



Annual Report
2009 - 2010

 **CENTENIAL**
SURGICAL SUTURE LTD.

CENTENIAL SURGICAL SUTURE LTD

NOTICE TO MEMBERS

NOTICE IS HEREBY GIVEN THAT THE 15TH ANNUAL GENERAL MEETING OF THE MEMBERS OF CENTENIAL SURGICAL SUTURE LIMITED WILL BE HELD ON MONDAY 27TH SEPTEMBER, 2010 AT 3.30 P.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT F-29, MIDC, MURBAD, THANE – 421 401 TO TRANSACT THE FOLLOWING BUSINESS:

A. ORDINARY BUSINESS:

1. To receive, consider and adopt the audited accounts for the year ended **31st March, 2010** 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. B S Limaye, Director of the Company who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and 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:

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

“RESOVLED THAT Mr. Sunil Modi, who was appointed as an additional Director w.e.f. 10th June, 2010, and who holds office upto the date of the 15th Annual General Meeting, but who is eligible for the 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 be and is hereby re-appointed as a Director.”

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. Devraj Poojary as a Whole time Director of the Company for a period of 3(Three) years with effect from 1st November, 2010on 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.”

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.

CENTENIAL SURGICAL SUTURE LTD.

- 4). Members desiring to seek any information on the annual accounts are requested to write to the company at an early date to enable compilation of information.
- 5). The Register of Members and Share Transfer Register shall remain closed from Monday, September 20, 2010 to Saturday the September 25, 2010 (both days inclusive).
- 6). The relevant explanatory statement under Section 173(2) of the Companies Act, 1956 in respect of the business under item No. 4 & 5 as set above is annexed hereto.
- 7). Members are requested to bring their copy of Annual Report for 2009 - 2010 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). The company has paid the listing fees for the year 2009 - 2010 to Bombay Stock Exchange Limited, Mumbai and The Ahmedabad Stock Exchange Limited, Ahmedabad, where the securities of the company continue to be listed.
- 11). Shareholders are requested to furnish their e-mail id's to enable the company forward information in relation to the company on a regular basis.
- 12). The Securities and Exchange Board of India has notified that the shareholders/ transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their PAN Card to the company / RTA while transacting in the securities market including transfer, transmission or any other corporate action.
Accordingly, all the shareholders / transferee of shares (including joint holders) are requested to furnish a certified copy of their PAN Card to the company / RTA while transacting in the securities market including transfer, transmission or any other corporate action.
- 13). All communication relating to shares are to be addressed to the company or the company's Share Transfer Agent, Purva Sharegistry (India) Pvt. Ltd, 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel (East), Mumbai - 400 011.
- 14). No Gifts will be distributed.

Registered Office :

F-29, MIDC, Murbad, Thane 421 401.

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

Murbad, Thane; August 14, 2010

**Vijay Majrekar
Chairman cum Managing Director**

CENTENIAL SURGICAL SUTURE LTD.

EXPLANATORY STATEMENT

As required by Section 173(2) of the Companies Act, 1956

Item No. 4 :

Shri S. C. Modi was appointed as an additional Director w.e.f. June 10, 2010 under Section 260 of the Companies Act, 1956. The said Director will hold office upto the date of the Annual General Meeting and it is also necessary to obtain shareholders approval for his appointment as Director of the Company. The Company has received a notice in writing from a member proposing the candidature of Shri S. C. Modi for the office of the Director under Section 257 of the Companies Act, 1956. S. C. Modi has already filed his consent to Act as a Director with the Company.

- | | |
|---|---|
| 1). Name of the Director | : Shri Sunil C. Modi |
| 2). Age | : 46 Years |
| 3). Qualification | : B. Com., F.C.A. |
| 4). Experience | : 22 years experience in Audit with focus on Corporate Finance, IPO / GDR, Loan Syndication, Advisory services for financial planning for all types of business entities. |
| 5). Number of directorship in other Indian Public Limited Company | : Nil |

Your Directors recommend the approval of proposed Resolution by the Members. None of the Directors of the Company are interested in the Resolution.

Item No. 5 :

Shri Devraj Poojary was appointed as Whole Time Director w.e.f. February 1, 2008.

Shri Devraj Poojary has served as Whole Time Director of the Board of the Company and his term is expiring on October 31, 2010. Hence, Board re-appointed him for the further period of 3(three) years w.e.f. November 1, 2010.

The major terms and conditions proposed to be entered into by the Company with Shri Devraj Poojary in respect of his appointment, inter alia, contains the following :

MAJOR TERMS AND CONDITIONS OF SHRI DEVRAJ POOJARY

I) TERMS AND CONDITIONS :

- | | |
|------------------------------------|---|
| 1). Name & Designation of Director | : Shri Devraj Poojary, Whole Time Director. |
| 2). Date of Appointment | : Appointed w.e.f. November 1, 2010 |
| 3). Period | : 3 years. |
| 4). Salary (p.m.) | : Rs.25,000/- p.m. with power to Board to vary from time to time within the limits of schedule XIII of the Companies Act. |

II) PERQUISITES :

Shri Devraj Poojary 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.

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- 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. **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.

Registered Office :

F-29, MIDC, Murbad, Thane 421 401.

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

Murbad, Thane, August 14, 2010.

Vijay Majrekar
Chairman cum Managing Director

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BOARD OF DIRECTORS

Vijay Majrekar

Chairman cum Managing Director

Devraj Poojary

Executive Director

S. H. Jain

Independent Non Executive Director

B. S. Limaye

Independent Non Executive Director

S. C. Modi

Independent Non Executive Director

Registered Office

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

Bankers

Canara Bank

Co-operative Bank of Ahmedabad

HDFC Bank Ltd.

Parsik Janata Sahakari Bank Ltd.

Manufacturing Facilities & Site

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

Village Dhavale, Ulhasnagar, Thane.

Website

www.centenialindia.com

Auditors

Vipul N. Shah & Associates

Chartered Accountants

Share Registrars

Purva Sharegistry India Pvt, Ltd.

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

Fort, Mumbai - 400 001.

**Fifteenth Annual Report
2009 ~ 2010**

CENTENIAL SURGICAL SUTURE LTD.

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Chairman cum Managing Director's Report

To the Shareholders,

The Directors have pleasure in submitting the Fifteenth Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2010. This is the fifteenth year in the journey of Centenial Surgical Suture Ltd. Our world grows more complex everyday and we encounter increased challenges. The CENTENIAL management and its staff have risen to challenges for than 15 years, with commitment and hard work. And, we are confident we will continue to do so in the years' ahead. Through all these years, our Company has faced many tough times and enjoyed equal moments of glory. Everything is worth it, if one is able to create lasting values and a strong core. In the past too, there have been sharp swings in business cycles and there will be more of these in the future, though hopefully not of the magnitude and ferociousness we are seeing today. And each time in the past we have come out of the eye of the storm, we have emerged fitter and stronger and the passion for Innovation is vibrant and urgent. We have been able to create a foundation, which is enabling us to overcome challenging times such as now and helping us to adapt to the current situation while retaining our strength to fulfill the long-term vision. Our values always guide us, and our history and heritage as a company, in one word, stands for trust, service and high Quality. Our demanding standards of governance have set us apart, even more, now, and in the future. Clearly, investors and employees will appreciate and learn to value and differentiate between organisations like ours that are ethical, honest, well-governed and transparent, and others, for whom governance is a platitude. This is a huge strength, built over time into our genetic coding. It will always stand us in good stead. We are focusing on building strong administrative and support functions and have concurrently invested in systems for financial accounting, accurate billing, objective legal system, strong human resources and excellent Quality. Your company will exploit its strengths in cardio and vascular sutures business and exploring growth opportunities. Clearly the way to succeed in this market is through improved processes and enhanced production of the right Quality. Despite the negativity of growth we are confident that your company will give an encouraging performance during this financial year, with higher sales growth and improved profitability as compared to the previous year. This would have a long lasting positive impact on both yield levels and productivity. We have a brand name which stands for Quality, reliability, commitment and integrity. The CENTENIAL name is pronounced with great deal of respect, in domestic as well as international markets. It has been created through sheer sincere dedication. This makes us believe that it will be long lasting and something we can build further on. In July 2010, our Company completed its 15th year of operations. Market conditions have been challenging. Credit allocation is a factor to contend with. Your Company has been working through this demanding situation to ensure that viable products move forward. In some cases, we have been successful. Your Company continues to be impacted adversely by prices. This has resulted in higher accumulation of receivables and with the sale of products at a discounted prices resulting lower sales and profitability. To further your company's growth, the Cardio Vascular products is being given additional impetus. New production lines have been established to increase the production substantially in the coming years. The management of your company is planning to increase the market share of Cardio Vascular products business. Confidence in our products will further accelerate the success rate in the coming years. Considering the challenging business environment your Company's performance can be termed as satisfactory.

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Financial Performance

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

	For the year ended 31.3.2010	For the year ended 31.3.2009
Net Profit before Depreciation and Taxation	3,07,75,597	3,65,52,129
Less : Depreciation	72,18,584	79,94,156
Provision for Deferred Taxation	3,16,002	(97,045)
Provision for Taxation	77,40,027	1,12,09,715
Net Profit/(Loss)	1,55,00,981	1,74,45,300
Add : Balance from Last Year	5,33,19,235	4,45,04,915
Prior Period Profit adjustments		
Less : Appropriation	0	86,30,980
Transfer to Reserves Loss carried to Balance Sheet	6,88,20,216	5,33,19,235

Operations

During the business year 2009 – 2010, achieved a turnover of Rs.4763.76 Lakhs for the financial year under review (Previous year Rs.4915.31 Lakhs). We believe that tough times don't last, tough people do. At a time like this, we constantly remind ourselves, that our collective endeavour as an organization is to build businesses for the long haul. In the past too, there have been sharp swings in business cycles and there will be more of these in the future, though hopefully not of the magnitude and ferociousness we are seeing today. And each time in the past we have come out of the eye of the storm, we have emerged fitter and stronger. Many established surgeons have tried our products and started using them continuously and the trends are encouraging. 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. With a noticeably lower sales partially due to lower exports and profitability performance during the current year, the Directors regret that they are still not in a position to recommend a dividend.

As a measure of performance which aims to deliver a better deal to all the stakeholders of the company, be it customers, employees, shareholders, the community and the environment. Our customers have never wavered in their unanimous opinion of our capability and our commitment to serve them. A strong and satisfied client base is more than borne out by the fact that we still continue to draw 80% of our business from repeat customers.

Even after fifteen years, the passion for innovation is vibrant and urgent. It also gives us happiness that SURGEON'S have reposed faith in our ability to make a difference. We have a brand name, which stands for reliability, commitment and SAFETY. The Centenial name is pronounced with great deal of respect, in the domestic market. It has been created through sheer dedication. This makes us believe that it will be long lasting and something we can build further on. The quality of management and the professionals of the company is the true reputation builder of the company. More than 95% of the current workforce has grown with us, with some clocking more than ten years. They realize the value of success and the hard work required to sustain this success. They have been an important part of the journey of creating value leadership. We think our spirit and our resolve are something, which cannot be replicated. This indeed is a defining value.

ISO 9001 : 2008 / ISO 13485 : 2003 / CE Certification

Your company is ISO 9001 : 2008 ; ISO 13485 : 2003 and CE certified. The stringent ISO 9001 : 2008 and ISO 13485 : 2003 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.

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Research and Development

Your Company strongly believes that sustained growth in this 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.

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 always placed emphasis on our people and safety at workplace. Industrial relations in the company were cordial throughout the business year under review. 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

Your Directors after careful consideration of the accounts of the company and the industry scenario have not recommended any dividend to the equity shareholders of the company. While placing on record their deep concern, the Directors decided that in view of the inadequate profits it would not be possible to declare dividends as there was a need to conserve the profits for better financial health of the company.

Directors

During the year, Shri B. S. Limaye, Director of the Company is retiring by rotation and being eligible offers himself for re-appointment. Shri S. C. Modi has been appointed as an additional Director of the Company w.e.f June 10, 2010. It is proposed in the forthcoming annual general meeting to regularise as a Director of the Company. Shri Devraj Poojary, Whole Time Director is re-appointed w.e.f. November 1, 2010. Shri C. R. Rawale Whole Time Director and Shri N. M. Birje, Independent Non-Executive Director of the Company resigned from the Board w.e.f. December 31, 2009.

Directors Responsibility Statement

As required u/s 217(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 judgments 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 58A of the Company's Act, 1956 during the year.