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CENTENIALTM
SURGICAL SUTURE LTD.

CERTIFIED TRUE COPY
For CENTENIAL SURGICAL SUTURE LTD.

Kashita
DIRECTOR

FOURTH
ANNUAL REPORT
1998 - 1999

BOARD OF DIRECTORS

Mr. VIJAY MAJREKAR - CHAIRMAN *cum* MANAGING DIRECTOR

Ms. ANURADHA KASHIKAR - EXECUTIVE DIRECTOR

Dr. N. S. LAUD - DIRECTOR

Dr. J. N. KHARKAR - DIRECTOR

Mr. V. S. NADKARNI - DIRECTOR

Dr. Y. J. KHARKAR - DIRECTOR

Mr. P. K. PANDIT - DIRECTOR

Dr. G. N. JOSHI - DIRECTOR

Mr. S. R. KINGAR - DIRECTOR

Mr. J. S. FERNANDES - DIRECTOR

Dr. V. D. JOSHI - DIRECTOR

Mr. S. CHOUDHARI - DIRECTOR

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Registered Office

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

Legal Advisor

Jateen M. Sharma B.Sc. L.L.B.

Manufacturing Site, Plant & Research Facilities

Village Dhavale, Ulhasnagar, Thane.

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

Bankers

Canara Bank

Bank of India

Co-operative Bank of Ahmedabad Ltd.

State Bank of Indore

Parsik Janata Sahakari Bank Ltd.

Auditors

Vipul N. Shah & Associates

Chartered Accountants.

FOURTH ANNUAL REPORT

1998 - 1999

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FOURTH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY WILL BE HELD ON MONDAY, THE 27TH SEPTEMBER, 1999 AT 3.00 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, 1999 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. G.N. Joshi who retires by rotation and is eligible for re-appointment.
- 3). To appoint a Director in place of Mr. V.D. Joshi who retires by rotation and is eligible for re-appointment.
- 4). To appoint a Director in place of Dr. J.N. Kharkar who retires by rotation and is eligible for re-appointment.
- 5). To appoint Auditors and to authorise the Board to fix their remuneration.
- 6). To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

“RESOLVED THAT Mr. S.R. Kingar who was appointed as a Additional Director and who holds office upto the date of the Annual General Meeting, but who is eligible for re-appointment and in respect of whom the Company has received a notice in writing from a member under section 257 of the Companies Act, 1956 and he is hereby re-appointed as a Director.”

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 Managing Director of the Company before September 15, 1999.
- e) The Register of Members and Transfer books of the company will remain closed from Monday, September 20, 1999 to Monday, September 27, 1999 (both day's inclusive).
- f) The relevant explanatory statement pursuant to section 173 of the Companies Act, 1956 in respect of the business under item no.6 as set out above is annexed hereto.
- g) Members are requested to bring their copy of Annual Report for 1998-99 to the Annual General Meeting.
- h) No gifts will be distributed.

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

Vijay Majrekar
Chairman cum Managing Director

Murbad, Thane
July 9, 1999

ANNEXURE TO THE NOTICE**ITEM No.6 :**

Mr. S.R. Kingar appointed as Additional Director of the Company with effect from June 18, 1999 under section 260 of the Companies Act, 1956. Mr.S.R. Kingar will hold office upto the date of the Annual General Meeting. The Company has received a notice in writing from a member proposing the candidature of Mr.S.R. Kingar for the office of the Director under section 257 of the Companies Act, 1956.

None of the Directors are interested in this resolution.

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

Vijay Majrekar
Chairman cum Managing Director

Murbad, Thane
July 9, 1999

CHAIRMAN cum MANAGING DIRECTOR'S REPORT**To the Shareholders,**

Your Director's have pleasure in submitting their Fourth Annual Report together with the Audited Accounts of the Company for the year ended March 31, 1999.

FINANCIAL PERFORMANCE

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

	For the year ended 31.3.1999	For the year ended 31.3.1998
Net Profit / (Loss) before Depreciation and Taxation	13,29,414.00	4,76,110.00
Less : Depreciation	37,79,926.00	46,77,235.00
Taxation	-	-
Net Profit/ (Loss)	(24,50,512.00)	(42,01,125.00)
Add : Balance from Last Year	(42,41,364.00)	(40,239.00)
Prior Period Profit adjustments		
Less : Appropriation	-	-
Transfer to Reserves	-	-
(Loss) carried to Balance Sheet	(66,91,876.00)	(42,41,364.00)

OPERATIONS

The Company's operations during the year have been satisfactory. Sales registered satisfactory growth of 106.87% from Rs.70.26 lakhs last year to Rs. 145.35 lakhs. Your Company recognises that products of outstanding Quality are the foundation for long-term operations, and defines its *Quality Policy* as *Manufacturing Products with World Class Quality to satisfy SURGEON'S needs*. In today's competitive world and the opening of the Indian economy the country witnessed new International entrants in the Suture Industry and sustained marketing efforts has helped the Company to get recognition in the market as a supplier of reliable World-Class Quality Atraumatic Needled sutures. Our country has now been exposed to international competition and having recognised the need to provide a level playing field to the Indian Suture industry, has therefore entered into Technical Collaboration with Lukens Medical Corporation, *A Medisys Group Company, U.S.A.* Due to this collaboration, various modifications were carried out in the plant, products and processes resulting in improvement in quality of the products, numerous codes and yield which should help in realising better prices in the current year.

Lukens Medical Corporation U.S.A., *A Medisys Group Company*, is a 91 years 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 Medical Corporation 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 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.

Your 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, Your Company is confident of withstanding the rigours of international and domestic competition and emerging successful. The cornerstone of our manufacturing philosophy is Quality. The goal is to boost long-term export prospects. Quality pervades our state of the art manufacturing facilities at Murbad, and the employees have regular exposure to GMP and TQM training.

The future of the Company looks bright. New products being developed are getting market acceptance. Many established surgeons have tried our products and started using them continuously and the trends are encouraging. Overall, considerable increases in the production and sales of the Company can be foreseen.

The technical functioning of the plant as indicated by the above-mentioned results, the capacity utilisation's was quite satisfactory and production levels was selectively improved as required. Despite the continuing efforts to curtail costs, the prescribed adjustments to be made depreciation and carried over losses have been unavoidably heavy. Even with a noticeably better performance during the current year, the Directors regret that they are still not in a position to recommend a dividend.

RESEARCH and DEVELOPMENT

Your Company realises progress and innovation as the impulse to achieve continuous improvement in this increasingly competitive market. Maintaining World Class Quality Standards is an obsession with top management that percolates to every level, making CENTENIAL facilities and products a landmark. Everyday Surgeon's expectations continually increase. Your company's commitment is to meet and exceed those expectations. To achieve this, your company continues to invest heavily in technology, managerial and employee development. Your 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, *A Medisys Group Company*, U.S.A.

PEOPLE and SAFETY

Your Company believes the most valuable asset of every company is its human resource. CENTENIAL values all our employees and makes effort through Quality of work life to help their growth. Your 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, our company's fortunes rest in the hands of its people. Your Company has always placed emphasis on our people and safety at workplace. Industrial relations in the company were cordial throughout the year under review. 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.

Y2K COMPLIANCE

The Company has already implemented the necessary measures to ensure smooth functioning of all the operations from the year 2000 and onwards.

DIVIDEND

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

DIRECTOR'S

Dr. G.N. Joshi, Dr. V.D. Joshi and Dr. J.N. Kharkar, who are retiring by rotation and eligible for re-appointment. Mr.S.R. Kingar was appointed as an Additional Director with effect from June 18, 1999.

DEPOSITS

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

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.50,000 per month or where employed for the whole year remuneration aggregating Rs.6,00,000 p.a. or above.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING and OUT GOINGS

Conservation of energy continues to be a priority area for Your Company and efforts are directed to reduce energy costs. Information required under Section 217 (1) (c) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, is given in the annexure to this report.

ENVIRONMENT and SAFETY

The Company accords the highest priority to maintaining safety standards and a pollution-free environment.

SUBSIDIARIES

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

AUDITORS

Auditors Messrs. 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.

ACKNOWLEDGMENT

Your Directors place on record their grateful thanks for the assistance, co-operation and support extended to the Company by the Medical Profession, Food and Drug Administration, Drugs Control Authorities, Bankers, Suppliers, Government Agencies, Business Associates, Stockists, Collaborators and 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.

Murbad, Thane
July 9, 1999

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

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