



CENTENIAL SURGICAL SUTURE LTD.

Annual Report 2004 - 2005

CENTENIAL SURGICAL SUTURE LTD.

Notice to Members

Notice is hereby given that the Tenth Annual General Meeting of the members of the company will be held at the Registered office of the company situated at F-29, MIDC, Murbad, Thane – 421 401 on Tuesday, September 27, 2005 at 3.30 pm to transact the following business.

Ordinary Business

1. To receive, consider and adopt the audited accounts for the year ended **31st March 2005** along with notes and schedules thereon as on that date and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S. S. Laud, Director of the company who retires by rotation & being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. N. M. Birje, Director of the company who retires by rotation & being eligible offers himself for re-appointment.
4. To appoint Auditors & to fix their remuneration. In this connection, to consider and, if thought fit, to pass the following resolution which will be proposed as an ordinary resolution.

“RESOLVED THAT M/s. Vipul N. Shah & Associates, Chartered Accountants, be and are hereby appointed as the Auditors of the Company to hold such office until the conclusion of the next Annual General Meeting at a remuneration and reimbursement of out-of-pocket expenses incurred by them for the purpose of the audit of the Company's accounts as may be approved by the Board of Directors of the Company.”

Special Business

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

“RESOLVED THAT Pursuant to the provision of sections 198, 269, 309, 310, schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, or any amendment or modification thereof, consent of the members be and is hereby accorded to the re-appointment of Mr. Vijay Majrekar as a Managing Director of the Company with effect from 1st October, 2005 for the period of **3 (Three)** years on such remuneration as set out below:

1. Salary : Not to exceed Rs.1,50,000/- per month and the Board of Directors be authorized to determine the salary and grant such increases from time to time within the limits of schedule XIII of the Companies Act, 1956.
2. Commission : such remuneration by way of commission to the above salary and perquisites, calculated with reference to the net profit of the Company in particular financial year and as may be determined by the Board of Directors for the Company subject to the overall ceilings stipulated under section 198 and 309 of the companies Act, 1956. The specific amount payable to Mr. Vijay Majrekar, Managing Director will be payable annually. The overall commission limit not to exceed 1% of the net profit of the company computed in the manner specified in the Companies Act, 1956 and the actual commission be determined by the Board of Directors of the Company.
3. Perquisites: The Managing Director shall be entitled to the following perquisites as classified into three Categories ‘A’, ‘B’ and ‘C’

CATEGORY ‘A’

Housing facility, Medical Reimbursement, Club fees, personal Accident Insurance, Children's Education allowance, Holiday Passage and leave Travel concession. These will be provided as under.

- Housing : The Managing Director will be provided with furnished company accommodation.
- Medical Reimbursement : Expenses incurred for the Managing Director and the family subject to a ceiling of one month's salary over a period of three years.
- Club Fees : Fees of Club Subject to a maximum of three clubs. This will not include admission and life membership fees.
- Personal Accident Insurance : Premium not to exceed Rs.4,000/- per annum.
- Children's Education Allowance : In case of children studying in or outside India, an allowance limited to a maximum of Rs.5,000/- per child or actual expenses incurred whichever is less. Such allowances is admissible upto a maximum of two children.
- Leave Travel concession : Return passage for self and family in accordance with the rules specified by the Company where it is proposed that the leave be spent in the home country instead of anywhere in India.

Explanation : For the purpose of Category ‘A’ Family” means the spouse and the dependent children of the Managing Director.

CENTENIAL SURGICAL SUTURE LTD.

CATEGORY "B"

1. Contribution to Provident fund will not be included in the computation of the ceiling on remuneration to the extent these, either singly or put together, are not taxable, under the Income Tax Act.
2. Gratuity payable will not exceed half a month's salary for each completed year of service.
3. Encashment of leave at the end on the tenure.

CATEGORY 'C' : Provision of car with driver and also provision of telephone at residence will not be considered as perquisites.

OTHER BENEFITS : Apart from the aforesaid remuneration, the Managing Director shall be entitled to reimbursement of expense incurred in connection with the business of the Company. The Managing Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committee thereof.

MINIMUM REMUNERATION

Notwithstanding anything to the contrary therein, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profit or its profit are inadequate, the remuneration payable by way of salary and Perquisites shall not exceed Rs.18,00,000 per annum or Rs.1,50,000/- Per month. The Board of Directors recommends the resolution as set out in the notice for your approval.

None of the Directors of the Company, except Mr. Vijay Majrekar and Ms. Anuradha Kashikar are considered to be interested or concerned in this resolution.

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

"RESOLVED THAT Pursuant to the provision of sections 198, 269, 309, 310, schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, or any amendment or modification thereof, consent of the members be and is hereby accorded to the re-appointment of Ms. Anuradha Kashikar as the Executive Director of the Company with effect from 1st October, 2005 for the period of **3 (Three)** years on such remuneration as set out below:

1. Salary : Not to exceed Rs.1,00,000/- per month and the Board of Directors be authorized to determine the salary and grant such increases from time to time within the limits of schedule XIII of the Companies Act, 1956.
2. Commission : such remuneration by way of commission to the above salary and perquisites, calculated with reference to the net profit of the Company in particular financial year and as may be determined by the Board of Directors for the Company subject to the overall ceilings stipulated under section 198 and 309 of the companies Act, 1956. The specific amount payable to Ms. Anuradha Kashikar, Executive Director will be payable annually. The overall commission limit not to exceed 1% of the net profit of the company computed in the manner specified in the Companies Act, 1956 and the actual commission be determined by the Board of Directors of the Company.
3. Perquisites: The Executive Director shall be entitled to the following perquisites as classified into three Categories 'A', 'B' and 'C'

CATEGORY 'A'

Housing facility, Medical Reimbursement, Club fees, personal Accident Insurance, Children's Education allowance, Holiday Passage and leave Travel concession. These will be provided as under.

- Housing : The Executive Director will be provided with furnished company accommodation.
- Medical Reimbursement : Expenses incurred for the Executive Director and the family subject to a ceiling of one month's salary over a period of three years.
- Club Fees : Fees of Club Subject to a maximum of three clubs. This will not include admission and life membership fees.
- Personal Accident Insurance : Premium not to exceed Rs.4,000/- per annum.
- Children's Education Allowance : In case of children studying in or outside India, an allowance limited to a maximum of Rs.5,000/- per child or actual expenses incurred whichever is less. Such allowances is admissible upto a maximum of two children.
- Leave Travel concession : Return passage for self and family in accordance with the rules specified by the Company where it is proposed that the leave be spent in the home country instead of anywhere in India.

Explanation : For the purpose of Category 'A' Family" means the spouse and the dependent children of the Executive Director.

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CATEGORY "B"

1. Contribution to Provident fund will not be included in the computation of the ceiling on remuneration to the extent these, either singly or put together, are not taxable, under the Income Tax Act.
2. Gratuity payable will not exceed half a month's salary for each completed year of service.
3. Encashment of leave at the end on the tenure

CATEGORY 'C' : Provision of car with driver and also provision of telephone at residence will not be considered as perquisites.

OTHER BENEFITS : Apart from the aforesaid remuneration, the Executive Director shall be entitled to reimbursement of expense incurred in connection with the business of the Company. The Executive Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committee thereof.

MINIMUM REMUNERATION

Notwithstanding anything to the contrary therein, where in any financial year during the currency of the tenure of the Executive Director, the Company has no profit or its profit are inadequate, the remuneration payable by way of salary and Perquisites shall not exceed Rs.12,00,000/- per annum or Rs.1,00,000/- Per month. The Board of Directors recommends the resolution as set out in the notice for your approval.

None of the Directors of the Company, except Ms. Anuradha Kashikar and Mr. Vijay Majrekar are considered to be interested or concerned in this resolution.

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.
2. The proxies, in order to be effective should be deposited with the company not less than 48 hours before the time fixed for the commencement of the meeting.
3. Members are requested to notify any changes in their Addresses to the Company's registered office.
4. 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 20, 2005
5. The Register of Members and Share Transfer Register shall remain closed from September 20, 2005 to September 27, 2005 (both days inclusive).
6. Explanatory statement under section 173(2) of the Companies Act, 1956 in respect of the Special Business set above is annexed.
7. Members are requested to bring their copy of Annual Report for 2004-2005 to the Annual General Meeting.
8. Members are requested to produce the attendance slip duly signed, sent along with the Annual Report and Accounts, for admission to the meeting hall.
9. Members who are holding shares in identical order or names in more than one folio are requested to write to the company to enable the company to consolidation their holdings in one folio.
10. No Gifts will be distributed.

**BY ORDER OF THE BOARD
CENTENIAL SURGICAL SUTURE LIMITED**

DATE: July 31, 2005
PLACE: Murbad, Thane

**VIJAY MAJREKAR
CHAIRMAN CUM MANAGING DIRECTOR**

CENTENIAL SURGICAL SUTURE LTD.

Annexure to the Notice

EXPLANATORY STATEMENT (As required by section 173(2) of the Companies Act, 1956)

Item No. 5 & 6:

Mr. Vijay Majrekar is re-appointed as a Managing Director w.e.f. 1st October, 2005 and Ms. Anuradha Kashikar is re-appointed as the Executive Director w.e.f. 1st October, 2005. The Board of Directors in their meeting held on July 30, 2005 appointed these managerial persons.

Additional information as required pursuant to schedule XIII of the Companies Act, 1956 is given as under.

Mr. VIJAY MAJREKAR, a Bachelor of Commerce from the University of Bombay and has a Masters Degree in Business Administration from USA with specialisation in finance and has long experience of 16 years in Corporate affairs, Finance, Merchant Banking activities etc. He is instrumental in building up and establishing Centenial Surgical Suture Ltd. He was also instrumental in establishing a collaboration and a strong relationship firstly with Lukens Medical Corporation, U.S.A. and now with Mani Inc. Japan. He looks after formulating corporate strategy, financial planning, budgeting and analysis of the company's growth sector's and ensuring all company targets are achieved. He was instrumental in obtaining the ISO 9002 certification.

He is on the Board of the company since June 1995.

Ms. ANURADHA KASHIKAR, is a Commerce and a Law Graduate from the University of Mumbai. She has more than 9 years experience working for the House of Tata's Mumbai. She looks after the entire share transfer department, accounts, general administration of the company. She was instrumental in obtaining the ISO 9002 certification and is associated with the company as an Executive Director.

She is on the Board of the company since July 1995.

Mr. S. S. Laud holds a commerce degree from the University of Mumbai and Masters Degree in Labour Sciences. He has wide and in-depth experience in the field of Labour Welfare. His experience in this field is very valuable in the policy making pertaining to labour and staff.

He is on the Board of the company since April 2003.

Mr. N. M. Birje is a graduate from the University of Mumbai. By profession was a Banker. His in-depth knowledge and experience in this field is very valuable to the company in financial, economic and banking matters.

He is on the Board of the company since March 2002.

Pursuant to Section 198, 269, 309, 310, 314 and Schedule XIII and other applicable provisions, if any of the Companies Act, 1956 re-appointment of Managing Director and Executive Director requires shareholders consent. Hence, these resolutions are proposed for and the major terms of appointments are mentioned in detail below of all the managerial personnel.

The approval of the members is therefore, sought for their appointments of managerial remuneration payable to Mr. Vijay Majrekar, Managing Director and Ms. Anuradha Kashikar, Executive Director, with the authority to the Board of Directors to alter or vary the said terms of appointment and remuneration and perquisites within the limits specified in Schedule XIII of the Companies Act, 1956 or any amendment made hereafter in that regard.

Mr. Vijay Majrekar and Ms. Anuradha Kashikar are interested in the resolution No. 5 and 6. The above may also be treated as an abstracts as required under section 302 of the companies Act, 1956.

**BY ORDER OF THE BOARD
CENTENIAL SURGICAL SUTURE LIMITED**

DATE: July 31, 2005
PLACE: Murbad, Thane

**VIJAY MAJREKAR
CHAIRMAN CUM MANAGING DIRECTOR**

CENTENIAL SURGICAL SUTURE LTD.

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BOARD OF DIRECTORS

Vijay Majrekar – *Chairman cum Managing Director*

Anuradha Kashikar – *Executive Director*

C. R. Rawale – *Whole time Director*

S. R. Kingar – *Whole time Director*

N. M. Birje – *Director*

S. H. Jain – *Director*

B. S. Limaye – *Director*

S. S. Laud – *Director*

Registered Office

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

Bankers

Canara Bank

Parsik Janata Sahakari Bank Ltd.

Co-operative Bank of Ahmedabd

Manufacturing Site, Plant & Research Facilities

Village Dhavale, Ulhasnagar, Thane.

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

Auditors

Vipul N. Shah & Associates

Chartered Accountants

**Tenth Annual Report
2004 – 2005**

CENTENIAL SURGICAL SUTURE LTD.**Annual Report 2004 - 2005****Chairman cum Managing Director's Report****To the Shareholders,**

The Directors have pleasure in submitting the Tenth Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2005.

Financial Performance

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

	For the year ended 31.3.2005	For the year ended 31.3.2004
Net Profit before Depreciation and Taxation	1,52,88,199	1,20,64,405
Less : Depreciation	38,31,060	37,68,718
Provision for Deferred Taxation	(6,56,925)	1,13,723
Provision for Taxation	45,59,000	37,85,000
Net Profit/ (Loss)	75,55,064	43,97,469
Add : Balance from Last Year	46,74,540	2,77,071
<i>Prior Period Profit adjustments</i>		
Less : Appropriation	-	-
Transfer to Reserves / Loss carried to Balance Sheet	1,22,29,604	46,74,540

Operations

During the business year 2004-2005, your company continued to make progress in terms of diversification and broadening of its product portfolio and extending its operational reach into new markets. The sales of the Company grew from Rs. 2135.18 lakhs in the business year 2003-2004 to Rs. 3243.13 lakhs in the business year 2004-2005. The increase in sales and profitability has been achieved primarily on account of better product mix and containment of costs.

The future of our 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 our plant as indicated by the above-mentioned results, the capacity utilisation's was quite satisfactory and production levels were selectively improved as required. 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.

ISO 9001 : 2000 Certification

Your company is ISO 9001 : 2000 certified. The stringent ISO 9001 : 2000 system means effective control over every step to achieve true quality assurance for customers.

Research and Development

Your Company strongly believes that sustained growth in this suture industry can be achieved through continuous pursuit for innovation. 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. The Company's research & development activities continue to be directed towards upgradation of technology and development of new products. Your company's commitment is to meet and exceed those expectations.

CENTENIAL SURGICAL SUTURE LTD.**Annual Report 2004 - 2005****People and Safety**

Industrial relations in the company were cordial throughout the business year under review. 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 always placed emphasis on our people and safety at workplace. 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 business year. The Board of Directors wish to place on record their sincere appreciation for the continued support and excellent work of all the employees.

Dividend

The Directors do not recommend dividend for the year under review in view of expansion for better future.

Director's

During the year Mr. S. S.Laud and Mr. N.M.Birje Limaye, Directors of the company are retiring by rotation and being eligible offer themselves for re-appointment and Mr. Vijay Majrekar, Managing Director & Ms. Anuradha Kashikar, Executive Director are re-appointed as Director's w.e.f. October 1, 2005.

Directors Responsibility Statement

As required u/s 217 A (2AA) of the Companies Act, 1956 we hereby state :

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgment 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 or loss of the Company for that period;
- (iii) that the Directors have 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;
- (iv) that the Directors have prepared the annual accounts on a going concern basis.

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.2,00,000 per month or where employed for the whole year remuneration aggregating Rs.24,00,000 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 the Company and efforts are directed to reduce energy costs. Information required under Section 217 (1) (e) 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 for maintaining safety standards and a pollution-free environment.

CENTENIAL SURGICAL SUTURE LTD.**Annual Report 2004 - 2005****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 offers themselves 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 continued 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. With our range of products, services and a team of dedicated employees, we are confident of a steady and consistent performance in the coming business year. Finally, I would like to thank my colleagues on the Board for their wisdom, guidance and advice.

Registered Office :

F-29, MIDC, Murbad, Thane 421 401

Murbad, Thane

July 31, 2005

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

Vijay Majrekar
Chairman cum Managing Director

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CENTENIAL SURGICAL SUTURE LTD.**Annual Report 2004 - 2005****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, 2005.

I. Conservation of energy

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

A. Power and fuel consumption

	2004-2005	2003-2004
1. Electricity Consumption		
a) Purchased units	99,156	87,793
Total Amount	Rs. 3,72,844	Rs. 4,26,718
Rate/unit	Rs. 3.76	Rs. 4.86
b) Own Generation	-	-
Through Diesel Generator :	-	-
Units	-	-
Units per litre of diesel oil	-	-
Cost/Unit	-	-

The Company is only using electricity as a means of power and fuel consumption.

B. Technology absorption and adaptation

Your Company continuous to focus on research and development activities towards the upgradation of technology, development, testing and certification of atraumatic needles and sutures for conformity to new Indian / International standards and exclusive export market. The Company has installed new machinery designed to its special requirements and has been able to save in cost of production and also manufacture products to various surgeons specifications. Besides development work for several new product codes for exports has been undertaken. Emphasis on new product codes development and process improvement will continue to be the priority areas of our research and development activity, enhancement in quality and service to our customer.

C. Foreign exchange earnings and outgo

During the year foreign exchange outgo was Rs.712.38 lakhs (Previous Year Rs. 507.01 lakhs). The foreign exchange earned during the year was Rs. 679.60 lakhs (Previous Year Rs. 144.99 lakhs). The Company has not imported any technology.