are requested to appoint them for the current year and to fix their remuneration. The report of auditors is self explanatory and hence does not require any explanation from the Board as such.

10. ACKNOWLEDGMENTS

Your Directors place on record their thanks to the Medical Profession, Drugs Control Authorities, Our Bankers, Suppliers, Government Agencies, Business Associates, Stockists & to all esteemed Shareholders of the Company for their confidence, faith and understanding. The support and Co-operation extended by the local citizens is heartening and needs special mention.

For and on behalf of the Board of Directors
CENTENIAL SURGICAL SUTURE LTD.
Vijay Majrekar
Chairman cum Managing Director

Murbad, Thane
August 27, 1998

Annexure to Directors' Report

Information under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended on March 31, 1998.

I. Conservation of Energy

The Company continues to explore measures which will help in conservation and saving of energy.

A. POWER AND FUEL CONSUMPTION

	1997-98	1996-97
1. Electricity Consumption		
a) Purchased units	20,098	7390
Total Amount	Rs. 85,818.46	Rs. 38,988.80
Rate/unit	Rs. 4.27	Rs. 4.27
b) Own Generation		
Through Diesel Generators :		
Units	-	-
Units per litre of diesel oil	-	-
Cost/Unit	-	-

B. TECHNOLOGY ABSORPTION AND ADAPTATION

The Company is actively involved in R & D activities for the up gradation of technology, development, testing and certification of atraumatic needled sutures for conformity to new Indian / International standards and exclusive export market. The Company has installed machinery's designed to its requirements and has been able to save in cost of production and also manufacture products to specifications. Besides Development work for several products for Exports has been undertaken. Emphasis on new products development and process improvement will continue to be the priority areas of our R & D activity, enhancement in quality and service to the customer.