

Report 



Annual Report
2006 - 2007

 **CENTENIAL**
SURGICAL SUTURE LTD.

CENTENIAL SURGICAL SUTURE LTD.

Notice to Members

Notice is hereby given that the Eleventh Annual General Meeting of the members of CENTENIAL SURGICAL SUTURE LTD. will be held on Thursday the 27th September, 2007 at 3.30 p.m. at Registered Office of the Company situated at F-29, MIDC, Murbad, Thane - 421401 to transact the following business:

A. Ordinary Business

1. To receive, consider and adopt the audited accounts for the year ended **31st March 2007** 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. N.M. Birje**, Director of the company who retires by rotation & being eligible offers himself for re-appointment.
3. 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.
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.”

B. Special Business

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

“RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), (hereinafter referred to as “the said Act”) the consent of the Company be and is hereby accorded to the re-appointment of Mr. Shyam Kingar as a Whole time Director of the Company for a period of 3(Three) years with effect from 1st November, 2007 on the terms and conditions including remuneration as placed before this meeting, with liberty to the Board of Directors (hereinafter referred to “the Board” which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter and vary the terms of the said re-appointment and/or remuneration and/or agreement.

RESOLVED FURTHER THAT in the absence or inadequacy of profits in any financial year, (a) subject to the approval of the Central Government, the remuneration payable to the Whole Time Director by way of salary and perquisites shall not be reduced and (b) if the approval of the Central Government as stated in (a) is not received, the remuneration payable to the Whole Time Director shall be the maximum amount permitted as per Schedule XIII, as amended from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient, to give effect to this resolution.”

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

“RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 314 and Schedule XIII and other applicable provisions, if any, of the Companies Act and subject to consent of shareholders and such approval as may be necessary, the terms of remuneration of **Mr. C.R. Rawale, Whole Time Director** be varied w.e.f. 1st April, 2007 till the remaining period of his tenure.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter or vary the terms and conditions of the said appointment including the remuneration so long as it does not exceed the limits specified in necessary desirable or expedient to give effect to this resolution.”

CENTENIAL SURGICAL SUTURE LTD.

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 such proxy need not be a member of the Company.
- b) 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.
- 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 20, 2007.
- e) The Register of Members and Share Transfer Register shall remain closed from Thursday, September 20, 2007 to Thursday, September 27, 2007 (*both day inclusive*).
- f) The relevant explanatory statement under section 173(2) of the Companies Act, 1956 in respect of the business under item no. 5 and 6 as set above is annexed hereto.
- g) Members are requested to bring their copy of Annual Report for 2005 - 2006 to the Annual General Meeting.
- h) Members are requested to produce the attendance slip duly signed, sent along with the Annual Report and Accounts, for admission to the meeting hall.
- i) The details of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement) are furnished below :

Name of the Director	Mr. N. M. Birje	Mr. S. S. Laud	Mr. S. R. Kingar
Date of Birth	July 15, 1942	March 6, 1951	December 29, 1962
Date of Appointment	March 1, 2002	April 29, 2003	June 18, 1999
Expertise in specific Functional Area	Extensively experienced in Banking	Industrial Personnel Relations	Legal, Regulatory Affairs Compliance
List of other Indian Public Limited Companies in which Directorship held	Nil	Nil	Nil
Chairman / Member of the Board Committees of other Public Limited Companies	Nil	Nil	Nil
No. of shares held by them	100	--	1,80,000

Registered Office:
F-29, MIDC, Murbad, Thane 421 401

Murbad, Thane
July 31, 2007

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

Vijay Majrekar
Chairman cum Managing Director

CENTENIAL SURGICAL SUTURE LTD.

- V) The whole Time Director shall not become interested or otherwise concerned directly or through his wife or minor children in any selling agency of the Company as per the provisions of the Law in force as applicable to the company.
- VI) The terms and conditions of the said appointment and/or may be altered and varied from time to time by the board as it may, in its discretion, deem fit so as not to exceed the limits specified in Schedule XIII the Companies Act, 1956, or any amendment hereafter in that regard.

None of the directors of the Company, except Mr. S. R. Kingar is considered to be interested or concerned in this resolution.

These Terms and conditions of re-appointment may be treated as abstract between the company and Mr. S. R. Kingar pursuant to section 302 of the Companies Act, 1956.

ITEM NO.6:

Due to sustained efforts of Mr. C.R. Rawale, the company improved its financial performance and hence the Board of Directors in their meeting held on 30th April, 2007 revised the managerial remuneration payable to Mr. C.R. Rawale to Rs. 20,000/p.m. Pursuant to section 198, 269, 309, 310, 314 & schedule XIII and other applicable provisions, if any of the Companies Act, 1956 revision in the managerial remuneration of Whole time Director requires consent of the shareholders, hence this resolution is proposed for.

The major terms of revision of managerial remuneration of Mr. C.R. Rawale, Whole Time Director are as below.

- I. Mr. C.R. Rawale was re-appointed as a Whole Time Director w.e.f. 1st October, 2006 on remuneration of Rs. 10,000/-p.m. and now his remuneration is revised to Rs. 20,000/- p.m. w.e.f. 1st April, 2007.
- D) SALARY : Remuneration of Mr. C.R. Rawale, Whole time Director will be of Rs. 20,000/-p.m. with power to Board to vary with in the limits of schedule XIII of the Act.
- II) PERQUISITES:

Mr. C.R. Rawale as a **Whole Time Director** will be entitled for following perquisites which shall not be part of the ceiling of remuneration.

 - a) Contribution to provident Fund, Superannuation fund or annuity fund to the extent such contribution either singly or put together are not taxable under the Income Tax Act, 1961.
 - b) Gratuity: as per the rules of the company, payable in accordance with the approved Gratuity fund and which shall not exceed half a months salary for each completed year of service.
 - c) Children's education allowance: in case of children studying in or outside India, an allowance limited to a maximum of Rs.5,000/- per month per child or actual expenses incurred, whichever is less such allowance is admissible upto a maximum of two children.
 - d) Holiday Passage for children studying outside India/family staying abroad: Return holiday passage once in a year by economy class or once in two years by first class to children and to the members of the family from the place of their study or stay abroad India if they are not residing in India with the managerial person.
 - e) Level 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 home country instead of anywhere in India.

Salary and perquisites specified herein shall be payable to the whole time Director notwithstanding the inadequacy or no profits in any financial year during the currency of tenure of his office as such.

None of the Directors of the Company except Mr. C.R. Rawale is considered to be interested or concerned in this resolution.

This term of revision of managerial remuneration of Mr. C.R. Rawale, Whole Time Director may be treated as an abstract between the Company and Mr. C.R. Rawale, Pursuant to section 302 of the Companies Act, 1956.

Registered Office:

F-29, MIDC, Murbad, Thane 421 401

Murbad, Thane

July 31, 2007

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

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:

As recommended by the Remuneration Committee and approved by the Board of Directors of the Company, at its meeting held on 30th June, 2007, Mr. Shyam Kingar was re-appointed as a Whole Time Director of the Company for a period 3 (three) years with effect from 1st November, 2007. The remuneration to Mr. Shyam Kingar, inter alia, includes the payment of salary, perquisites and benefits and is subject to the approval of the members.

Mr. Shyam Kingar has served as a Whole Time Director of the Board of The Company and his term is expiring on 31st October, 2007. Hence Board re-appointed him for the further period of 3(three) years w.e.f. 1st November, 2007.

The major terms and conditions proposed to be entered into by the Company with Mr. Shyam Kingar in respect of his re-appointment, inter alia, contains the following:

MAJOR TERMS AND CONDITIONS OF MR. SHYAM KINGAR.

Terms & Conditions

1. Name & Designation of Director : Mr. Shyam Kingar, Whole Time Director.
2. Date of Appointment : Re-appointed w.e.f. 1st November, 2007.
3. Period : 3 (Three) years.
4. Salary (p.m.) : Rs.60,000/- p.m. with power to Board to vary from time to time within the limits of schedule XIII of the Companies Act.
5. Minimum Remuneration : In the absence or inadequacy of profits in any financial year, (a) subject to the approval of the Central Government, the remuneration payable to Mr. S. R. Kingar by way of salary and perquisites shall not be reduced and (b) if the approval of the Central Government as stated in (a) is not received, the remuneration payable to the Mr. S. R. Kingar shall be the maximum amount permitted as per Schedule XIII, as mended from time to time.

II Perquisites:

Mr. S.R. Kingar as a Whole Time Director will be entitled for following perquisites, which shall not be part of the ceiling of remuneration.

- a. Contribution to provident Fund, Superannuation fund or annuity fund to the extent such contribution either singly or put together are not taxable under the Income Tax Act, 1961.
- b. Gratuity: as per the rules of the Company, payable in accordance with the Approved Gratuity Fund and which shall not exceed half a month's salary for each completed year of service.
- c. Children's education allowance: In case of children studying in or outside India, an allowance limited to a maximum of Rs.5,000/- per month per child or actual expenses incurred, whichever is less such allowance is admissible upto a maximum of two children.
- d. Holiday passage for children studying outside India/family staying abroad: Return holiday passage once in a year by economy class or once in tow years by first class to children and to the members of the family from the place of their study or stay abroad India if they are not residing in India with the managerial person.
- e. 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 home country instead of any where in India.

III) Salary and perquisites specified herein shall be payable to the Whole Time Director notwithstanding the inadequacy or no profits in any financial year during the currency of tenure of his office as such.

IV) The whole Time Director shall not be paid any sitting fee for attending the meetings of the Board of Director or committee thereof.

CENTENIAL SURGICAL SUTURE LTD.

Annual Report 2006 - 2007

BOARD OF DIRECTORS

Vijay Majrekar – *Chairman cum Managing Director*

Anuradha Kashikar – *Executive Director*

C. R. Rawale – *Whole time Director*

S. R. Kingar – *Executive Director*

N. M. Birje

S. H. Jain

B. S. Limaye

S. S. Laud

Registered Office

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

Bankers

Canara Bank

Co-operative Bank of Ahmedabad

HDFC Bank, Chennai

HDFC Bank, Kolkata

Kotak Mahindra Bank, Bangalore

Parsik Janata Sahakari Bank Ltd.

Manufacturing Site, Plant & Research Facilities

Village Dhavale, Ulhasnagar, Thane.

F-29/B-17, MIDC, Murbad, Thane - 421401.

Auditors

Vipul N. Shah & Associates

Chartered Accountants

Registrar and Transfer Agent

Purva Sharegistry India Pvt, Ltd.

33, Printing House, 28-D Police Court Lane,

Fort, Mumbai - 400 001.

Twelfth Annual Report

2006 – 2007

CENTENIAL SURGICAL SUTURE LTD.

Annual Report 2006 - 2007

Chairman cum Managing Director's Report**To the Shareholders,**

The Directors have pleasure in submitting the Twelfth Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2007.

Financial Performance

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

	For the year ended 31.3.2007	For the year ended 31.3.2006
Net Profit before Depreciation and Taxation	2,81,78,012	1,76,53,955
Less : Depreciation	80,47,813	56,66,634
Provision for Deferred Taxation	5,24,849	(8,86,628)
Provision for Taxation	94,22,000	40,92,000
Net Profit/ (Loss)	101,83,350	87,81,949
Add : Balance from Last Year	2,10,11,553	1,22,29,604
<i>Prior Period Profit adjustments</i>		
Less : Appropriation	-	-
Transfer to Reserves / Loss carried to Balance Sheet	3,11,94,903	2,10,11,553

Operations

During the business year 2006 – 2007, 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 increased from Rs. 3020.17 lakhs in the business year 2005 – 2006 to Rs. 3685.41 lakhs in the business year 2006 – 2007.

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. Further the Company has obtained CE Certification for sutures. The CE symbol and the reference number of the notified body denote that the product fulfils the basic requirements in accordance with the Medical Device Directive (MDD) 93 / 42 / EEC.

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 2006 - 2007****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. The Board of Directors 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, Directors of the company are retiring by rotation and being eligible offer themselves for re-appointment. Mr. S. R. Kingar, Whole Time Director is re-appointed w.e.f. 1st November, 2007. The managerial remuneration of Mr. C. R. Rawale is revised w.e.f. 1st April, 2007

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 2006 - 2007****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, 2007

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 2006 - 2007****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, 2007.

I. Conservation of energy

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

A. Power and fuel consumption

	2006-2007	2005-2006
1. Electricity Consumption		
a) Purchased units	2,14,110	1,95,317
Total Amount	Rs.14,18,406	Rs. 9,12,692
Rate/unit	Rs. 6.92	Rs. 4.67
b) Own Generation	-	-
Through Diesel Generator :	-	-
Units	-	-
Units per litre of diesel oil	-	-
Cost/Unit	-	-

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.936.20 lakhs (Previous Year Rs. 744.06 lakhs). The foreign exchange earned during the year was Rs. 647.91 lakhs (Previous Year Rs. 212.20 lakhs). The Company has not imported any technology.