

# CENTENIAL SURGICAL SUTURE LTD.

Annual Report 2010 - 2011

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**COMPANY INFORMATION**

**BOARD OF DIRECTORS**

Vijay Majrekar  
**Chairman and 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**

S. Mhatre  
**Chief Operating Officer**

U. V. Kotian  
**Chief Financial Officer**

**REGISTERED OFFICE**

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

**BANKERS**

*Canara Bank*

*HDFC Bank Ltd.*

*Co-operative Bank of Ahmedabad*

*Gopinath Patil Parsik Janata Sahakari Bank Ltd.*

*State Bank of India*

**MANUFACTURING FACILITIES & SITE**

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

*Village Dhavale, Ulhasnagar, Thane.*

**WEBSITE**

[www.centennialindia.com](http://www.centennialindia.com)

**AUDITORS**

*Vipul N. Shah & Associates*

*6, Samir Complex, S. M. Road,  
Ambawadi, Ahmedabad - 380 015.*

**SHARE REGISTRARS**

*Purva Sharegistry India Pvt. Ltd.*

*33, Printing House, 28-D Police Court Lane,  
Fort, Mumbai - 400 001.*

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# CENTENIAL SURGICAL SUTURE LTD.

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Annual Report 2010 - 2011

## Chairman and Managing Director's Report

### To the Shareholders,

Your Directors have pleasure in presenting their Sixteenth Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2011. This is the sixteenth 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 more than 16 years, with commitment, hard work and 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, 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 2011, our Company completed its 16<sup>th</sup> 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.

# CENTENIAL SURGICAL SUTURE LTD.

## Annual Report 2010 - 2011

### Financial Performance

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

	For the year ended 31.3.2011	For the year ended 31.3.2010
Net Profit before Depreciation and Taxation	3,85,62,683	3,07,75,597
Less : Depreciation	64,69,294	72,18,584
Provision for Deferred Taxation	12,978	3,16,002
Provision for Taxation	1,12,95,065	77,40,027
Net Profit/(Loss)	2,07,85,346	1,55,00,981
Add : Balance from Last Year <i>Prior Period Profit adjustments</i>	6,88,20,216	5,33,19,235
Less : Appropriation	0	0
Transfer to Reserves Loss carried to Balance Sheet	8,96,05,562	6,88,20,216

### Operations

During the business year 2010 – 2011, achieved a turnover of Rs.5024.53 Lakhs for the financial year under review (Previous year Rs.4763.76 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 sixteen 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 Certification

Your company is ISO 9001 : 2008 certified. The stringent ISO 9001 : 2008 system means effective control over every step to achieve true quality assurance for our products.

# CENTENIAL SURGICAL SUTURE LTD.

## Annual Report 2010 - 2011

### 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.

### 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 dividend as there was a need to conserve the profits for better financial health of the company.

### Directors

During the year, Shri S. H. Jain, Director of the Company is retiring by rotation and being eligible offers himself for re-appointment. Shri Vijay Majrekar, Managing Director of the Company is re-appointed w.e.f. October 1, 2011.

### 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.

### Particulars of employees

In accordance with the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended, the name and other particulars of the employee are set out in the annexure to the Directors Report.

# CENTENIAL SURGICAL SUTURE LTD.

## Annual Report 2010 - 2011

### Corporate Governance Code

A separate report on Corporate Governance is enclosed as a part of this Annual Report. Certificate of Messrs Vipul N. Shah & Associates, regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with stock exchange is enclosed herewith.

### Compliance Certificate

Compliance Certificate as required under section 383A of the Companies Act, 1956 prepared and issued by HS Associates, Company Secretaries in Practice, is annexed hereto.

### 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.

### 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 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

We appreciate the continued support of our shareholders and confidence shown in us. We see a bright future for the company and for value - creation for our stakeholders. We would like to thank you for the support and faith you have shown in us, and look forward to a fruitful relationship for years to come. We would like to thank all the stakeholders for their trust and support. I am also thankful to the members of the board for their insight and guidance. I would also like to extend a special thank you to all the members of the management team and employees who contributed each day to the success of our company. Your Directors also place on record their deep sense of appreciation for the services rendered by the employees of the company.

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

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

Murbad, Thane, August 12, 2011

**Vijay Majrekar**  
*Chairman and Managing Director*

# CENTENIAL SURGICAL SUTURE LTD.

## Annual Report 2010 - 2011

### 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, 2011.

#### A. Conservation of energy

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

<b>I. Power and fuel consumption</b>	<b>2010 - 2011</b>	<b>2009 - 2010</b>
<b>1. Electricity Consumption</b>		
a) Purchased units	<b>2,24,493</b>	2,23,258
Total Amount	<b>Rs.14,10,320</b>	Rs.12,60,436
Rate/unit	<b>Rs. 6.28</b>	Rs. 5.64
b) Own Generation		
Through Diesel Generator :		
Units	<b>3,380</b>	2,992
Units per litre of diesel oil	<b>4.18</b>	4.65
Cost/Unit	<b>Rs. 9.92</b>	Rs. 7.76
<b>II. Consumption per unit of production</b>	<b>2010 - 2011</b>	<b>2009 - 2010</b>
Electricity	<b>0.52</b>	0.48
Furnance Oil	-	-
Coal (specify quality)	-	-
Others (specify)	-	-

#### B. Technology absorption

Efforts made in technology absorption as per Form B of the Annexure:

##### Form B

##### Form for disclosure of particulars with respect to absorption of technology.

#### Research and development (R & D)

- Specific areas in which Reserch & Development (R & D) is being carried out by the Company :  
In-house Reserch and Development work is carried out to develop new products and to improve existing products.
- Benefits derived as a result of the above R&D :  
Improvement in products.
- Future plan of action:  
The Company will carry on R & D activities to improve existng products and develop new products.
- Expenditure on R&D :  
No Significant expenditure is incurred.

**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.807.96 lakhs (Previous Year Rs.666.80 lakhs). The foreign exchange earned during the year was Rs.140.64 lakhs (Previous Year Rs.68.69 lakhs). The Company has not imported any technology.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, and Indian Generally Accepted Accounting Principles (Indian GAAP). In the adoption of the accounting standards there are no material departures from the prescribed Indian accounting standards. Your Company's management believes that it has been objective and prudent in making estimates and judgements relating to the financial statements and believes that these financial statements are a fair representation of your Company's operations and profits for the year.

#### Overview

During the business year 2010 – 2011, achieved a turnover of Rs.5024.53 Lakhs for the financial year under review (Previous year Rs.4763.76 Lakhs). 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. In summary the sharp focus on demand generation for key products, procurement and manufacturing efficiencies, tight control on expenses have been enhanced for the current financial year 2011 - 2012.

#### Quality

Your Company has been consistently meeting the quality objectives of ISO 9001 : 2008 Certification.

#### Research and Development

The Company has achieved the following through Research and Development:

- Development of new value added products.
- Process improvements resulting in better yields and further improvement in quality of products.

#### Energy Conservation

Regular studies are carried out to ascertain the quantitative energy consumption patterns, variances are analysed and corrective actions taken. The Company is continuously working towards further improvements in energy consumption levels.

#### Health, Safety and Environment

During the period under review, medical check up of all regular employees has been carried out. All requirements pertaining to pollution control, environmental protection and safety have been complied with. Employees have been trained to observe the guidelines relating to safety, health and environment.

#### Company's Philosophy on Code of Governance

Philosophy of your Company on corporate governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and all its interactions with its stakeholders, including shareholders, employees and the government. Your Company is committed to achieving the highest international standards of corporate governance. Your Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, over a sustained period of time.

# CENTENIAL SURGICAL SUTURE LTD.

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## Annual Report 2010 - 2011

### **Opportunities and Threats**

The surgical industry depends largely on new surgical applications and surgeries. In the last few years, the increase in the allocation of funds for such purposes have been on the increase and as such the opportunity of growth in surgical items is unlimited. However, there exists untapped potential in the nursing home sector. The Company has arrangement / understanding with various distribution market and sell various items which are required in the nursing home market.

### **Product Performance**

The overall growth of business in the country has not been upto the desired levels because of restricted funding. The range of products has been steadily growing since 2005. The Company has consolidated its position in cardiovascular sutures segment and further consolidation is expected in 2011 - 2012. With the introduction of new suture ranges particularly CENTISORB PLUS Antibacterial / Antimicrobial Sutures, the sales has been growing steadily. However, in view of unrestricted imports, competition, sales and profitability of the Company has been affected.

### **Outlook**

During the current financial year there has been an improvement in the market conditions resulting in an increase in despatches and satisfactory sales price realisations. It is expected that this trend will continue. Further the growth rate of the Indian economy has been projected and your Company is also likely to benefit from this economic growth. Also due to increase in the production capacity there would be improvement in the profits of the Company in the coming years.

### **Risks and Concerns**

Your company has from its inception been conscious and has regularly evaluated the risks and threats that control it and converted these threats into opportunities to its best advantage. The management believes that your Company's business is subject to a number of risks. Your company has developed its business plan based on its view of the evolving regulatory framework. Many of the components of the regulatory regime are established or articulated by the relevant regulatory authorities, including Food and Drug Administration. In the event that the assumptions used in the business plan are different from the existing regulations, there would be an impact on your Company's business. Risks are quantified in monetary terms for the loss that the company would suffer, to make every associate conscious of the impact of a risk.

The Risk Management in your company has been functioning effectively and has been contributing to the mitigation of the risks that would have otherwise impacted our company.

### **Adequacy of Internal Controls**

Your Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition and that transactions are authorised, recorded and reported correctly.

### **Material Development in Human Resources and Industrial Relation**

Industrial relations at the plant of the Company remained cordial during the year under review 2010 - 2011.

### **Corporate Governance**

Your Company conforms to norms of Corporate Governance adopted by them. As a Listed Company, necessary measures are taken to comply with the Listing Agreements with the Stock Exchanges. A report

# CENTENIAL SURGICAL SUTURE LTD.

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## Annual Report 2010 - 2011

on Corporate Governance, along with a certificate of compliance from the Auditors, forms a part of this Report.

### Cautionary Note

The statements in the Report of the Board of Directors and the Management Discussion and Analysis section describing the Company's projections, estimates, expectations or predictions may be forward-looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors' envisage in terms of future performance and outlook since the Company's operations are influenced by many external and internal factors beyond the control of the Company.

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

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

*Murbad, Thane, August 12, 2011*

**Vijay Majrekar**  
*Chairman and Managing Director*

# CENTENIAL SURGICAL SUTURE LTD.

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## CORPORATE GOVERNANCE REPORT FOR THE YEAR 2010 - 2011

(Pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchange)

The following is the report on the Corporate Governance Code as implemented by your Company.

### Mandatory Requirements

#### Company's Philosophy on Corporate Governance :

The company's philosophy on Corporate Governance is to practice transparency and accountability in its operations leading to effective control and management of the organization. It brings into focus the fiduciary and the trusteeship role of the Board to align and direct the actions of the organization towards creating wealth and shareholder value. This philosophy is backed by principles of concern, commitment, ethics, excellence and learning in all its acts and relationships with stakeholders, customers, associates and community at large which has always propelled the company towards higher horizons. We believe in the principles of trusteeship, fair play and transparency in all our dealings. We endeavor to have a work culture, which is performance driven and conducive to improving discipline, accountability, depth of character, team spirit and honesty in all our personal and professional relationships. We also believe that mutual care and concern among the employees and the organization shall be a guiding principle.

#### Corporate Ethics

As a responsible corporate the company consciously follows corporate ethics in both business and corporate interactions. The various Codes and Policies adopted by the company, act as a guiding principle to its functioning. Some of our Codes and Policies are :

- Code of Conduct and Ethics for Senior Management
- Code of Conduct for Prevention of Insider Trading
- Policy of Corporate Social Responsibility
- Policy of Corporate Governance
- Legal Compliance Policy
- Whistle Blowers Policy
- Policy on Vendor's Grievances
- Policy on Supply Chain
- Policy on Succession Planning
- Policy on Employee Participation in Management
- Policy on Conflict Management
- Policy on Training for Board of Directors
- Policy on Induction of Directors
- Board Charter

These Codes / Policies and their effective implementation underpin the commitment of the company to uphold highest principles of Corporate Governance consistent with the Company's goal to enhance stakeholder value. These Codes / Policies have been briefly described in the Report.

#### Date of Report

The information provided in the Corporate Governance Report for the purpose of unanimity is as on March 31, 2011. The report is updated as on the date of the report wherever applicable.

#### Review of Legal Compliance Reports

The Board periodically reviews during the year the compliance reports in respect of the various statutory enactments applicable to the Company.

# CENTENIAL SURGICAL SUTURE LTD.

## Annual Report 2010 - 2011

### Clause 49 of the Listing Agreement

Your Company is fully compliant with the applicable mandatory requirements of the Clause 49 of the Listing Agreement. The table shows the Compliance Report Status :

Particulars	Clause of Listing Agreement	Compliance Status Yes/No	Remarks
<b>I. Board of Directors</b>	49 I	Yes	--
A) Composition of Board	49 (IA)	Yes	--
B) Non-executive Directors' compensation & disclosures	49 (IB)	Yes	--
C) Other provisions as to Board and Committees	49 (IC)	Yes	--
D) Code of Conduct	49 (ID)	Yes	--
<b>II. Audit Committee</b>	49 (II)	Yes	--
A) Qualified & Independent Audit Committee	49 (IIA)	Yes	--
B) Meeting of Audit Committee	49 (IIB)	Yes	--
C) Powers of Audit Committee	49 (IIC)	Yes	--
D) Role of Audit Committee	49 (IID)	Yes	--
E) Review of Information by Audit Committee	49 (IIE)	Yes	--
<b>III. Subsidiary Companies</b>	49 (III)	"N.A."	--
<b>IV. Disclosures</b>	49 (IV)	Yes	--
A) Basis of related party transactions	49 (IVA)	"N.A."	--
B) Board Disclosures	49 (IV B)	Yes	--
C) Proceeds from Public Issues, Right issues and preferential Issues.	49 (IV C)	"N.A."	--
D) Remuneration of Directors.	49 (IV D)	Yes	--
E) Management	49 (IV E)	Yes	--
F) Shareholders	49 (IV F)	Yes	--
<b>V. CEO/CFO Certification</b>	49 (V)	Yes	--
<b>VI. Report on Corporate Governance</b>	49 (VI)	Yes	--
<b>VII. Compliance</b>	49 (VII)	Yes	--

### Other Compliance

#### Secretarial Standards of Institute of Company Secretaries of India (ICSI)

The company has been following good secretarial practices and standards as laid down in the Secretarial Standards issued by the Institute of Company Secretaries of India, New Delhi, except in relation to compliance of Secretarial Standard - 2, clause 1.2.6, which provides for listed companies with more than 5000 shareholders to publish in a newspaper having wide circulation within the States of India, where more than 1000 members reside an abridged text of the Notice, listing the items of the business of the meeting.

#### Secretarial Compliance Report

The company has voluntarily subjected itself to Secretarial Audit and obtained Secretarial Compliance Report from Practising Company Secretary of the Institute of Company Secretaries of India, for the financial year ended March 31, 2011 confirming the compliance of the applicable provisions of various corporate laws.

### Board of Directors

#### Composition

Your Company's Board comprises of 5 (Five) Directors, which include the Managing Director, Executive Director and 3 (Three) Independent Non Executive Directors, from eminent fields. The composition of the

# CENTENIAL SURGICAL SUTURE LTD.

## Annual Report 2010 - 2011

Board is in conformity with Clause 49 of the listing agreement. The details of the Directors with regard to outside Directorships and committee positions are as follows :

Name of Director	Executive / Non - Executive / Independent	No. of outside directorship(s) held		No. of committee position(s) held	
		Public	Private	Chairman	Member
Shri Vijay Majrekar	Chairman and Managing Director	-	-	-	-
Shri Devraj Poojary	Executive Director	-	-	-	-
Shri S. H. Jain	Independent	-	01	-	-
Shri B. S. Limaye	Independent	-	-	-	-
Shri S. C. Modi	Independent	-	-	-	-

1. Independent Director means a Director as defined under Clause 49 of the Listing Agreement.
2. Excluding alternate directorships and directorships in foreign companies and Companies under Section 25 of the Companies Act, 1956.
3. Only two committees viz. the Audit Committee and the Shareholder / Investor Grievance Committee of all public limited companies are considered.
4. No Director is related to any other Director on the Board.

### Non-Executive Directors' compensation and disclosures

Apart from sitting fees that are paid to the Independent Non-Executive Directors (except the Managing Director) for attending Board / Committee meetings, no other fees / commission were paid during the year. No transactions have been made with the Independent Non-Executive Directors vis-à-vis your Company. The details of sitting fees paid to the Directors are given separately in this report.

### Other provisions as to Board and Committees

The Board meets at least once a quarter to review the quarterly financial results and operations of your Company. In addition to the above, the Board also meets as and when necessary to address specific issues relating to the business of your Company.

During the year under review, the Board met 04 (Four) times. The number of Board meetings held, dates on which held and number of Directors present are as follows:

Sr. No.	Date of Meeting	Board Strength	No. of Directors present
1.	May 15, 2010	4	4
2.	August 14, 2010	4	4
3.	November 13, 2010	4	4
4.	February 14, 2011	4	4

Your Company's Board plays a pivotal role in ensuring good governance and functioning of your Company. The Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and experience to the Board.

# CENTENIAL SURGICAL SUTURE LTD.

## Annual Report 2010 - 2011

The Board has unfettered and complete access to any information within your Company. Members of the Board have complete freedom to express their views on agenda items and can discuss any matter at the meeting with the permission of the Chairman. The Board provides direction and exercises appropriate control to ensure that your Company is managed in a manner that fulfils stake holder's aspirations and societal expectations.

The information placed before the Board includes:

- Annual operating plans, various budgets and updates thereof.
- Quarterly financial results.
- Minutes of meetings of Audit Committee and other committees of the Board.
- The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of the Chief Financial Officer and the Company Secretary.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- Risk Management policies of your Company.

The details of attendance of each Director at the Board meetings and the last Annual General Meeting are as follows:

Name of Director	No. of Board meetings held		Attended last Annual General meeting #
	Held	Attended	
Shri Vijay Majrekar	4	4	Yes
Shri Devraj Poojary	4	4	Yes
Shri S. H. Jain	4	4	Yes
Shri B. S. Limaye	4	4	Yes
Shri S. C. Modi	4	4	Yes

# Annual General Meeting (AGM) held on September 27, 2010 at F-29, MIDC, Murbad, Thane - 421401, Maharashtra.

Details of Directors Seeking Appointment / Reappointment at the Forthcoming Annual General Meeting (pursuant to clause 49 VI (IA) of the Listing Agreement)

Name of Director	Vijay Majrekar	S. H. Jain
Date of Birth	09.01.1961	07.04.1967
Date of Appointment	20.06.1995	01.03.2002
Age	50	44
Qualification	B.Com. M.B.A.	B.Com. F.C.A.
Expertise in specific general functional area	Finance & Management	Capital Markets, Finance & Accounts
Directorship in other Indian Public Limited Company & other firms as on 31.03.2011	NIL	NIL
Chairman/Member of the Board Committees of Other Public Limited Companies	NIL	NIL
No. of Shares held	576500	100

# CENTENIAL SURGICAL SUTURE LTD.

## Annual Report 2010 - 2011

Centenial Surgical Suture Ltd., Board presently consist of Promoter and Non-Executive/Independent Directors, many of whom are acknowledged as leading professionals in their respective fields. The Board comprises of total 05 (Five) Directors out of which 01 (One) is a Promoter Managing Director, 01 (One) Executive Director and the remaining 03 (Three) Directors are Independent Non-Executive Directors.

*An Independent Director is a Director who apart from receiving director's fees does not have any material pecuniary relationship or transactions with the Company, its promoters or its management or its subsidiaries, which in the judgment of the Board may affect their independence of judgment.*

### **Retirement Policy of the Directors**

The company does not have a retirement policy for the members of the Board of Directors of the company.

### **Responsibilities of the Directors**

#### **Responsibilities of the Board**

The primary role of the Board is that of trusteeship to protect and enhance shareholders' value. As trustee, the Board ensures that the company has clear goals and policies for achievement. The Board oversees the company's strategic direction, reviews corporate performance, authorizes and monitors strategic decision, ensures regulatory compliance and safeguards interests of stakeholders.

#### **Responsibilities of the Chairman and Managing Director**

The Board of Directors at their Meeting held on April 29, 2009 delegated the powers to Shri Vijay Majrekar, Chairman and Managing Director to enable him carry out the day-to-day operations of the company. The powers encompass all areas such as finance, personnel, legal, general and other miscellaneous powers.

#### **Responsibilities of Other Executive Directors**

Shri Devraj Poojary, Executive Director is incharge of the Sales operations of the Company, which includes all India Sales & Marketing operations and export market development. He is also responsible for the Company's forays into new products.

### **Code of Conduct and Ethics**

The Company adopted the Code of Conduct and Ethics for Directors and senior management personnel. The Code has been circulated to all the members of the Board and senior management and the same has been put on the Company's website [www.centennialindia.com](http://www.centennialindia.com)

The Board of Directors and senior managerial personnel have affirmed their compliance with the Code and a declaration along with certificate of compliance appears in the annexure to the Corporate Governance Report.

### **Audit Committee**

Pursuant to the provisions of Section 292(A) of the Companies Act, 1956 and Clause 49 of the Listing Agreement the Audit Committee was formed. The said Committee consists of 02 (Two) Non Executive Independent Directors and one Promoter Director. During the year there were in total 04 (Four) Audit Committee Meetings held on May 15, 2010, August 14, 2010, November 13, 2010 and February 14, 2011. The time gap between the two meetings was not more than 4 months.

# CENTENIAL SURGICAL SUTURE LTD.

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The constitution of the Audit Committee and the attendance of each member of the Committee are given below:

Name	Designation	Managing Director / Executive Director / Independent Non - Executive	Committee Meetings	
			Held	Attended
Shri B. S. Limaye	Chairman	Independent Non Executive Director	4	4
Shri S. H. Jain	Member	Independent Non Executive Director	4	4
Shri Vijay Majrekar	Member	Managing Director	4	4

The terms of reference of the Audit Committee include the following :

To hold periodic discussions with the Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditors / Internal Auditors;

- (a) To review compliance with internal control systems;
- (b) To review the quarterly, half-yearly and annual financial results of the Company before submission to the Board;
- (c) To investigate into any matter in relation to items specified in *section 292A* of the Companies Act, 1956 OR as may be referred to it by the Board and for this purpose to seek any relevant information contained in the records of the Company and also seek external professional advice, if necessary;
- (d) To make recommendations to the Board on any matter relating to the financial management of the Company, including the Audit Report.

### Terms of Reference

The terms of reference of this Committee are wide enough covering the matters specified for audit committees under Clause 49 of the Listing Agreements as well as in Section 292A of the Companies Act, 1956, and are as follows:

- (a) to review the results announcement and the report and accounts/review at the end of a quarter, half year and the full year before submission to the Board, focusing particularly on:
  - I. any changes in accounting policies and practices
  - II. major judgmental areas
  - III. significant adjustments resulting from the audit
  - IV. the going concern assumption
  - V. compliance with accepted accounting standards.
  - VI. compliance with stock exchange and legal requirements;
- (b) to consider the appointment of the statutory auditors, the audit fee, and any matters of resignation or dismissal;
- (c) to discuss with the statutory auditor before the audit commences the nature and scope of the audit;
- (d) to discuss problems and reservations arising from the statutory audit, and any matters the statutory auditor may wish to discuss (in the absence of management where necessary);
- (e) to review the statutory auditor's audit reports and presentations and management's response;
- (f) to review the effectiveness of the system of internal financial control and discuss the same periodically

# CENTENIAL SURGICAL SUTURE LTD.

## Annual Report 2010 - 2011

with the statutory auditors, prior to the Board making its statement thereon;

- (g) to review the internal audit programme, to ensure co-ordination between the internal and statutory auditors, to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to request internal audit to undertake specific audit projects, having informed management of their intentions;
- (h) to consider the major findings of internal investigations and management's response;
- (i) to consider any material breaches or exposure to breaches of regulatory requirements or of ethical codes of practice to which the Company subscribes, or of any related codes, policies and procedures, which could have a material effect on the financial position or contingent liabilities of the Company;
- (j) to review policies and procedures with respect to Directors' and officers' expense accounts, including their use of corporate assets, and consider the results of any review of these areas by the internal auditors or the statutory auditors;
- (k) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
- (l) to consider other topics, as defined by the Board.

### Remuneration Committee

Pursuant to the provisions of section 292(A) of the Companies Act, 1956 & clause 49 of the listing agreement, a remuneration Committee comprising of 3 (Three) Directors out of which 2 (two) Directors are Independent Non Executive Directors.

During the year there were in total 2 remuneration Committee Meeting were held on April 29, 2009 and June 30, 2010. The constitution of the Audit Committee and the attendance of each member of the Committee are given below:

Name	Designation	Managing Director / Executive Director / Independent Non - Executive	Committee Meetings	
			Held	Attended
Shri B. S. Limaye	Chairman	Independent Non Executive Director	2	2
Shri S. H. Jain	Member	Independent Non Executive Director	2	2
Shri Vijay Majrekar	Member	Managing Director	2	2

### Disclosure on Remuneration of Directors

1. All elements of remuneration package of individual Directors summarized under major groups, such as salary benefits, commission, etc. – All these managerial persons are drawing only remuneration, commission, the details of the same are mentioned elsewhere in this report in detail.
2. Details of fixed component and performance linked incentives, along with the performance criteria - NIL
3. Service contracts, notice period, severance fees – NIL
4. Stock option details, if any - and whether issued at a discount as well as the period over which accrued and over which exercisable - NIL

### Remuneration of Directors

Details of remuneration paid / payable to directors for the year ended March 31, 2011 are as follows :

# CENTENIAL SURGICAL SUTURE LTD.

## Annual Report 2010 - 2011

Director	Relationship with other Directors	Business relationship with CSSL	Loan & Advances from CSSL	Sitting Fees	Salary & Perquisites	Commission
Shri Vijay Majrekar	None	Managing Director, Executive	NIL	NIL	Rs.30.00 Lakhs	Rs.2.21 Lakhs
Shri Devraj Poojary	None	Executive Director	NIL	NIL	Rs.3.00 Lakhs	NIL
Shri B. S. Limaye	None	None	NIL	2500/-	NIL	NIL
Shri S. H. Jain	None	None	NIL	2500/-	NIL	NIL
Shri S. C. Modi	None	None	NIL	2500/-	NIL	NIL

All the Executive Directors are drawing remuneration as per agreement / terms of appointment finalised with them. The Company did not have any remuneration policy as such.

Following is the list of Non Executive Directors and their Shareholdings in the Company :

Name	No. of Equity Share	Non convertible Instruments
Shri B. S. Limaye	100	NIL
Shri S. H. Jain	100	NIL
Shri S. C. Modi	100	NIL

### Share Transfers and Shareholders / Investors Grievance Committee

A "Share Transfers and Shareholders / Investors Grievance Committee" has been constituted at the Board level, under the Chairmanship of a Non-Executive Independent Director to look into shareholders and investors grievances.

Following are the members of the Committee.

1. Shri. B. S. Limaye - Chairman and Independent Non Executive Director
2. Shri. S. H. Jain - Member and Independent Non Executive Director
3. Shri Vijay Majrekar - Member and Managing Director
4. Ms. S. Mhatre - Compliance Officer

### Role

The Committee looks into:

- issues relating to share holders including transfer/transmission of shares;
- issue of duplicate share certificates;
- non-receipt of annual report;
- non-receipt of share certificate after transfers;
- delay in transfer of shares;
- oversees performance of the Registrar and Transfer Agent;
- any other complaints of shareholders.

The Board of Directors have delegated the power to Ms. S. Mhatre to approve the transfer and transmission of shares, and also to approve subdivision, consolidation and replacement of share certificates of the

# CENTENIAL SURGICAL SUTURE LTD.

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Company. The Company has also adopted a code of internal procedure and conduct for prevention of insider trading in the shares of the Company, pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2002. The Board has designated Ms. S. Mhatre, as the Compliance Officer and authorised the Committee to monitor the compliances as required under the aforesaid regulations.

The attendance at the Shareholders / Investors Grievance Committee Meeting was as under :

Name	Designation	Managing Director / Executive Director / Independent Non - Executive	Committee Meetings	
			Held	Attended
Shri B. S. Limaye	Chairman	Independent Non Executive Director	4	4
Shri S. H. Jain	Member	Independent Non Executive Director	4	4
Shri Vijay Majrekar	Member	Managing Director	4	4
Ms. S. Mhatre	Member	Compliance Officer	4	4

### Number of shareholders' complaints received so far / number not solved to the satisfaction of shareholders / number of pending complaints

Details of complaints received, number of shares transferred during the year, time taken for effecting these transfers and the number of share transfers pending are furnished in the "General Shareholder Information" section of this Annual Report.

### Details of non-compliance by your Company, penalties, strictures imposed on your Company by Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other statutory authority, on any matter relating to capital markets, during the year.

There has been no instance of non-compliance by your Company on any matter related to capital markets during the year under review and hence no strictures / penalties have been imposed in your Company by the stock exchanges or the Securities and Exchange Board of India (SEBI) or any statutory authority.

### Investors Relationship

All complaints / requests received from shareholders during the year under review were resolved. No complaint / request was pending un-redressed as on March 31, 2011.

### Green Initiative in Corporate Governance

As per the Companies Act, 1956, the Company is required to send Notices / documents including Annual Report comprising of Balance Sheet, Profit and Loss Account, Directors' Report, Auditors' Report etc. to all its members physically. Hitherto these documents were being sent to your address registered with Depositories which is provided to the Company by them.

The Ministry of Corporate Affairs has taken welcome steps permitting companies to send the above referred documents through Electronic mode. The same has the following advantages:

- Quick and direct receipt of documents.
- Saving of paper and consequent improvement in environment.
- Avoidance of delay in receipt of communications and loss of documents in transit.

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In view of the benefits, we appeal to you to update your Email ID with your Depository Participant (DP) immediately. The aforesaid Notices / documents will also be made available on our website, <http://www.centennialindia.com/Corporates>. Physical copies of the notices / documents including Annual Reports will be available for inspection during office hours on working days at the Registered Office of the Company.

In case you desire to receive only physical copies of above documents, kindly write to our Register & Transfer Agents : M/s. Purva Sharegistry (India) Pvt. Ltd. Address : 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel (East), Mumbai - 400011.

Else, kindly email to our Register & Transfer Agents at [purvashr@mtnl.net.in](mailto:purvashr@mtnl.net.in) by quoting "SEEK PHYSICAL COPIES" in the subject of the mail and also by quoting your DP ID / Client ID to enable the Company to send the physical copy by Post to you.

We also request you to check your bank details by obtaining client master advice from your DP and ensure that your Core Banking System Bank Account Number, MICR Code, IFSC Code etc., are correctly updated by your DP.

We seek your cooperation in implementing the "GREEN INITIATIVE" of Ministry of Corporate Affairs, Government of India, New Delhi.

### General Body Meetings

The location and time of the Annual General Meetings held during the last 3 years is as follows:

Year	Type	Location	Date	Time
2008	Annual General Meeting [AGM]	F-29, MIDC, Murbad, Thane 421401, Maharashtra	September 27, 2008	3.30 p.m.
2009	Annual General Meeting [AGM]	F-29, MIDC, Murbad, Thane 421401, Maharashtra	September 29, 2009	3.30 p.m.
2010	Annual General Meeting [AGM]	F-29, MIDC, Murbad, Thane 421401, Maharashtra	September 27, 2010	3.30 p.m.

The special resolutions were passed on show of hands. Presently, the Company does not have proposal for postal ballot.

### Stakeholders

#### Dissemination of Information

The company has established systems and procedures to disseminate relevant information to its stakeholders including shareholders, auditors, suppliers, customers, employees and financiers. The primary source of information regarding the operations of the company, including the quarterly results can be viewed on the company's website [www.centennialindia.com](http://www.centennialindia.com). The quarterly and annual results of the company are sent to the Stock Exchanges immediately after they are approved by the Board of Directors and published in widely circulated English and in vernacular newspapers.

# CENTENIAL SURGICAL SUTURE LTD.

## Annual Report 2010 - 2011

### Shareholders

- Details of the Directors seeking re-appointment/appointment at the ensuing Annual General Meeting [AGM] are provided in the Notice convening the AGM.
- Press Releases and financial results are made available on the website of your Company ([www.centenialindia.com](http://www.centenialindia.com)).

### Means of Communication

- The annual and quarterly results are regularly submitted to the Stock Exchanges in accordance with the Listing Agreement and the same is published in Newspaper.

Newspaper	Cities of Publication
Navshakti	Mumbai
Free Press Journal	Mumbai

- The Management Discussions and Analysis Report forms part of this Annual Report.

### Management

The Management identifies, measures, monitors and minimizes the risk factors in the business and ensures safe, sound and efficient operation. Your Company has developed and implemented policies, procedures and practices that attempt to translate the Company's core purpose and mission into reality.

All these policies, procedures and practices are elaborated hereunder:

#### Policy of Corporate Governance :

The Company always makes conscious efforts to inculcate best Global Corporate Governance practices and goes beyond adherence to regulatory framework. The Company towards its commitment to trusteeship, transparency, accountability and equality in all its dealings, and to maintain positive bonding has put in place a 'Policy of Corporate Governance'.

#### Policy of Corporate Social Responsibility (CSR) :

The Company's dedicated philosophy of "SERVING SOCIETY THROUGH INDUSTRY" is envisaged through the above Policy. At CENTENIAL, CSR is an initiative to "create new value" to economic, environmental and social issues and is intended to identify your company with the society to establish rapport, increase competitiveness, and achieve sustainable growth, for better social development.

#### Policy on Vendor's Grievances :

To ensure consistent smooth and timely supply of quality material and services at economically viable and competitive prices from various vendors, without any grievances, the Policy on Vendors' Grievances is adopted.

#### Policy on Supply Chain :

Your Company being one of the manufacturer and marketer of Sutures and other medical devices in India, has introduced a 'Policy on Supply Chain', to ensure quality products are delivered timely to end customer, through a network of suppliers such as consignee agent, distributors and direct supplies.

### **Prohibition of Insider Trading :**

The Company has implemented a Policy prohibiting Insider Trading in conformity with regulations of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. Necessary procedures have been laid for insiders identified from time to time, which prohibits trading in the securities of the Company, based on unpublished price sensitive information.

### **Succession Planning :**

Your Company has put in place a Policy on Succession Planning, which is an ongoing process that identifies necessary competencies, and then works to assess, develop, and retain a talent pool of associates, in order to ensure a continuity of leadership for all critical positions.

### **Policy of Employee Participation in Management (EPM) :**

Your Company has framed a mechanism where the associates have an involvement and ownership in the decision making process of the organization. The purpose of EPM is to increase production and productivity, evaluation of costs, development of personnel, expansion of markets and risk Management.

### **Whistle Blower Policy :**

The Company has formulated a Policy to prohibit managerial personnel from taking adverse personnel action against employees disclosing in good faith, alleged wrongful conduct on matters of public concern involving violation of any law, mismanagement, misappropriation of public funds etc. Employees aware of any alleged wrongful conduct are encouraged to make a disclosure to the Audit Committee. No personnel of the Company has been denied access to the Audit Committee.

### **Legal Compliance Policy :**

The Company has a Legal Compliance Policy for duly complying with Central, State and Local Laws and Regulations to achieve and maintain the highest business standards and benchmark the internal legal practices against the International Standards.

### **Policy on Conflict Management :**

The Company has adopted a Policy on Conflict Management, which aims to resolve conflicts, at the lowest possible level, using procedures that address and respect the needs, interest and rights of associates in a fair and efficient manner. This is attained through the use of both, formal and informal conflict management processes. These tools are effectively coordinated through the Conflict Management System (CMS).

### **Policy on Training for Board of Directors :**

At CENTENIAL, we strongly believe in the concept of continuous learning. The Policy ensures that the Board of Directors, being at the highest level in the Organization Structure, too require training and development, to enable update themselves and provide best services to the Company. The training requirements of Directors vary in view of their nature of nomination on the Board and their training needs are structured accordingly.

### **Policy on induction of Directors :**

The Policy places the responsibility on the Chairman of the Board to ensure that all new Board members are well briefed and have access to all aspects of the Company's operations. The new Directors would be briefed on several matters like, duties and powers of Directors, special duties or arrangements attaching to

# CENTENIAL SURGICAL SUTURE LTD.

## Annual Report 2010 - 2011

the position, requirement to disclose Directors interest, confidentiality and right to access company information etc. In addition to the above, new Directors will be provided with other information like Company constitution, policies, organization structure and other relevant information.

### Board Charter :

This charter sets out the role, structure, responsibilities and operations of the Board of the company and its delegation of authority to the management. The charter sets out the role of the Board as a Trustee of the stakeholders and the company, who provide strategic direction, review corporate performance, authorize and monitor strategic decisions, ensure regulatory compliances and safeguard their interest.

### MANAGEMENT DISCUSSION AND ANALYSIS

This Annual Report has a detailed chapter on Management Discussion and Analysis.

### Disclosures

- The Management Discussion and Analysis forms part of the Annual Report and is in accordance with the requirements laid out in Clause 49 of the Listing Agreement.
- No material transaction has been entered into by your Company with the Promoters, Directors or the Management, their subsidiaries or relatives etc. that may have a potential conflict with interests of your Company.
- Your Company has instituted a comprehensive Code of Conduct in compliance with the SEBI regulations on prevention of insider trading.
- The Company has complied with mandatory provisions of corporate governance and is in the process of adopting the non-mandatory provisions of corporate governance.
- The Board hereby affirms that no personnel have been denied access to the audit committee.

Directors and Senior Management Personnel of the company, as well as certain identified key associates make quarterly disclosures to the Board relating to all material, financial and commercial transactions where they interest, conflicting with the interest of the company. The interested Directors do not participate in the discussion nor do they vote on such matters when the matter is considered by the Board of Directors.

# CENTENIAL SURGICAL SUTURE LTD.

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## CODE OF CONDUCT

### DECLARATION

As provided under Clause 49 of the Listing Agreement with the stock exchanges, the Board Members and Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended March 31, 2011.

Murbad, Thane  
August 12, 2011

Vijay Majrekar  
Managing Director

### CEO / CFO CERTIFICATION

To,  
The Board of Directors,  
CENTENIAL SURGICAL SUTURE LTD.

We certify that :

1. We have reviewed the financial statements, read with the cash flow statement of CENTENIAL SURGICAL SUTURE LTD. (the Company) for the year ended March 31, 2011 and to the best of our knowledge and belief :-
  - a. these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
  - b. these statements & other financial information included in this report present a true & fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting.
4. We have disclosed to the Company's Auditors and the Audit Committee of the Company's Board of Directors all significant deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify the deficiencies.
5. We have indicated to the Auditors and the Audit Committee that there have been no :
  - a. significant changes in the Company's internal control over financial reporting during the year;
  - b. significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements;
  - c. instances of significant fraud of which we have become aware and the involvement therein, if any, of management or other employees having a significant role in the Company's internal control system over financial reporting.

Murbad, Thane  
August 12, 2011

U. V. Kotian  
Chief Financial Officer

Vijay Majrekar  
Managing Director

# CENTENIAL SURGICAL SUTURE LTD.

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## GENERAL SHAREHOLDER INFORMATION

1).	<b>Annual General Meeting</b>	
	~ Date and time	Tuesday, September 27, 2011, 4.30 p.m.
	~ Venue	F-29, MIDC, Murbad, Thane-421401, Maharashtra.
2).	<b>Financial Calendar ~ April 1 to March 31</b>	
	~ First Quarter Results (June 30)	2nd Week of August 2011
	~ Mailing of Annual Report	1st Week of September 2011
	~ Annual General Meeting	September 27, 2011
	~ Second Quarter Results (September 30)	2nd Week of November 2011
	~ Third Quarter Results (December 31)	2nd Week of February 2012
	~ Fourth Quarter / Annual Results (March 31)	End of April 2012
3).	<b>Date of book closure</b>	Tuesday, September 20, 2011 to Tuesday, September 27, 2011
4).	<b>Dividend Payment</b>	The Board of Directors have not proposed any dividend for current financial year.
5).	<b>Registered Office</b>	F-29, MIDC, Murbad, Thane-421401, Maharashtra. Telephone No. : 91 (02524) 223200 :: 223201 Fax No. : 91 (22) 2417 1261 Email: admin@centenialindia.com Website : www.centenialindia.com
	<b>Manufacturing facilities</b>	(a). F-29, MIDC, Murbad, Thane-421401, Maharashtra. (b). B-17, MIDC, Murbad, Thane-421401, Maharashtra.
6).	<b>Listing details</b>	The Company's Shares are Listed on the Bombay and Ahmedabad Stock Exchange. The Bombay Stock Exchange Limited is a Regional Stock Exchange.
7).	<b>Stock Codes ~ BSE</b>	531380
	<b>Stock Codes ~ ASE</b>	11219
8).	<b>Listing Fees</b>	Listing Fees for the year 2010 ~ 2011 paid to the Bombay Stock Exchange Limited and the Ahmedabad Stock Exchange Limited.

# CENTENIAL SURGICAL SUTURE LTD.

## Annual Report 2010 - 2011.

Month / Year	The Bombay Stock Exchange Ltd.		
	High	Low	Monthly Volume
	(In Rs.)	(In Rs.)	(In Nos.)
April 2010	Not Traded	Not Traded	Not Applicable
May 2010	1.99	1.90	200
June 2010	Not Traded	Not Traded	Not Applicable
July 2010	Not Traded	Not Traded	Not Applicable
August 2010	2.08	2.08	1000
September 2010	Not Traded	Not Traded	Not Applicable
October 2010	Not Traded	Not Traded	Not Applicable
November 2010	Not Traded	Not Traded	Not Applicable
December 2010	Not Traded	Not Traded	Not Applicable
January 2011	Not Traded	Not Traded	Not Applicable
February 2011	Not Traded	Not Traded	Not Applicable
March 2011	Not Traded	Not Traded	Not Applicable

10). **Registrar and Transfer Agents** : Purva Sharegistry India Pvt. Ltd.

Registered office : 33, Printing House, 28-D Police Court Lane, Fort, Mumbai - 400 001.

### 11). Share Transfers System

To expedite the share transfer process in the physical segment, authority has been delegated to the Share Transfer Committee. For administration convenience and to facilitate speedy approvals, authority has also been delegated to senior executives to approve share transfers up to specified limits. Share transfers / transmissions approved by the Committee and the authorised executives are placed at the Board Meeting from time to time. All shares have been transferred and returned in 21 days from the date of receipt, so long as the documents have been clear in all respects. The Share Transfer Committee meets approximately twice a month.

### 12). Compliance Officer

Ms. S. Mhatre is the Compliance Officer for complying with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 and the listing agreements with the stock exchanges of India.

### 13). Secretarial Audit

A Practising Company Secretary of the Institute of Company Secretaries of India, has carried out secretarial audit every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/ paid-up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

# CENTENIAL SURGICAL SUTURE LTD.

Annual Report 2010 - 2011

14). Distribution of shareholding as of March 31, 2011 :

Slab of Shareholding (Value)	Shareholders		Share Amount	
	Numbers	% of Total Nos.	In (Rs.)	% of Total Amt.
0-5000	680	56.67	2244000.00	6.15
5001-10000	312	26.00	2679000.00	7.34
10001-20000	60	5.00	1055000.00	2.89
20001-30000	42	3.50	1088000.00	2.98
30001-40000	48	4.00	1522000.00	4.17
40001-50000	21	1.75	1038000.00	2.85
50001-100000	13	1.08	883000.00	2.42
Above 100000	24	2.00	25974000.00	71.19
Total	1200	100.00	36483000.00	100.00

15). Dematerialisation of shares & liquidity :

The Company's shares were dematerialised vide tri-partite agreement executed between the Company, M/s. Purva Sharegistry India Pvt. Ltd. (Registrar and Transfer Agents) and NSDL & CDSL respectively. As on March 31, 2011, 1,73,400 shares aggregating to 4.75% of the total holding were dematerialised. The balance 34,74,900 shares aggregating to 95.25% were in Physical Form.

16). Outstanding GDRs / ADRs / Warrants or any convertible instruments : Not applicable.

17). Plant location

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

18). Investor Correspondence

Ms. S. Mhatre, Compliance Officer.  
F-29, MIDC, Murbad, Thane - 421401.

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

Murbad, Thane, August 12, 2011

**Vijay Majrekar**  
Chairman and Managing Director

# CENTENIAL SURGICAL SUTURE LTD.

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## Annual Report 2010 - 2011

### Certificate of Compliance with the Corporate Governance requirements under clause 49 of Listing Agreement.

To the Members of Centenial Surgical Suture Ltd.

We have examined the compliance of Corporate Governance by Centenial Surgical Sutures Ltd. for the year ended March 31, 2011 as stipulated in clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that in respect of investor grievances received during the year ended March 31, 2011 no investor grievances are pending against the Company as per the records maintained by the Company and presented to the Investor / Shareholders Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**for, VIPUL N. SHAH & ASSOCIATES**  
**Firm Registration No. 111547W**  
*Chartered Accountants*

**Vipul N. Shah**  
*Proprietor*  
Membership No.: 40346

Murbad, Thane, August 12, 2011

# CENTENIAL SURGICAL SUTURE LTD.

Annual Report 2010 - 2011

## COMPLIANCE CERTIFICATE

Registration No. of the Company : L99999MH1995PLC089759

Nominal Capital : 7,50,00,000/-

To,

THE MEMBERS,

**CENTENIAL SURGICAL SUTURE LTD.**

Registered Office: F-29, MIDC,

Murbad, Thane – 421 401.

We have examined the registers, records, books and papers of **CENTENIAL SURGICAL SUTURE LTD.**, ("the Company") as required to be maintained under the Companies Act, 1956, (the "Act") and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on March 31, 2011 ("financial year"). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

- 1). The Company has kept and maintained all registers as stated in Annexure 'A' to this Certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
- 2). The Company has duly filed the forms and returns as stated in Annexure 'B' to this Certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made there under.
- 3). The Company being a Public Limited Company has the minimum prescribed paid up Capital.
- 4). The Board of Directors duly met 04 (Four) times on May 15, 2010, August 14, 2010, November 13, 2010 and February 14, 2011 in respect of which meeting proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
- 5). The Company has closed its Register of Members from Monday, September 20, 2010 to Saturday, September 25, 2010 (both days inclusive) & necessary compliance of Section 154 of the Act has been made.
- 6). The Annual General Meeting for the financial year ended on March 31, 2010 was held on September 27, 2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
- 7). No Extra-ordinary General Meeting was held during the financial year.
- 8). The Company has not advanced loans to its Director or persons or firms or companies as referred to under Section 295 of the Act.
- 9). The Company has not entered into any contracts falling within the purview of section 297 of the Act.
- 10). The Company has made necessary entries in the register maintained under Section 301 of the Act.
- 11). As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from Board of Directors, Members or Central Government as the case may be.
- 12). The Board of Directors has approved the issue of duplicate share certificates.
- 13). The Company has:
  - (i) Delivered all the certificates on allotment of securities and on lodgement thereof for transfer / transmission or any other purpose in accordance with the provisions of the Act.
  - (ii) Not deposited any amount in a separate bank account as no dividend was declared during the financial year.
  - (iii) Not paid dividends to any members within a period of 30 (thirty) days from the date of declaration as no dividend was declared.
  - (iv) Not transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures & the interest accrued thereon, which have remained unclaimed or unpaid for a Period of seven years, to Investor Education & Protection Fund as no amount in respect

## CENTENIAL SURGICAL SUTURE LTD.

### Annual Report 2010 - 2011

of the above were lying in the books of accounts of the Company is to be transferred.

(v) Duly complied with the requirements of Section 217 of the Act.

- 14). The Board of Directors of the Company is duly constituted. Shri Sunil Modi was appointed as an additional Director w.e.f. June 10, 2010. There were no appointments, alternate Directors and Directors to fill casual vacancy during the financial year.
- 15). The Company has not appointed a Managing Director / Whole-time Director / Manager during the financial year.
- 16). The Company has not appointed any sole-selling agents during the financial year.
- 17). The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act.
- 18). The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
- 19). The Company has not issued any shares, debentures or other securities during the financial year.
- 20). The Company has not bought back any shares during the financial year.
- 21). The Company has no preference share capital or debentures and as such there was no redemption of preference shares or debentures during the financial year.
- 22). There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
- 23). The Company has not invited or accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act during the financial year.
- 24). The Company has borrowed amount from Financial Institutions, Banks but not from Directors, Members and others during the financial year ending on March 31, 2011. The said borrowings are within the limit as specified under section 293(1) (d) of the Act.
- 25). The Company has not made any investments, given Loan or given guarantees or provided securities to other bodies corporate in accordance with the provisions of section 372A of the Act.
- 26). The Company has not altered the Provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the financial year under scrutiny.
- 27). The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the financial year under scrutiny.
- 28). The Company has not altered the provisions of the memorandum with respect to name of the Company during the financial year under scrutiny.
- 29). The Company has not altered the provisions of the memorandum with respect to the share capital of the Company during the financial year under scrutiny.
- 30). The Company has not altered its articles of association during the financial year.
- 31). There was no prosecution initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.
- 32). The Company has not received any money as security from its employees during the financial year.
- 33). The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

**for, H S ASSOCIATES**

Company Secretaries

Shri Hemant Shetye

Partner

C.P. No.: 1483

Mumbai, August 12, 2011

# CENTENIAL SURGICAL SUTURE LTD.

Annual Report 2010 - 2011

## ANNEXURE "A"

### REGISTERS AND RECORDS MAINTAINED BY THE COMPANY

- a) Register of members under Section 150.
- b) Index of members under Section 151.
- c) Register of Transfers.
- d) Registers and Returns under Section 163.
- e) Register of Contracts under Section 301.
- f) Register of Directors, Managing Director, manager and secretary under Section 303.
- g) Register of Director's shareholdings under Section 307.
- h) Register of Inter Company investments under Section 372A.
- i) Register of Charges under Section 143.
- j) Register of Share application and allotment.
- k) Minutes Book under Section 193.
- l) Books of Account under Section 209.
- m) Attendance Register

## ANNEXURE "B"

### FORMS AND RETURNS AS FILED BY THE COMPANY WITH THE REGISTRAR OF COMPANIES DURING THE FINANCIAL YEAR ENDED ON MARCH 31, 2011.

Sr. No.	Forms	Sections	Date of filing	Whether filed within prescribed time	If delay in filing whether requisite additional fee paid	Particulars
1	Form 66	Sec. 383(A)	04/10/2010	Yes	N.A.	Compliance Certificate for the year ended March 31, 2010
2	Forms 23AC, 23ACA	Sec. 220	07/10/2010	Yes	N.A.	Balance Sheet and Profit & Loss Account for Financial Year ended March 31, 2010
3	Form 20B	Sec. 159	16/10/2010	Yes	N.A.	Annual Return for year ended September 30, 2010
4	Form 32	Sec. 266	02/07/2010	Yes	N.A.	Appointment of additional Director
5	Form 32	Sec. 266	13/10/2010	Yes	N.A.	Re-appointment as a Director
6	Form 8	Sec. 125	07/04/2010	Yes	N.A.	Modification of Charges
7	Form 8	Sec. 125	08/04/2010	Yes	N.A.	Modification of Charges
8	Form 8	Sec. 125	02/11/2010	Yes	N.A.	Modification of Charges

for, H S ASSOCIATES

Company Secretaries

Shri Hemant Shetye

Partner

C.P. No.: 1483

Mumbai, August 12, 2011

# CENTENIAL SURGICAL SUTURE LTD.

Annual Report 2010 - 2011

## AUDITOR'S REPORT

To the Members of CENTENIAL SURGICAL SUTURE LTD.

- 1). We have audited the attached Balance Sheet of CENTENIAL SURGICAL SUTURE LTD. as at March 31, 2011, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2). We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3). As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure statement on the matters specified in paragraphs 4 & 5 of the said Order, to the extent applicable.
- 4). Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
  - i). we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii). in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - iii). the books of the branches have been submitted to us and the same have been audited and considered by us in preparing this report;
  - iv). the Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
  - v). in our opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
  - vi). on the basis of written representation received from the Directors, as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as at March 31, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - vii). in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - a). in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
    - b). in the case of the Profit & Loss Account, of the profit for the year ended on that date;
    - c). in the case of the Cash Flow statement, of the cash flows for the year on that date.

for, **VIPUL N. SHAH & ASSOCIATES**  
Firm Registration No. 111547W  
Chartered Accountants

**Vipul N. Shah**  
Proprietor

Membership No.: 40346

Murbad, Thane, August 12, 2011

# CENTENIAL SURGICAL SUTURE LTD.

Annual Report 2010 - 2011

## ANNEXURE TO THE AUDITOR'S REPORT

### ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE.

- i). In respect of its fixed assets :
  - a). The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
  - b). Some of the fixed assets have been physical verified during the year by the management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets of the Company at reasonable intervals having regards to the size of the Company and the nature of its assets. According to the information and explanation given to us no material discrepancies were noticed on such verification.
  - c). The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- ii). In respect of its inventories :
  - a). As explained to us, the inventories of finished and semi-finished goods and raw materials were physically verified during the year by the Management. In respect of stores and spare parts and stock lying with consignment agents, the Company has a programme of physical verification of stocks at reasonable interval.
  - b). In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c). In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification between the physical stock and book records were not material.
- iii).
  - a). According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956. In view of this, clauses (iii) (b, c and d) are not applicable to the Company.
  - e). According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956. In view of this, clauses (iii) (f and g) are not applicable to the Company.
- iv). In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and we have not observed any continuing failure to correct major weaknesses in such internal control system.
- v). In respect of contracts or arrangements entered by the companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 :
  - a). According to the information & explanations provided by the management, we are of the opinion that the transactions that needed to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
  - b). In our opinion and according to the information and explanations given to us, the transaction with the parties with whom transactions exceeding value of Rs.5,00,000 have been entered into during the financial year are reasonable having regard to the prevailing market prices at the relevant time.
- vi). In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public.
- vii). In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.

# CENTENIAL SURGICAL SUTURE LTD.

## Annual Report 2010 - 2011

- viii). According to the information and the explanations given to us and to the best of our knowledge, the Central Government has not prescribed the maintenance of the Cost Records under section 209 (1) (d) of the Companies Act, 1956.
- ix). In respect of Statutory dues :
- a). According to the information and explanations given to us, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it with appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax and Customs Duty were outstanding, at the year end for a period of more than six months from the date they became payable.
- b). According to the records of the Company, there are no dues in respect of Sales Tax, Custom Duty, Excise Duty and Income Tax under the Income Tax Act, 1961 ('IT Act') on account of any dispute except Rs.12,913/- for Assessment Year 2003-2004 under the Income Tax Act, 1961 for excess interest charged. The case is pending with the Assistant Commissioner of Income Tax.
- x). The Company does not have any accumulated losses and has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi). In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank.
- xii). According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii). As per the present business activities of the Company, the requirements of Clause 4 (xiii a, b, c and d) are not applicable to the Company.
- xiv). As per the present business activities of the Company, the requirements of Clause 4 (xiv) is not applicable to the Company.
- xv). According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institution.
- xvi). According to the information and explanations given to us, no term loans have been taken during the year hence, the purpose for which the loans were applied is not applicable to the Company.
- xvii). According to the information and explanations given to us and on the overall examination of the Balance Sheet and Cash flow statement of the Company, funds raised on short-term basis have prima-facie not been used during the year for long-term investment.
- xviii). The Company has not made any preferential allotment of shares during the year. Clause 4 (xviii) and Clause 4 (xix) are not applicable to the Company.
- xix). During the period covered by our audit report, the Company has not raised any money by public issue.
- xx). To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

for, **VIPUL N. SHAH & ASSOCIATES**  
Firm Registration No. 111547W  
Chartered Accountants

**Vipul N. Shah**  
Proprietor  
Membership No.: 40346

Murbad, Thane, August 12, 2011

# CENTENIAL SURGICAL SUTURE LTD.

Annual Report 2010 - 2011

Balance Sheet As at March 31, 2011

SCHEDULE	Current Year (Rs.) As at March 31, 2011	Previous Year (Rs.) As at March 31, 2010
<b>SOURCES OF FUNDS</b>		
<b>SHARE HOLDERS' FUNDS</b>		
Share Capital	A 36483000	36483000
Reserves and Surplus	B 107365062	86579716
<b>LOAN FUNDS</b>		
Secured Loans	C 74978635	75369163
Unsecured Loans	D 36630305	41530305
<b>Deffered Tax Liability</b> <small>(Refer Schedule R - Notes on Account No.8)</small>	12978	0
<b>TOTAL</b>	255469980	239962184
<b>APPLICATION OF FUNDS</b>		
<b>FIXED ASSETS</b>		
Gross Block	E 110454192	110778669
Less : Depreciation	65687229	60977006
Net Block	44766963	49801663
Capital Work In Progress	1922877	1922877
	46689840	51724540
<b>INVESTMENTS</b>	F 10000	10000
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
Inventories	G 148131231	141130026
Sundry Debtors	H 161030238	137523699
Cash & Bank Balances	I 3244867	5564013
Loans & Advances	J 70990235	57084347
	383396571	341302085
<b>Less : Current Liabilities &amp; Provisions</b>	K 174626431	153074441
<b>NET CURRENT ASSETS</b>	208770140	188227644
<b>TOTAL</b>	255469980	239962184

Accounting Policies and Notes to Accounts Schedule "R"

As per my attached report of even date

for, **VIPUL N. SHAH & ASSOCIATES**

Firm Registration No. 111547W

Chartered Accountants

**Vipul N. Shah**

Proprietor

Membership No.: 40346

Murbad, Thane, August 12, 2011

for and on behalf of Board of Directors

**Vijay Majrekar**

Chairman & Managing Director

**Devraj Poojary**

Executive Director

Murbad, Thane, August 12, 2011

# CENTENIAL SURGICAL SUTURE LTD.

Annual Report 2010 - 2011

## Profit and Loss Account for the year ended March 31, 2011

SCHEDULE	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
<b>INCOME</b>		
Sales	L 502453291	476376004
Other Income	M 143418	96443
Increase/(Decrease) in Finished Goods Stock	N (561577)	1198198
	<u>502035132</u>	<u>477670645</u>
<b>EXPENDITURE</b>		
Material Consumed	O 225437831	225984085
Other Manufacturing & Operating Expenses	P 29439349	31585063
Administration, Selling & Other Overheads	Q 208595269	189325901
Depreciation	6469294	7218584
	<u>469941743</u>	<u>454113632</u>
Profit before Tax	32093389	23557013
Provision for Deferred Taxation	12978	316002
Provision for Taxation	11295065	7740027
Net Profit	<u>20785346</u>	<u>15500981</u>
Add Balance from Last Year	68820216	53319235
Profit/(Loss) Carried to Balance Sheet	<u>89605562</u>	<u>68820216</u>
<b>Basic and Diluted Earning Per share (Rs.)</b>	<u>5.70</u>	<u>4.25</u>
<b>Nominal Value of Shares (Rs.)</b>	<u>10</u>	<u>10</u>

### Accounting Policies and Notes to Accounts Schedule "R"

As per my attached report of even date

for, **VIPUL N. SHAH & ASSOCIATES**

Firm Registration No. 111547W

Chartered Accountants

**Vipul N. Shah**

Proprietor

Membership No.: 40346

Murbad, Thane, August 12, 2011

for and on behalf of Board of Directors

**Vijay Majrekar**

Chairman & Managing Director

**Devraj Poojary**

Executive Director

Murbad, Thane, August 12, 2011

# CENTENIAL SURGICAL SUTURE LTD.

Annual Report 2010 - 2011

Schedules Annexed to and forming Part of the  
Balance Sheet and Profit and Loss Account as at March 31, 2011

	As at 31.3.2011	As at 31.3.2010
<b>SCHEDULE 'A'</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
7500000 (7500000) Equity Shares of Rs.10 each	<u>75000000</u>	<u>75000000</u>
<b>ISSUED</b>		
7200200 (7200200) Equity Shares of Rs.10 each	<u>36483000</u>	<u>36483000</u>
<b>SUBSCRIBED AND PAID UP</b>		
3648300 (3648300) Equity Shares of Rs.10 each	<u>36483000</u>	<u>36483000</u>
<b>TOTAL</b>	<u><u>36483000</u></u>	<u><u>36483000</u></u>
<b>SCHEDULE 'B'</b>		
<b>RESERVES AND SURPLUS</b>		
Capital Reserve	17759500	17759500
Profit And Loss Account	89605562	68820216
<b>TOTAL</b>	<u><u>107365062</u></u>	<u><u>86579716</u></u>
<b>SCHEDULE 'C'</b>		
<b>SECURED LOANS</b>		
Cash Credit with Banks	74978635	75369163
(Cash Credit facilities are Secured by way of Hypothecation of Stock and Book Debts. It is further secured by charge on all Immoveable Properties and Plant & Machinery.)		
<b>TOTAL</b>	<u><u>74978635</u></u>	<u><u>75369163</u></u>
<b>SCHEDULE 'D'</b>		
<b>UNSECURED LOANS</b>		
From Directors	6305	6305
Inter Corporate Deposits	25000000	30000000
Trade Deposits	11624000	11524000
<b>TOTAL</b>	<u><u>36630305</u></u>	<u><u>41530305</u></u>

# CENTENIAL SURGICAL SUTURE LTD.

Annual Report 2010 - 2011

SCHEDULE E - FIXED ASSETS												
Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	Balance As at 1.4.2009	Add during the year	Sold during the year	Balance as at 31.3.2010	As on 1.4.2009	For the Year	Written Back during the year	Total as on 31.3.2010	Balance as at 31.3.2010	Balance as at 31.3.2009		
Freehold Land	110000			110000	0	0		0	110000	110000		
Leasehold Land	219000			219000	33891	2607		36498	182502	185109		
Building	26140106			26140106	13217002	1292310		14509312	11630794	12923104		
Offices	6526300			6526300	101940	321218		423157	6103143	6424360		
Plant & Machinery	56907507	1709446		58616953	28868688	4004811		32873498	25743456	28038820		
Electrical Installation	4740462			4740462	3382278	244102		3626380	1114082	1358184		
Laboratory Equipments	308987	5520		314507	156063	21375		177437	137070	152924		
Furniture & Fixtures	3588738			3588738	1493110	249582		1742692	1846045	2095627		
Office Equipments	3182624	92303		3274928	2190422	353889		2544310	730617	992202		
Vehicles	12044677		(5406352)	6638325	8032981	693190	(4072089)	4654081	1984244	4011696		
Air Conditioner	609351			609351	354141	35500		389641	219710	255210		
<b>TOTAL</b>	<b>114377752</b>	<b>1807269</b>	<b>(5406352)</b>	<b>110778669</b>	<b>57830517</b>	<b>7218584</b>	<b>(4072089)</b>	<b>60977006</b>	<b>49801663</b>	<b>56547235</b>		
PREVIOUS YEAR	99386159	16281067	(1289474)	114377752	51023715	7994156	(1187354)	57830517	56547235	48362444		

# CENTENIAL SURGICAL SUTURE LTD.

## Annual Report 2010 - 2011

	<u>As at 31.3.2011</u>	<u>As at 31.3.2010</u>
<b>SCHEDULE 'F'</b>		
<b>INVESTMENTS (At cost)</b>		
400 Equity Shares of Rs.25/- each fully paid up in The Shamrao Vithal Co-Operative Bank Ltd. (not quoted)	10000	10000
<b>TOTAL</b>	<u>10000</u>	<u>10000</u>
<b>SCHEDULE 'G'</b>		
<b>INVENTORIES (As taken, valued and certified by the management)</b>		
Raw Materials (including materials in transit)	88432181	80255535
Packing Materials	2058259	2165558
Work in Progress	1684024	2190589
Finished Goods	55956767	56518344
<b>TOTAL</b>	<u>148131231</u>	<u>141130026</u>
<b>SCHEDULE 'H'</b>		
<b>SUNDRY DEBTORS</b>		
Debtors outstanding for period exceeding 6 Months (Unsecured but considered good)	22058023	31125254
Unsecured but considered doubtful	0	0
Others	138972215	106398445
<b>TOTAL</b>	<u>161030238</u>	<u>137523699</u>
<b>SCHEDULE 'I'</b>		
<b>CASH &amp; BANK BALANCES</b>		
Margin Money/Fixed Deposit Canara Bank	2222088	2896812
Cash on hand	388143	431428
Bank Balance with Scheduled Banks	634636	2235773
<b>TOTAL</b>	<u>3244867</u>	<u>5564013</u>
<b>SCHEDULE 'J'</b>		
<b>LOANS &amp; ADVANCES</b>		
(Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for the value to be received	66409700	51656739
Loans to Employees	51074	398410
Security deposit	3980723	4492866
Tax deducted at source	548738	536332
<b>TOTAL</b>	<u>70990235</u>	<u>57084347</u>
<b>SCHEDULE 'K'</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
Creditors for goods and expenses	174626431	153074441
<b>TOTAL</b>	<u>174626431</u>	<u>153074441</u>

# CENTENIAL SURGICAL SUTURE LTD.

## Annual Report 2010 - 2011

	<u>As at 31.3.2011</u>	<u>As at 31.3.2010</u>
<b>SCHEDULE 'L'</b>		
<b>SALES</b>		
Local Sales	488389373	469506017
Export Sales	14063918	6869987
<b>TOTAL</b>	<u><u>502453291</u></u>	<u><u>476376004</u></u>
<b>SCHEDULE 'M'</b>		
<b>OTHER INCOME</b>		
Miscellaneous Income	2025	1803
Interest on Fixed Deposits	141393	94640
<b>TOTAL</b>	<u><u>143418</u></u>	<u><u>96443</u></u>
<b>SCHEDULE 'N'</b>		
<b>INCREASE / (DECREASE) IN FINISHED GOODS</b>		
Closing Stock	55956767	56518344
Less : Opening Stock	56518344	55320146
<b>Increase /(Decrease) TOTAL</b>	<u><u>(561577)</u></u>	<u><u>1198198</u></u>
<b>SCHEDULE 'O'</b>		
<b>RAW MATERIAL CONSUMED</b>		
<b>Opening Stock</b>		
- Raw Material	80255535	61360256
- Packing Material	2165558	2318847
- Work in Progress	2190589	2241457
	<u>84611682</u>	<u>65920560</u>
<b>Add Purchases</b>		
- Raw Material	137422699	175356211
- Packing Material	95577914	69318996
	<u>317612295</u>	<u>310595767</u>
<b>Less Closing Stock</b>		
- Raw Material	88432181	80255535
- Packing Material	2058259	2165558
- Work in Progress	1684024	2190589
	<u>92174464</u>	<u>84611682</u>
<b>Raw Materials Consumed TOTAL</b>	<u><u>225437831</u></u>	<u><u>225984085</u></u>

# CENTENIAL SURGICAL SUTURE LTD.

## Annual Report 2010 - 2011

	<u>As at 31.3.2011</u>	<u>As at 31.3.2010</u>
<b>SCHEDULE 'P'</b>		
<b>MANUFACTURING &amp; OPERATING EXPENSES</b>		
Calibration Charges	52282	29560
Clearing & Forwarding	683171	834448
Consumables	800639	1567463
Conveyance	321476	3433
Diwali Expenses	550669	422000
Duties & taxes	8531194	13669964
Electricity	1410319	1283676
Exchange Rate Fluctuation	1031051	(191442)
Freight and Transport	1311987	464664
General Expenses	149267	187166
Insurance	1600502	1500661
Cerification	71695	71695
Letter of Credit Opening Charges	432512	573539
Licence Fees	75250	0
Profession Tax	2500	5350
Repairs & Maintenance	554790	1179986
Salary Factory	10711387	8713908
Staff Welfare	638108	608672
Sterilisation ~ Gama Irradiation	12973	27532
Telephone	27958	35032
Vehicle Running & Maintenance	378716	530924
Water Charges	90903	66832
<b>TOTAL</b>	<u><u>29439349</u></u>	<u><u>31585063</u></u>

# CENTENIAL SURGICAL SUTURE LTD.

## Annual Report 2010 - 2011

As at 31.3.2011

As at 31.3.2010

### SCHEDULE 'Q'

#### ADMINISTRATION, SELLING & OTHER OVERHEADS

Advertising	274113	166951
Audit Fees	127580	109388
Bank Charges	404596	639428
Books and Periodicals	4374	5914
Business Promotion	3913602	5067986
Commission	16452786	15820783
Conference Charges	2894500	2436765
Conveyance	141278	54793
Daily Allowance	7782284	8032147
Discounts	4776745	4738796
Donation	3607	5058
Electricity	218220	216421
General Expenses	269697	289304
Interest on Bank OD	8343049	10103513
Interest on Car Loan	0	672
Interest on Loan	3720758	3816486
Legal & Professional Expenses	524928	612205
Listing Fees	35296	57470
Loss on sale of Vehicles	47218	89004
Marketing Expenses	9325991	11916801
Membership & Subscription	17464	0
Miscellaneous Expenses	65682	57085
Motor Car Expenses	165500	174583
Postage & Telegram	4316537	3660804
Printing & Stationery	93505982	77818630
Rent	2755960	2728460
Salaries	41922519	33114224
Service Tax	191387	0
Software Development	66971	0
Sponsorship	25000	1157469
Sundry Debit Credit Balance Written Off	87519	6805
Tax Audit Fees	25000	25000
Telephone and Telex Expenses	1968597	2056170
Tender Fees	2500	500
Travelling	4218030	4346286
<b>TOTAL</b>	<b><u>208595269</u></b>	<b><u>189325901</u></b>

# CENTENIAL SURGICAL SUTURE LTD.

Annual Report. 2010 - 2011

## SCHEDULE "R" ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

### 1. ACCOUNTING POLICIES

**ACCOUNTING CONVENTION :** The financial statements are prepared under the historical cost convention in accordance with applicable accounting standards.

**FIXED ASSETS :** Fixed Assets are stated at cost less accumulated depreciation, cost is inclusive of freight, duties, levies, and any directly attributable cost of bringing the assets to their working condition for intended use.

**DEPRECIATION :** Depreciation is provided as per the W.D.V. method at rates provided by Company's Act.

**INVESTMENTS :** Investments are stated at cost.

**INVENTORIES :** Inventories are stated at lower of cost and net realisable value. Cost includes excise duty and appropriate allocation of direct and variable overheads.

**TAXES ON INCOME :** Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Provision for Income Tax is recognised on an annual basis under the taxes payable method, based on the estimated tax liability computed after taking credit for allowances and exemption in accordance with Indian Income Tax Act, 1961.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date for appropriateness of their carrying value at each balance sheet date.

**GRATUITY, LEAVE ENCASHMENT :** The Company has registered with the Life Insurance Corporation of India under the Employees Group Gratuity Scheme and provision for gratuity has been made during the year. No provision has been made in the accounts towards encashment of earned leaves not availed by the employees up to March 31, 2011. Since their encashment as per the rules of the company does not fall due on the said date. The same shall be accounted for as and when paid.

**CUSTOMS DUTY :** The customs duty payable on raw materials, stores, spares and components is accounted thereof from the bonded warehouses.

**FOREIGN EXCHANGE TRANSACTIONS :** Transactions in foreign currency are recorded at the exchange rate prevailing at the time of transaction. The exchange difference arising out of the subsequent settlements are dealt with in Profit & Loss Account.

**DEFERRED TAX :** Deferred Tax is accounted for by computing the Tax effect of timing differences, which arise during the year and reversed in subsequent periods.

**SALES :** Sale of goods is recognised at the point of dispatch to the customer.

### NOTES ON ACCOUNTS :

- 1). There are no contingent liabilities as certified by the Management.
- 2). In the opinion of the Board of Directors the current assets and loans and advances have a value on realisation in the ordinary course of business, at least equal to the amounts at which these are stated and that the provisions for the known liabilities are adequate and not in excess of the amount reasonably necessary.

# CENTENIAL SURGICAL SUTURE LTD.

## Annual Report 2010 - 2011

- 3). Debit balances in the accounts of suppliers and others are subject to confirmation and reconciliation.
- 4). Creditors for Goods and Expenses includes Rs.23091657/- (Previous year Rs.15168490/-) due to Micro, Small & Medium Enterprise. Micro, Small & Medium Enterprise having outstanding for more than 30 days and exceeding Rs.1.00 lakh each. (M/s. Akshay Printers, M/s. Sanfran Inc., M/s. Seal -O-Pack, M/s. Surgi Pack (India) Pvt. Ltd. & M/s. Quality Needles (P) Ltd.)

5). **Financial and Derivatives Instrument :**

Derivative contracts entered into by the company and outstanding as on March 31, 2011, is Rs.NIL Foreign Currency exposures that are not hedged by derivatives instruments as on March 31, 2011.

Particulars	Current Year (Rs. in Lakhs)	Previous Year (Rs. in Lakhs)
Receivable against Export Sales	26.49	8.51
Payable against Import of Raw Material	186.50	215.64

6). **Retirement Benefits :**

- i. In accordance with Accounting Standard 15 on 'Employees Benefits' as notified by the Companies (Accounting Standards) Rules, 2006, the following disclosures have been made:

	Current Year (in Rs.)	Previous Year (in Rs.)
Provident Fund	14,35,894	10,61,211

- ii. The details of post-retirement benefit plans for gratuity are given below which is certified by the actuary and relied upon by the auditors:

	Current Year (in Rs.)	Previous Year (in Rs.)
<b>Changes in present value of obligations</b>		
Present value of obligations as at beginning of year	19,92,670	14,74,262
Interest Cost	1,59,414	1,17,941
Current Service Cost	3,48,613	3,18,055
Benefits Paid	(68,936)	0
Actuarial (gain) / loss on obligations	37,475	82,412
Present value of obligations as at end of year	24,69,236	19,92,670

**Fair value of Plan Assets :**

Fair Value of Plan Assets at the beginning of year	15,56,909	9,02,507
Actual Return on Plan Assets	1,73,338	94,813
Contributions	7,19,612	5,59,589
Benefits Paid	(68,936)	0
Fair Value of Plan Assets at the end of the year	23,80,923	15,56,909
Funded Status	(88,313)	(4,35,761)
Excess of actual over estimated return on Plan Assets	NIL	NIL
<small>(Actual rate of return=Estimated rate of return as ARD falls on March 31)</small>		

**Actuarial Gain / Loss recognized :**

Actuarial Gain / Loss for the year - Obligation	(37,475)	(82,412)
Actuarial Gain / Loss for the year - Plan Assets	NIL	NIL
Total Gain / Loss for the year	37,475	82,412
Actuarial Gain / Loss recognized in the year	37,475	82,412

# CENTENIAL SURGICAL SUTURE LTD.

## Annual Report 2010 - 2011

	Current Year (in Rs.)	Previous Year (in Rs.)
<b>Amount recognised in the Balance Sheet</b>		
Present value of obligations as at the end of year	24,69,236	19,92,670
Fair Value of Plan Assets as at the end of year	23,80,923	15,56,909
Funded Status	(88,313)	(4,35,761)
Net Asset / (Liability) recognized in Balance Sheet	88,313	4,35,761

**Expenses recognised in the Profit & Loss Account:**

Current Service Cost	3,48,613	3,18,055
Interest Cost	1,59,414	1,17,941
Expected Return on Plan Assets	(1,73,338)	(94,813)
Net Actuarial (gain) / loss recognized in the year	37,475	82,412
Expenses recognised in statement of Profit & Loss	3,72,164	4,23,595

**Investment Pattern of Plan Assets:**

Insurer Managed Fund	100%	100%
As the Gratuity funds of the Group are managed by Life Insurance Companies details of investments are not available.		

**Principal Assumptions:**

Discount Rate	8.00 %	8.00 %
Salary Escalation	4.00 %	4.00 %

7). **Basic and diluted earning per share :**

For the purpose of calculation of Basic & diluted earning per share the following amounts are considered:

	Current Year	Previous Year
<b>A. Amount used as the numerator</b>		
Net Profit after Tax	Rs.207.85 Lakhs	Rs.155.01 Lakhs
Less : Dividend	Nil	Nil
Net Profit available for Equity Shareholders	Rs.207.85 Lakhs	Rs.155.01 Lakhs
<b>B. Weighted Average Number of Equity Shares (Nos.)</b>		
	3648300	3648300
<b>C. Basic and Diluted Earning Per Share</b>		
	Rs.5.70	Rs.4.25

8). **Computation of Deferred Tax Asset / (Liability)**

	Current Year (Rs. in Lakhs)	Previous Year (Rs. in Lakhs)
Deferred Tax Assets / (Liability) Depreciation	(0.13)	Nil

9). **Related Party Disclosure**

Related party disclosure as required by Accounting Standard (AS 18) is as given below :

Key Management Personnel – Whole Time Directors

Mr. Vijay Majrekar	Rs.32.21 Lakhs	Salary
Mr. Devraj Poojary	Rs.3.00 Lakhs	Salary
Mr. Vijay Majrekar	Rs.6.00 Lakhs	Rent

10). **Segment Reporting – Accounting Standard (AS 17)**

The Company has only one business as primary segment i.e. manufacturing of Medical Devices - Surgical Sutures etc.

# CENTENIAL SURGICAL SUTURE LTD.

## Annual Report 2010 - 2011

11). Additional Information pursuant to paragraphs 3, 4, 6 & 4D of Part-II of Schedule VI to the Companies Act, 1956.

A. Expenditure on Employees in respect of remuneration in aggregate of not less than Rs.24,00,000 per annum or Rs.2,00,000 per month when employed for the year or part thereof :

	Current Year (Rs. in Lakhs)	Previous Year (Rs. in Lakhs)
Employed throughout the year	32.21	32.25
Employed for part of the year	Nil	Nil

B. Licensed, Installed Capacity and Production :

Item	Licensed Capacity (in dozens)	Installed Capacity (in dozens)	Production Current Year (in dozens)	Production Previous Year (in dozens)
Atraumatic Needles & Sutures, etc (Absorbable and Non-Absorbable)	N.A.	500000	429262	462472

C. Stocks :

Item	Current Year		Previous Year	
	Quantity (in dozens)	Value (Rs. In Lakhs)	Quantity (in dozens)	Value (Rs. In Lakhs)
Atraumatic Needles and Sutures, etc (Absorbable and Non-Absorbable)	102083	560.31	145538	565.18

D. Sales :

Item	Current Year		Previous Year	
	Quantity (in dozens)	Value (Rs. In Lakhs)	Quantity (in dozens)	Value (Rs. In Lakhs)
Atraumatic Needles and Sutures, etc (Absorbable and Non-Absorbable)	472717	5024.53	417787	4763.76

Note: There is no licensed capacity as such only manufacturing permission is granted to the Company by the appropriate authorities.

E. Consumption of Raw Material :

	Current Year (Rs. in Lakhs)	Previous Year (Rs. in Lakhs)
Indigenous	1499.77	1307.00
As a % of Total	66.53 %	55.96 %
Imported	754.60	1028.49
As a % of Total	33.47 %	44.04 %

F. Value of import calculated on C.I.F basis by the company during the financial year in respect of :

	Current Year (Rs. in Lakhs)	Previous Year (Rs. in Lakhs)
Raw Materials	773.65	835.73
Components & Spare Parts	Nil	Nil
Capital goods	Nil	Nil

G. Expenditure in foreign currency during the financial year on account off :

	Current Year (Rs. in Lakhs)	Previous Year (Rs. in Lakhs)
Royalty	Nil	Nil
Technical Fees	Nil	Nil
Purchase	Nil	Nil

# CENTENIAL SURGICAL SUTURE LTD.

## Annual Report 2010 - 2011

Value of all imported and indigenous raw materials, spare parts and components :-

	Current Year (Rs. in Lakhs)	Previous Year (Rs. in Lakhs)
Indigenous	66.79 %	57.97 %
Imported	33.21 %	42.03 %
Amount remitted during the year	807.96	666.80

H. Earning in foreign exchange :

	Current Year (Rs. in Lakhs)	Previous Year (Rs. in Lakhs)
Sales	140.64	68.69
Quantitative details :		
a. Raw material consumed	2254.38	2259.84
b. Goods produced	429262 dozens	462472 dozens

12). Provisions and / or Payments

	Current Year (Rs. in Lakhs)	Previous Year (Rs. in Lakhs)
Statutory Audit fees	Rs.75,000	Rs.75,000
Tax audit fees	Rs.25,000	Rs.25,000

13). Figures have been rounded of to the nearest rupee.

14). Previous year's figures have been regrouped and rearranged wherever necessary.

### Signatures to Schedules A to R

*As per my report attached*

*for, VIPUL N. SHAH & ASSOCIATES*

*Firm Registration No. 111547W*

*Chartered Accountants*

**Vipul N. Shah**

*Proprietor*

*Membership No.: 40346*

*Murbad, Thane, August 12, 2011*

*for and on behalf of Board of Directors*

**Vijay Majrekar**

*Chairman & Managing Director*

**Devraj Poojary**

*Executive Director*

*Murbad, Thane, August 12, 2011*

# CENTENIAL SURGICAL SUTURE LTD.

Annual Report 2010 - 2011

## BALANCE SHEET ABSTRACT AND COMPANY GENERAL BUSINESS PROFILE

(1) REGISTRATION DETAILS :

Registration No.      State Code      Balance Sheet Date  
8 9 7 5 9      1 1      3 1      0 3      1 1

(2) CAPITAL RAISED DURING THE YEAR

Public Issue      Right Issue  
N I L      N I L  
Bonus Issue      Private Issue  
N I L      N I L

(3) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

Total Liabilities      Total Assets  
2 5 5 4 6 9 9 8 0      2 5 5 4 6 9 9 8 0

SOURCES OF FUNDS

Paid up Capital      Reserves & Surplus  
3 6 4 8 3 0 0 0      1 0 7 3 6 5 0 6 2  
Secured Loan      Unsecured Loan  
7 4 9 7 8 6 3 5      3 6 6 3 0 3 0 5

APPLICATION OF FUNDS

Net Fixed Assets      Investments  
4 6 6 8 9 8 4 0      1 0 0 0 0  
Net Current Assets      Miscellaneous Expenditure  
2 0 8 7 7 0 1 4 0      N I L  
Accumulated Loss  
N I L

(4) PERFORMANCE OF THE COMPANY

Income      Total Expenditure  
5 0 2 0 3 5 1 3 2      4 6 9 9 4 1 7 4 3  
Profit before Tax      Profit after Tax  
3 2 0 9 3 3 8 9      2 0 7 8 5 3 4 6  
Earning per share      Dividend rate on Equity Share  
5 . 7 0      N I L

(5) GENERIC NAME OF PRINCIPAL, PRODUCT, SERVICES OF THE COMPANY

Item Code (ITC Code) : 9 0 . 1 8  
Product Description : Sutures etc.

VERIFIED AND FOUND CORRECT  
for, **VIPUL N. SHAH & ASSOCIATES**  
Firm Registration No. 111547W  
Chartered Accountants

for and on behalf of Board of Directors

**Vipul N. Shah**  
Proprietor  
Membership No. : 40346  
Murbad, Thane, August 12, 2011

**Vijay Majrekar**  
Chairman & Managing Director

**Devraj Poojary**  
Executive Director  
Murbad, Thane, August 12, 2011

# CENTENIAL SURGICAL SUTURE LTD.

## Annual Report 2010 - 2011

### STATEMENT OF CASH FLOW PREPARED PURSUANT TO THE LISTING AGREEMENT WITH STOCK EXCHANGES FOR THE YEAR ENDED MARCH 31, 2011.

	2010-2011	2009-2010
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit (Loss) Before Tax and Extraordinary Items	32093389	23557013
Depreciation	6469294	7218584
Miscellaneous Expenditure to be written off	0	0
Operating Profit Before Working Capital Changes	38562684	30775597
Adjustment for :		
Trade Receivables (23506539)		
Inventory (7001205)		
Trade Payable & Other Liability 21551990	(8955754)	1587804
<b>Cash Generated From Operations :</b>		
Taxes Paid	(11295065)	(8056029)
Cash Flow Before Extraordinary Items		
Extra Ordinary Items	0	316002
Net Cash from operating activities	18311865	24623374
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(1941813)	(1807269)
Capital Work-in-Progress	0	0
Pre-operative Expenses	0	0
Sale of Fixed Assets	507224	1334253
Purchase of Investments	0	0
Sale of Investments	0	0
Interest & Discounting charges received	0	0
Advance Payment of Taxes (including TDS)	(12406)	(9814)
Loans & Advances	(13893487)	(16681946)
Net cash used in investing activities	(15340482)	(17164776)
<b>C. CASH FLOW FINANCIAL ACTIVITIES</b>		
Proceeds from Long Term Borrowings	(390528)	(10402614)
Proceeds from Short Term Borrowings	(4900000)	1300000
	(5290528)	(9102614)
Net Increase in Cash and Cash equivalents	(2319145)	(1644017)
Opening Balance of cash and cash equivalent 1.4.2010	5564013	7208029
Closing Balance of cash and cash equivalent 31.3.2011	3244867	5564013

*for and on behalf of Board of Directors*

**Vijay Majrekar**

*Chairman & Managing Director*

**Devraj Poojary**

*Executive Director*

Murbad, Thane, August 12, 2011

#### AUDITORS' CERTIFICATE

*We have examined the attached Cash Flow Statement of Centenial Surgical Suture Ltd. for the year ended March 31, 2011. The Statement has been prepared by the Company in accordance with the requirements of listing agreement Clause 32 with Bombay Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of August 12, 2011 to the members of the Company.*

**for, VIPUL N. SHAH & ASSOCIATES**

Firm Registraton No. 111547W

*Chartered Accountants*

**Vipul N. Shah**

*Proprietor*

*Membership No.: 40346*

Murbad, Thane, August 12, 2011

# CENTENIAL SURGICAL SUTURE LTD.

## NOTICE TO MEMBERS

Notice is hereby given that the **16th Annual General Meeting** of the members of **CENTENIAL SURGICAL SUTURE LTD.** will be held on Tuesday **SEPTEMBER 27, 2011** at 4.30 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 **March 31, 2011** 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 Shri S. H. Jain, 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 a **Special resolution.**

**“RESOLVED THAT** subject to the approval of Central Government , if any and in accordance with the provisions of section 269, 309, 310 and 311 and other applicable provisions, if any, read with schedule XIII of the Companies Act, 1956, the Company hereby approves the re-appointment and remuneration payable to Shri Vijay Majrekar, Managing Director who was reappointed by the Board of Directors as Managing Director of the Company for a period of 05 (Five) years with effect from October 1, 2011, upon the terms and conditions set out in the draft agreement between the Company and Shri Vijay Majrekar, submitted to this meeting and for the purpose of identification initialed by a Director which agreement is hereby specifically approved with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment.

**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.
- 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 Tuesday, September 20, 2011 to Tuesday the September 27, 2011 (both days inclusive).

## CENTENIAL SURGICAL SUTURE LTD.

- 6). The relevant explanatory statement under Section 173(2) of the Companies Act, 1956 in respect of the business under item No. 4 as set above is annexed hereto.
- 7). Members are requested to bring their copy of Annual Report for 2010 - 2011 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 2010 - 2011 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). The Ministry of Corporate Affairs (MCA) has taken a "**Green Initiative in Corporate Governance**" (Circular No. 17/2011 dated 21.04.2011 & Circular No. 18/2011 dated 29.04.2011) allowing companies to dispatch documents to the shareholders through electronic mode. Considering the above theme, your company has decided to send Annual Report though electronic mode. However, if required the copy of the Annual Report shall be provided to the shareholder at the Annual General Meeting.

The members are requested to:

- i. Intimate to the registrars / Company, changes if any, in their registered address at an early date along with the pin code number;
  - ii. Quote Registered Folio / Client ID & Depository Participant (DP) ID in all their correspondence;
  - iii. Dematerialize the shares held in physical form at the earliest as trading in the Equity Shares of the Company shall be only in dematerialised form for all the investors.
- 15). No Gifts will be distributed.

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

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

Murbad, Thane, August 12, 2011

**Vijay Majrekar**  
**Chairman and Managing Director**

# CENTENIAL SURGICAL SUTURE LTD.

## EXPLANATORY STATEMENT

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

### Item No. 4 :

As members are aware the term of Shri Vijay Majrekar, Managing Director of the Company is expiring on September 30, 2011. The remuneration committee recommended the re-appointment of Shri Vijay Majrekar, as a Managing Director of the Company for the period of 05 (Five) years on revised terms and conditions subject to approval of Central Government, if any.

The Board of Directors also approved the said revised terms of re-appointment on in their meeting held on August 12, 2011.

Shri Vijay Majrekar is promoter of the Company, due to his sustained efforts; the Company achieved the growth over the period of years.

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

### MAJOR TERMS AND CONDITIONS OF SHRI VIJAY MAJREKAR.

#### I) TERMS AND CONDITIONS :

- 1). Name & Designation of the Director : Shri Vijay Majrekar, Managing Director
- 2). Date of Appointment : Re-appointed w.e.f. October 1, 2011
- 3). Period : 05 (Five) years
- 4). Salary (p.m.) : Rs.10,00,000/- p.m.
- 5). Minimum Remuneration : In the event of losses or insufficient profits, the Company proposed to pay above mentioned remuneration as a minimum remuneration subject to approval of Central Government, if any.

#### II) PERQUISITES :

Shri Vijay Majrekar as a Managing Director will be entitled to following perquisites, which shall not be part of the ceiling of remuneration.

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 Shri 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.

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.

## CENTENIAL SURGICAL SUTURE LTD.

- Medical Reimbursement: Expenses incurred for the Managing Director and the family subject to a ceiling of one month's salary over a period of 03 (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. 5,000/- 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 allowance 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.

### 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 expenses 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.

The draft Agreement has been executed between the Company and Shri Vijay Majrekar once the approval of the Central Government is obtained, the final agreement will be executed.

The draft of the said agreement will be available for inspection during the continuance of the meeting for the members at the registered office of the Company.

None of the Directors of the Company, except Shri Vijay Majrekar 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 Shri Vijay Majrekar pursuant to Section 302 of the Companies Act, 1956.

#### Registered Office :

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

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

Murbad, Thane, August 12, 2011

Vijay Majrekar  
Chairman and Managing Director