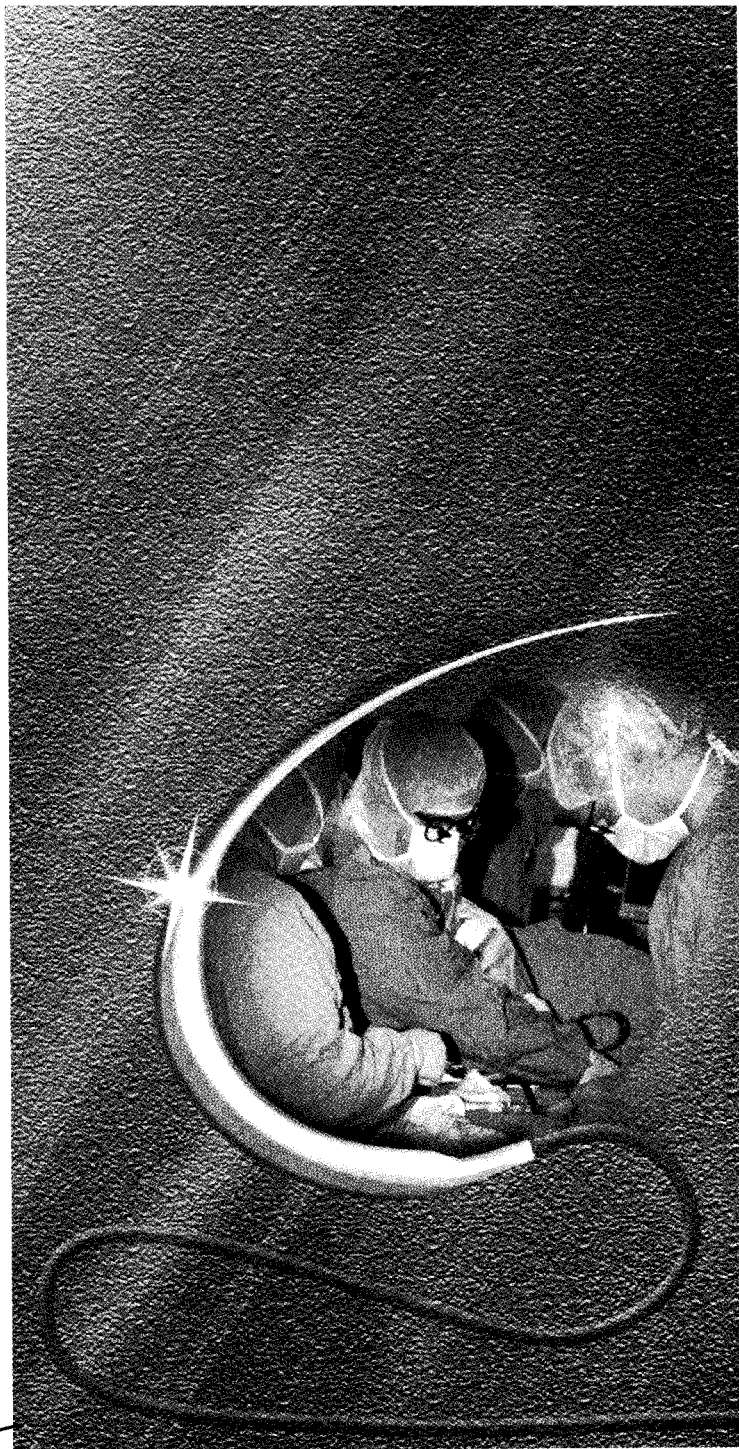


CERTIFIED TRUE - COPY
For CENTENIAL SURGICAL SUTURE LTD.

DIRECTOR



Annual Report
2008 - 2009

 **CENTENIAL**
SURGICAL SUTURE LTD.

BOARD OF DIRECTORS

Vijay Majrekar – *Chairman cum Managing Director*

C. R. Rawale – *Whole time Director*

Devraj Poojary – *Executive Director*

N. M. Birje - *Independent Non Executive Director*

S. H. Jain - *Independent Non Executive Director*

B. S. Limaye - *Independent Non Executive Director*

Registered Office

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

Bankers

Canara Bank

Co-operative Bank of Ahmedabad

HDFC Bank Ltd.

Kotak Mahindra Bank Ltd.

Parsik Janata Sahakari Bank Ltd.

Manufacturing Facilities & Site

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

Village Dhavale, Ulhasnagar, Thane.

Auditors

Vipul N. Shah & Associates

Chartered Accountants

Registrar and Transfer Agent

Purva Sharegistry India Pvt, Ltd.

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

Fort, Mumbai - 400 001.

Fourteenth Annual Report

2008 – 2009

DISCLAIMER : The information and opinions contained in this report do not constitute an offer to buy any of Centenial Surgical Suture Ltd. securities, businesses, products or services. The report also contains forward-looking statements, qualified by words such as 'expect', 'plan', 'estimate', 'believe', 'project', 'intends', 'exploit', and 'anticipates', and words of similar substance in connection with any discussion of future performance, that we believe to be true at the time of the preparation of the report. The actual events may differ from those anticipated in these statements because of risk, uncertainty or the validity of our assumptions and we do not guarantee that these forward looking statements will be realized, although we believe that we have been prudent in our assumptions. Centenial Surgical Suture Ltd. does not take on any obligation to publicly update any forward- looking statement, whether as a result of new information, future events or otherwise.

Chairman *cum* Managing Director's Report

To the Shareholders,

The Directors have pleasure in submitting the Fourteenth Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2009. This is the fourteenth year in the journey of Centenial Surgical Suture Ltd. Through all these years, Centenial Surgical Suture Ltd. has faced many a tough times and enjoyed equal moments of glory. Everything is worth it, if one is able to create lasting values and a strong core. I would like to think that 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.

Financial Performance

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

	For the year ended 31.3.2009	For the year ended 31.3.2008
Net Profit before Depreciation and Taxation	3,65,52,129	3,11,01,770
Less : Depreciation	79,94,156	74,42,761
Provision for Deferred Taxation	(97,045)	2,49,089
Provision for Taxation	1,12,09,715	1,00,99,911
Net Profit/ (Loss)	1,74,45,300	1,33,10,012
Add : Balance from Last Year	4,45,04,915	3,11,94,903
<i>Prior Period Profit adjustments</i>		
Less : Appropriation	86,30,980	-
Transfer to Reserves / Loss carried to Balance Sheet	5,33,19,235	4,45,04,915

Operations

During the business year 2008 – 2009, your company continued to make progress in terms of broadening of its product portfolio and extending its operational reach into new markets. The sales of the Company increased from Rs. 4126.86 lakhs in the business year 2007 – 2008 to Rs. 4915.31 lakhs in the business year 2008 – 2009. 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. Overall, considerable increases in the production and sales of the Company can be foreseen. The technical functioning of our plant as indicated by the above-mentioned results, the capacity utilisation's was quite satisfactory and production levels were selectively improved as required. Even with a noticeably better performance during the current year, the Directors regret that they are still not in a position to recommend a dividend.

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.

CENTENIAL SURGICAL SUTURE LTD.

Annual Report 2008 - 2009

Even after fourteen years, the passion for Innovation is vibrant and urgent. It also gives me happiness that customers have reposed faith in our ability to make a difference. We have a brand name, which stands for reliability, commitment and SAFETY. The Centenial Surgical Suture Ltd. name is pronounced with great deal of respect, in the domestic market. It has been created through sheer dedication. This makes me 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. I think our spirit and our resolve are something, which cannot be replicated. This indeed is a defining value.

ISO 9001 : 2000 / ISO 13485 : 2003 / CE Certification

Your company is ISO 9001 : 2000 ; ISO 13485 : 2003 and CE certified. The stringent ISO 9001 : 2000 and ISO 13485 : 2003 system means effective control over every step to achieve true quality assurance for customers. Further the Company has obtained CE Certification for sutures. The CE symbol and the reference number of the notified body denote that the product fulfils the basic requirements in accordance with the Medical Device Directive (MDD) 93 / 42 / EEC.

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

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

Issued Capital

During the year the issued capital changed from Rs.7,20,02,000/- to Rs.3,64,83,000/-. The Company has forfeited of 35,51,900 Partly Paid-up Equity Shares due to non payment of allotment money.

Directors

During the year, Mr. N. M. Birje and Mr. S. H. Jain, Director of the Company are retiring by rotation and being eligible offer themselves for re-appointment. Mr. C. R. Rawale, Whole Time Director is re-appointed w.e.f. October 1, 2009. Managerial remuneration of Mr. Vijay Majrekar, Managing Director of the Company was revised w.e.f. April 1, 2009. Mr. S. S. Laud, Independent Non Executive Director and Mr. Shyam Kingar, Executive Director of the Company resigned from the Board w.e.f. April 16, 2009.

Director's Responsibility Statement

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

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

CENTENIAL SURGICAL SUTURE LTD.

Annual Report 2008 - 2009

- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts on a going concern basis.

Deposits

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

Particulars of employees

In accordance with section 217 (2-A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 as amended, your Directors have to report that during the year under review there has been no employee in the service of the company drawing a salary of Rs.2,00,000 per month or where employed for the whole year remuneration aggregating Rs.24,00,000 p.a. or above.

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 the significant number of investors and lenders who have stayed with us, and those who have increased their positions during the past year. We deeply appreciate your support, and confidence shown in us. I see a bright future for the company and for value - creation for our stakeholders.

I 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.

Registered Office :

F-29, MIDC, Murbad, Thane 421 401

Murbad, Thane
July 31, 2009

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

Vijay Majrekar
Chairman cum Managing Director

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, 2009.

A. Conservation of energy

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

I. Power and fuel consumption

	2008 - 2009	2007 - 2008
1. Electricity Consumption		
a) Purchased units	2,00,635	2,02,358
Total Amount	Rs.10,80,992	Rs.12,54,070
Rate/unit	Rs. 5.39	Rs. 6.19
b) Own Generation		
Through Diesel Generator :		
Units	1,600	1,400
Units per litre of diesel oil	3.85	4.58
Cost/Unit	Rs. 9.25	Rs. 7.63

II. Consumption per unit of production

	2008 - 2009	2007 - 2008
Electricity	0.43	0.44
Furnance Oil	-	-
Coal (specify quality)	-	-
Others (specify)	-	-

B. Technology absorption and adaptation

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

C. Foreign exchange earnings and outgo

During the year foreign exchange outgo was Rs. 882.39 lakhs (Previous Year Rs. 698.37 lakhs). The foreign exchange earned during the year was Rs. 194.29 lakhs (Previous Year Rs. 164.25 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

Measures to improve marketing and sales force effectiveness met with considerable success as seen from the financial results for the year 2008 - 2009, sales increased from Rs. 4126.86 lakhs to Rs. 4915.31 lakhs. Reduction in the cost of materials has been achieved through procurement and production efficiencies and local sourcing. In summary the sharp focus on demand generation for key products, procurement and manufacturing efficiencies, tight control on expenses have helped improve profits for the business year 2008 - 2009.

Quality

Your Company has been consistently meeting the quality objectives of ISO 9001 : 2000, ISO 13485 : 2003 and CE 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.

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 2008-2009. With the introduction of new suture ranges, 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 higher 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

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 FDA. 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.

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 2008 - 2009. The Company has a team of special skilled workers at its plant.

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 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 421 401.

*Murbad, Thane
July 31, 2009*

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

Vijay Majrekar
Chairman cum Managing Director

CENTENIAL SURGICAL SUTURE LTD.

Annual Report 2008 - 2009

CORPORATE GOVERNANCE

(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.

Board of Directors

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

Name of the Director	N. M. Birje	C. R. Rawale	S. H. Jain
Date of Birth	15.07.1942	30.06.1962	07.04.1967
Date of Appointment	01.03.2002	27.07.1999	01.03.2002
Expertise in specific Functional Area	Extensively Experienced in Banking	Extensively Experienced in Factory Management	Capital Markets, Finance and Accounts
List of other Indian Public Limited Companies in which Directorship held	--	--	Macro Financial Services (P) Limited
Chairman / Member of the Board Committees of other Public Limited Companies	--	--	--
No. of shares held by them	100	100	100

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 4 (Four) Executive Directors out of which 1 (one) Director is a promoter and the remaining 4 (four) Directors are Independent Non-Executive Directors.

The constitution of Board is given below:

Director	Executive/Non Executive/ Independent *	No. of Board Meetings attended	Attendance of last AGM held on September 27, 2008	No. of other Companies in which Director	Membership of other Board Committees
Mr. Vijay Majrekar	Chairman, Executive	6	Yes	-	-
Mr. Shyam R. Kingar	Executive Director	6	Yes	-	-
Mr. C. R. Rawale	Whole Time Director	6	Yes	-	-
Mr. Devraj Poojary	Executive Director	6	Yes	-	-
Mr. N. M. Birje	Independent, Non- Executive	6	Yes	-	-
Mr. B. S. Limaye	Independent, Non- Executive	6	Yes	-	-
Mr. S. H. Jain	Independent, Non- Executive	6	Yes	1	-
Mr. S. S. Laud	Independent, Non- Executive	6	No	-	-

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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.

Attendance of Directors at Board Meetings and Annual General Meeting

The Board of the Company met six times during the last financial year. The Company placed before the Board various documents and reports, including those specified under *Annexure I* of the Listing Agreement, from time to time.

During the year there were in total Six Board Meetings which were held on 30/04/2008, 30/06/2008, 31/07/2008, 31/10/2008, 10/12/2008 and 31/01/2009. The time gap between the two meetings was not more than 4 (four) months. All the information required to be furnished to the Board was made available to them along with detailed Agenda notes.

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 3 (three) Non Executive Independent Directors and one promoter Director. During the year there were in total 4 Audit Committee Meetings were held on June 30, 2008, July 31, 2008, October 31, 2008 and January 31, 2009. The time gap between the two meetings was not more than 4 months.

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

<u>Name</u>	<u>Designation</u>	<u>Non-executive/ Independent</u>	<u>Committee Meetings Attended</u>
Mr. B. S. Limaye	Chairman	Independent Non Executive Director	4
Mr. S. H. Jain	Member	Independent Non Executive Director	4
Mr. N. M. Birje	Member	Independent Non Executive Director	4
Mr. Vijay Majrekar	Member	Managing Director	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;

Annual Report 2008 - 2009

- (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 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 two Directors are Independent Non Executive Directors.

Following are the members of the remuneration Committee :

<u>Name</u>	<u>Designation</u>	<u>Non-executive/ Independent</u>
Mr. B. S. Limaye	Chairman	Independent Non Executive Director
Mr. S. H. Jain	Member	Independent Non Executive Director
Mr. Vijay Majrekar	Member	Managing Director

During the year there were in total 2 remuneration Committee Meeting were held on April 30, 2008 and March 30, 2009.

Attendance at the Remuneration Committee Meeting was as under :

<u>Name</u>	<u>Designation</u>	<u>Non-executive/ Independent</u>	<u>No. of Committee Meeting Held</u>	<u>No. of Committee Meeting Attend</u>
Mr. B. S. Limaye	Chairman	Independent Non Executive Director	2	2
Mr. S. H. Jain	Member	Independent Non Executive Director	2	2
Mr. Vijay Majrekar	Member	Managing Director	2	2

Disclosure on Remuneration of Directors.

- All elements of remuneration package of individual Directors summarized under major groups, such as salary benefits, bonuses, stock option, pension etc. – All these managerial persons are drawing only remuneration, commission, the details of the same are mentioned elsewhere in this report in detail.
- Details of fixed component and performance linked incentives, along with the performance criteria - NIL
- Service contracts, notice period, severance fees – NIL
- 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, 2009 are as follows :

Director	Relationship with other directors	Business relationship with CSSL	Loans and Advances from CSSL	Sitting Fees	Salary & perquisites	Commission
Mr. Vijay Majrekar	None	Chairman, Executive	Nil	Nil	Rs.20.50 lakhs	Nil
Mr. Shyam R. Kingar	None	Executive Director	Nil	Nil	Rs.7.20 lakhs	Nil
Mr. C. R. Rawale	None	Whole time Director	Nil	Nil	Rs.3.00 lakhs	Nil
Mr. Devraj Poojary	None	Whole time Director	Nil	Nil	Rs.3.00 lakhs	Nil
Mr. S. H. Jain	None	None	Nil	Rs.2500/-	Nil	Nil
Mr. B. S. Limaye	None	None	Nil	Rs.2500/-	Nil	Nil
Mr. N. M. Birje	None	None	Nil	Rs.2500/-	Nil	Nil
Mr. S. S. Laud	None	None	Nil	Rs.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.

<u>Name</u>	<u>No. of Equity Shares</u>	<u>Non convertible Instruments</u>
Mr. N. M. Birje- Independent Non Executive Director	100	Nil
Mr. S. H. Jain - Independent Non Executive Director	100	Nil
Mr. B. S. Limaye - Independent Non Executive Director	100	Nil
Mr. S. S. Laud - Independent Non Executive Director	Nil	Nil

Investors Grievance Committee

The Board has constituted an 'Investors Grievance Committee' which looks into shareholders and investors grievances. The Committee comprises of Mr. N. M. Birje, Ms. S. Mhatre, Mr. B. S. Limaye and Mr. S. H. Jain as members of Committee. The Committee inter alia, approves issue of duplicate certificates and oversees and reviews all matters concerned with the securities transfer. The Committee also looks into redressing of shareholders'/investors' complaints like transfer of shares, non-receipt of balance sheet etc. and also notes transfers/transmissions of securities issued by the Company. The Committee oversees the performance of the Registrar and Transfer Agent and recommends measures for overall improvement of the quality of investor services. The Board of Directors have delegated the power to Mr. N. M. Birje and Ms. S. Mhatre severally to approve the transfer and transmission of shares, and also to approve subdivision, consolidation and replacement of share certificates of the Company. Ms. S. Mhatre is the Compliance Officer of the Company w.e.f. March 1, 2008. During the year no complaints were received from investors. 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 Company has paid the listing fees to both the Stock Exchange.

Following are the members of the Committee.

1. Mr. B. S. Limaye - Chairman and Independent Non Executive Director.
2. Mr. S. H. Jain - Member and Independent Non Executive Director.
3. Mr. N. M. Birje - Member and Independent Non Executive Director.
4. Ms. S. Mhatre – Compliance Officer

CENTENIAL SURGICAL SUTURE LTD.

Annual Report 2008 - 2009

During the year total 4 Shareholders / Investors Grievance Committee Meeting were held on June 30, 2008, July 31, 2008, October 31, 2008 and January 31, 2009.

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

<u>Name</u>	<u>Designation</u>	<u>Non-executive/ Independent</u>	<u>No. of Committee Meeting Held</u>	<u>No. of Committee Meeting Attend</u>
Mr. B. S. Limaye	Chairman	Independent Non Executive Director	4	4
Mr. S. H. Jain	Member	Independent Non Executive Director	4	4
Mr. N. M. Birje	Member	Independent Non Executive Director	4	4
Ms. S. Mhatre	Member	Compliance Officer	4	4

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, 2009.

General Body Meetings

The location and time of the Annual General Meetings held during the last 5 years is as follows:

<u>Annual General Meeting (AGM)</u>	<u>Date</u>	<u>Time</u>	<u>Venue</u>
9 th AGM	September 27, 2004	3.30 p.m.	F-29, MIDC, Murbad, Thane - 421401.
10 th AGM	September 27, 2005	3.30 p.m.	
11 th AGM	September 27, 2006	3.30 p.m.	
12 th AGM	September 27, 2007	3.30 p.m.	
13 th AGM	September 27, 2008	3.30 p.m.	

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

Disclosures

During the year under review, besides the transactions reported elsewhere, there were no other related party transactions of material nature with the promoters, Directors, the management or their subsidiaries or relatives during the year.

There were no instances of non-compliance on any matter related to the capital market during the past three years and that no penalties or strictures were imposed on the Company by any Stock Exchange or SEBI.

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 Company is in the process of adopting whistle blower policy, a non – mandatory provision of corporate governance.

The Board hereby affirms that no personnel have been denied access to the audit committee.

Means of Communication

- The annual, half-yearly and quarterly results are regularly submitted to the Stock Exchanges in accordance with the Listing Agreement.
- The Management Discussions and Analysis Report forms part of this Annual Report.
- The Company has published its quarterly results in the Free Press (English) and Nav Shakti (Marathi), Mumbai Edition.

General Shareholder Information

- a) 14th Annual General Meeting
 - Date and Time : Tuesday, September 29, 2009 at 3:30 p.m.
 - Venue : F-29, MIDC, Murbad, Thane 421401.
- b) Financial Calendar - April 1, 2008 to March 31, 2009.
 Financial reporting for
 Quarter ending June 30, 2008 End of July 2008
 Half year ending September 30, 2008 End of October 2008
 For the quarter ending December 31, 2008 End of January 2009
 Annual General Meeting for the year ending March 31, 2009 - September 2009.
- c) Date of book closure - September 22, 2009 to September 29, 2009
 (both days inclusive).
- d) The Board of Directors have not proposed any dividend for the current financial year.
- e) Registered office - F-29, MIDC, Murbad, Thane, 421401.
 Manufacturing facilities - F-29 ; B-17, MIDC, Murbad, Thane, 421401.
- f) The Company's Shares are listed at Mumbai & Ahmedabad Stock Exchanges out of which Mumbai is Regional Stock Exchange. The Listing fees for the year 2008 - 2009 for both Stock Exchanges have been paid.
- g) Stock Code : BSE : 531380
 ASE : 11219
- h) Stock Market Data

The Stock Exchange, Mumbai			
	High (Rs.)	Low (Rs.)	Monthly volume
April-2008	Not Traded	Not Traded	Not Applicable
May-2008	1.15	1.15	7400
June-2008	Not Traded	Not Traded	Not Applicable
July-2008	Not Traded	Not Traded	Not Applicable
August-2008	Not Traded	Not Traded	Not Applicable
September-2008	1.20	1.20	100
October-2008	Not Traded	Not Traded	Not Applicable
November-2008	1.26	1.26	1000
December-2008	1.38	1.32	5100
January-2009	Not Traded	Not Traded	Not Applicable
February-2009	Not Traded	Not Traded	Not Applicable
March-2009	Not Traded	Not Traded	Not Applicable

- i) Register and Transfer Agents : Purva Sharegistry India Pvt. Ltd.
 Registered office : 33, Printing House, 28-D Police Court Lane, Fort, Mumbai - 400 001.

j) **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.

CENTENIAL SURGICAL SUTURE LTD.

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k) Distribution of shareholding as of March 31, 2009.

Slab of Shareholdings (Value)	Shareholders		Share Amount	
	Numbers	% of Total Nos.	In (Rs.)	% of Total Amt.
0-5000	678	53.43	2236000	6.13
5001-10000	321	25.30	2757000	7.56
10001-20000	59	4.65	1041000	2.85
20001-30000	66	5.20	1706000	4.68
30001-40000	62	4.89	2052000	5.62
40001-50000	44	3.47	2088000	5.72
50001-100000	14	1.10	941000	2.58
Above 100000	25	1.97	23662000	64.86
Total	1269	100	36483000	100

According to categories of shareholders as on March 31, 2009.

Categories	Number of Shares	%
Promoter, Directors, relatives and associated companies	18,44,600	50.56
Employees stock option	-	-
Mutual funds	-	-
Banks	-	-
Foreign institutional investors	-	-
Overseas corporate bodies	-	-
Non-resident Indians	26,200	0.72
Other bodies	98,500	2.70
Public	16,79,000	46.02

l) 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, 2009, 1,13,900 shares aggregating to 3.12% of the total holding were dematerialised. The balance 35,34,400 shares aggregating to 96.88% were in Physical Form.

- | | |
|--|---|
| m) Outstanding GDRs / ADRs / Warrants or any convertible instruments | Not applicable. |
| n) Plant location | F-29; B-17, MIDC, Murbad, Thane 421401. |
| o) Investor Correspondence | Ms. S. Mhatre, Compliance Officer.
F-29, MIDC, Murbad, Thane 421401. |

Registered Office :

F-29, MIDC, Murbad, Thane 421 401

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

Murbad, Thane
July 31, 2009

Vijay Majrekar
Chairman cum Managing Director

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, 2009 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, 2009 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, VIPULN. SHAH & ASSOCIATES

Chartered Accountants

VIPULN. SHAH

Proprietor

Membership No.: 40346

Murbad, July 31, 2009

CEO / CFO CERTIFICATION

To,
The Board of Directors,
CENTENIAL SURGICAL SUTURE LTD.
F-29, MIDC, Murbad,
Thane – 421 401.

We hereby certify that for the financial year, ending March 31, 2009 on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that:-

1. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. 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.
4. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We further certify that:
 - a. There have been no significant changes in internal control during the year;
 - b. There have been no significant changes in accounting policies during the year.
 - c. There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

for **CENTENIAL SURGICAL SUTURE LTD.**

for **CENTENIAL SURGICAL SUTURE LTD.**

Vijay Majrekar
Chief Executive Officer

Usha Kotian
Chief Financial Officer

Date : June 30, 2009
Place : Murbad

DECLARATION

I, Vijay Majrekar, Chief Executive Officer of the Company hereby declare that all Board members and senior management personnel have affirmed compliance with the code on an annual basis.

for **CENTENIAL SURGICAL SUTURE LTD.**

Vijay Majrekar
Chief Executive Officer

Date : June 30, 2009
Place : Murbad

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, 2009 (“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 and the rules made there under and wherever the documents are filed late, the additional filing fees have been paid.
3. The Company being a Public Limited Company has the minimum prescribed paid up Capital.
4. The Board of Directors duly met 6 (Six) times on April 30, 2008, June 30, 2008, July 31, 2008, October 31, 2008, December 10, 2008 and January 31, 2009 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 Saturday, September, 20, 2008 to Saturday, September, 27, 2008 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on March 31, 2008 was held on September 27, 2008 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, 1956.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act, 1956.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act, 1956.
11. The company has obtained necessary approval from the Board of Directors for appointment of Mr. Gaurav Majrekar on a monthly remuneration of Rs.3,250/- p.m. who is a relative of Mr. Vijay Majrekar, Managing Director of the Company, pursuant to Section 314 of the Act, 1956.
12. The Company has not issued any duplicate certificates during the Financial Year, 2008 - 2009.
13. The Company has:
 - (i) The Company approved transfer of 1,63,700 Equity shares of Rs.10/- and transmission of 6800 Equity shares of Rs.10/- each as on March 31, 2009. There was no allotment of securities during the financial year. The Company has forfeited 35,51,900 Equity shares for non payment of allotment money.
 - (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.

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- (iv) Not transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon, which have remained unclaimed or unpaid for a Period of seven years, to Investor Education and Protection Fund as no amount in respect 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. There were no appointment of additional Directors, alternate Directors and Directors to fill casual vacancy during the financial year.
- 15. The re-appointment of Mr. Vijay Majrekar, as a Managing Director of the Company has been made in compliance with the provisions of Section 269 read with Schedule XIII to the Companies Act, 1956.
- 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, 2009. The said borrowings is within the limit as specified under section 293(1)(d) of the Companies Act, 1956.
- 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 Companies Act, 1956.
- 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, HS ASSOCIATES

Company Secretaries

HEMANT SHETYE

Partner

C.P.No.: 1483

Mumbai, June 30, 2009

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, 2009.**

Sr. No	Forms	Sections	Date of filing	Whether filed within prescribed time	If delay in filling whether requisite additional fee paid	Particulars
1.	Form No.23	Sec.192	30-09-08	No	Additional fees paid	Re-appointment of Managing Director.
2.	Forms 23AC, 23ACA	Sec. 220	23-10-09	Yes	N.A.	Balance Sheet and Profit / Loss Account for Financial Year ended March 31, 2008.
3.	Form No.23	Sec. 192	23-10-08	Yes	N.A.	Re-appointment of Managing Director.
4.	Form No.25C	Sec.269(2)	13-12-08	Yes	N.A.	Re-appointment of Managing Director.
5.	Form 20B	Sec.159	26-12-08	No	Additional fees paid.	Annual Return for year ended September 30, 2008.
6.	Form DIN 3	Sec.266E	23-12-08	Yes	N.A.	Intimation of Director identification number of the Directors.
7.	Form No.5	Sec.95	27-02-09	Yes	N.A.	Forfeiture of Shares
8.	Form No. 8	Sec.135	20-02-09	Yes	N.A.	Modification of charge

for, HS ASSOCIATES
 Company Secretaries
HEMANT SHETYE
Partner
 C.P.No.: 1483

Mumbai, June 30, 2009

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, 2009, the Profit and 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, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as at March 31, 2009 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, 2009;
 - 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
Chartered Accountants
(VIPUL N. SHAH)
Proprietor
Membership No. 40346

Murbad,
June 30, 2009

ANNEXURE TO THE AUDITORS' 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.
 - b. 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. 5,00,000.00 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.

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- 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**
Chartered Accountants

(VIPUL N. SHAH)

Proprietor

Membership No.: 40346

*Murbad,
June 30, 2009*

CENTENIAL SURGICAL SUTURE LTD.

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Balance Sheet As at March 31, 2009

	SCHEDULE	Current Year (Rs.) As at March 31, 2009	Previous Year (Rs.) As at March 31, 2008
SOURCES OF FUNDS			
SHARE HOLDER'S FUNDS			
Share Capital	A	36483000	54242500
RESERVES AND SURPLUS			
	B	71078735	44504915
LOAN FUNDS			
a) Secured Loans	C	85771777	58343879
b) Unsecured Loans	D	40230305	40368305
TOTAL		<u>233563817</u>	<u>197459599</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	E	114377752	99386159
Less : Depreciation		<u>57830517</u>	<u>51023715</u>
Net Block		56547235	48362444
Capital Work In Progress		<u>1922877</u>	<u>1922877</u>
		58470112	50285321
INVESTMENTS			
	F	10000	10000
CURRENT ASSETS LOANS & ADVANCES			
a) Inventories	G	121240706	68789953
b) Sundry Debtors	H	141034305	119590543
c) Cash & Bank Balances	I	7208029	8561276
d) Loans & Advances	J	40392587	54354890
e) Deferred Tax Asset		<u>316002</u>	<u>218957</u>
		310191629	251515619
Less : Current Liabilities & Provisions	K	<u>135107924</u>	<u>104351341</u>
NET CURRENT ASSETS		175083705	147164278
MISCELLANEOUS EXPENDITURE	L	0	0
(To the extent not written off or adjusted)			
TOTAL		<u>233563817</u>	<u>197459599</u>

Accounting Policies and Notes to Accounts Schedule "S".

As per my attached report of even date
for, **VIPUL N. SHAH & ASSOCIATES**

Chartered Accountants

VIPUL N. SHAH

Proprietor

Membership No.: 40346

Murbad, June 30, 2009

For and on behalf of Board of Directors

Vijay Majrekar

Chairman cum Managing Director

Devraj Poojary

Executive Director

CENTENIAL SURGICAL SUTURE LTD.

Annual Report 2008 - 2009

Profit and Loss Account for the year ended March 31, 2009

SCHEDULE	For the Year Ended March 31, 2009	For the Year Ended March 31, 2008
INCOME		
Sales	M 491531360	412686099
Other Income	N 482262	328995
Increase/(Decrease) in Finished Goods Stock	O 22691118	10438519
	514704741	423453613
EXPENDITURE		
Material Consumed	P 249649442	210087194
Other Manufacturing & Operating Expenses	Q 37678001	32178804
Administration, Selling & Other Overheads	R 190825169	150085845
Depreciation	7994156	7442761
Preliminary Expenses written off	0	0
	486146767	399794604
Profit before Tax	28557973	23659009
Provision for Deferred Taxation	(97045)	249089
Provision for Taxation and Fringe Benefit Tax	11209715	10099911
Net Profit	17445300	13310012
Add Balance from Last Year	44504915	31194903
APPROPRIATIONS	(8630980)	0
Profit/(Loss) Carried to Balance Sheet	53319235	44504915
Basic and Diluted Earning Per share (Rs.)	2.74	1.85
Nominal Value of Shares (Rs.)	10	10

Accounting Policies and Notes to Accounts Schedule "S".

As per my attached report of even date

*for, VIPULN. SHAH & ASSOCIATES**Chartered Accountants***VIPULN. SHAH***Proprietor**Membership No.: 40346**Murbad, June 30, 2009**For and on behalf of Board of Directors***Vijay Majrekar***Chairman cum Managing Director***Devraj Poojary***Executive Director*

CENTENIAL SURGICAL SUTURE LTD.

Annual Report 2008 - 2009

Schedules Annexed to and forming Part of the Balance Sheet and Profit and Loss Account as at March 31, 2009

	<u>As at 31.3.2009</u>	<u>As at 31.3.2008</u>
SCHEDULE 'A'		
SHARE CAPITAL		
AUTHORISED		
7500000 (7500000) Equity Shares of Rs.10 each	<u>75000000</u>	<u>75000000</u>
ISSUED		
3648300 (7200200) Equity Shares of Rs.10 each	<u>36483000</u>	<u>72002000</u>
SUBSCRIBED AND PAID UP		
3648300 (7200200) Equity Shares of Rs.10 each	72002000	72002000
Less : Allotment Money Due	0	17759500
Less : Shares Forfeited for arrears in allotment money	<u>35519000</u>	<u>0</u>
TOTAL	<u><u>36483000</u></u>	<u><u>54242500</u></u>
SCHEDULE 'B'		
RESERVES AND SURPLUS		
Capital Reserve	17759500	0
Profit And Loss Account	<u>53319235</u>	<u>44504915</u>
	<u><u>71078735</u></u>	<u><u>44504915</u></u>
SCHEDULE 'C'		
SECURED LOANS		
Cash Credit with Banks	85711349	57525961
(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.)		
Car Loan from Canara Bank	0	10722
(Secured by way of hypothecation of car)		
Car Loan from ICICI Bank	0	402165
(Secured by way of hypothecation of car)		
Car Loan from Standard Chartered Bank	60428	405031
(Secured by way of hypothecation of car)		
TOTAL	<u><u>85771777</u></u>	<u><u>58343879</u></u>
SCHEDULE 'D'		
UNSECURED LOANS		
From Directors	6305	6305
Inter Corporate Deposits	30000000	30000000
Trade Deposits	<u>10224000</u>	<u>10362000</u>
TOTAL	<u><u>40230305</u></u>	<u><u>40368305</u></u>

CENTENIAL SURGICAL SUTURE LTD.

Annual Report 2008 - 2009

SCHEDULE 'E' - FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance As at 1.4.2008	Add during the year	Sold during the year	Balance As at 31.3.2009	As on 1.4.2008	For the Year	Written Back during the year	Total as on 31.3.2009	Balance as at 31.3.2009	Balance as at 31.3.2008
Freehold Land	110000			110000	0		0	0	110000	110000
Leasehold Land	219000			219000	31284	2607		33891	185109	187716
Building	26140106			26140106	11781102	1435900		13217002	12923104	14359004
Offices	0	6526300		6526300	0	101940		101940	6424360	0
Plant & Machinery	50325043	6582464		56907507	24818882	4049806		28868688	28038820	25506161
Electrical Installation	4740462	0		4740462	3082118	300160		3382278	1358184	1658344
Laboratory Equipments	207636	101351		308987	137268	18795		156063	152924	70368
Furniture & Fixtures	1642836	1945902		3588738	1243528	249582		1493110	2095627	399308
Office Equipments	2526131	656493		3182624	1737218	453204		2190422	992202	788913
Vehicles	12865594	468557	(1289474)	12044677	7879409	1340926	(1187354)	8032981	4011696	4986185
Air Conditioner	609351			609351	312906	41235		354141	255210	296445
TOTAL	99386159	16281067	(1289474)	114377752	51023715	7994156	(1187354)	57830517	56547235	48362444
PREVIOUS YEAR	94314160	5071999	0	99386159	43580954	7442761	0	51023715	48362444	50733206

CENTENIAL SURGICAL SUTURE LTD.

Annual Report 2008 - 2009

As at 31.3.2009

As at 31.3.2008

SCHEDULE 'F'

INVESTMENTS (At cost)

400 Equity Shares of Rs.25/- each fully paid up in The Shamrao Vithal Co-Operative Bank Ltd.	10000	10000
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TOTAL

10000

10000

SCHEDULE 'G'

INVENTORIES (As taken, valued and certified by the management)

Raw Materials (including materials in transit)	61360256	32136035
Packing Materials	2318847	1820180
Work in Progress	2241457	2204710
Finished Goods	55320146	32629028

TOTAL

121240706

68789953

SCHEDULE 'H'

SUNDRY DEBTORS

Debtors outstanding for period exceeding 6 Months (Unsecured but considered good)	14246974	14810284
Unsecured but considered doubtful	0	0
Others	126787331	104780259

TOTAL

141034305

119590543

SCHEDULE 'I'

CASH & BANK BALANCES

Margin Money/Fixed Deposit Canara Bank	2968643	4950350
Cash on hand	1880528	2402374
Bank Balance with Scheduled Banks	2358858	1208552

TOTAL

7208029

8561276

SCHEDULE 'J'

LOANS and ADVANCES (Unsecured, considered good unless otherwise stated)

Advances recoverable in cash or in kind or for the value to be received	32319800	50348722
Loans to Employees	2046209	2667922
Security deposit	5500060	906561
Tax deducted at source	526518	431685

TOTAL

40392587

54354890

CENTENIAL SURGICAL SUTURE LTD.

Annual Report 2008 - 2009

As at 31.3.2009

As at 31.3.2008

SCHEDULE 'K'

CURRENT LIABILITIES & PROVISIONS

Creditors for goods and expenses	135107924	104351341
TOTAL	135107924	104351341

SCHEDULE 'L'

MISCELLANEOUS EXPENSES

(To the extent not written off or adjusted)

Preliminary Expenses	0	0
TOTAL	0	0

SCHEDULE 'M'

SALES

a) Local Sales	472101958	396261562
b) Export Sales	19429402	16424537
TOTAL	491531360	412686099

SCHEDULE 'N'

OTHER INCOME

a) Miscellaneous Income	40374	1200
b) Interest on Fixed Deposits	441888	327795
TOTAL	482262	328995

SCHEDULE 'O'

INCREASE/(DECREASE) IN FINISHED GOODS

Closing Stock	55320146	32629028
Less : Opening Stock	32629028	22190509
INCREASE/(DECREASE) TOTAL	22691118	10438519

SCHEDULE 'P'

RAW MATERIAL CONSUMED

Opening Stock

- Raw Material	32136035	44568205
- Packing Material	1820180	942138
- Work in Progress	2204710	1586712
	36160925	47097055

Add Purchases

- Raw Material	223897581	108624954
- Packing Material	55511496	90526110
	315570002	246248119

Less Closing Stock

- Raw Material	61360256	32136035
- Packing Material	2318847	1820180
- Work in Progress	2241457	2204710
	65920560	36160925

Raw Materials Consumed TOTAL	249649442	210087194
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CENTENIAL SURGICAL SUTURE LTD.

Annual Report 2008 - 2009**As at 31.3.2009****As at 31.3.2008****SCHEDULE 'Q'****MANUFACTURING & OPERATING EXPENSES**

Callibration Charges	39719	32775
Clearing & Forwarding	1135608	898903
Consumables	1388552	798079
Conveyance	7019	2272
Diwali Expenses	795937	431000
Duties & taxes	17966315	13525121
Electricity	1095807	1254070
Exchange Rate Fluctuation	303257	(742508)
Freight and Transport	1483327	696917
General Expenses	82603	202551
Insurance	1567941	1064343
ISO and CE expenses	56180	0
Letter of Credit Opening Charges	392796	340919
Licence Fees	16000	35450
Profession Tax	2525	5000
Repairs & Maintenance	1525782	1321738
Salary Factory	7843655	6532564
Sales Tax	0	4125978
Staff Welfare	636710	510980
Sterilisation ~ Gama	12203	0
Telephone	54742	50438
Vehicle Running & Maintenance	1183320	1061686
Water Charges	88003	30528
TOTAL	<u>37678001</u>	<u>32178804</u>

CENTENIAL SURGICAL SUTURE LTD.

Annual Report 2008 - 2009**As at 31.3.2009****As at 31.3.2008****SCHEDULE 'R'****ADMINISTRATION, SELLING & OTHER OVERHEADS**

Advertising	76677	544530
Audit Fees	130400	50000
Bank Charges	679700	752717
Books and Periodicals	3184	9549
Business Promotion	6646051	5987916
Commission	17305063	14295205
Conference Charges	2197977	1403543
Conveyance	92735	207024
Daily Allowance	6469777	7312950
Discounts	675739	2788221
Donation	0	26354
Electricity	196613	158424
Entertainment	55819	55297
General Expenses	270029	1211733
Interest on Bank OD	9313580	9477574
Interest on Car Loan	32332	92258
Interest on Loan	3843480	1491110
Legal & Professional Expenses	322993	578561
Listing Fees	50468	22472
Marketing Expenses	13031526	7676896
Membership & Subscription	0	10000
Miscellaneous Expenses	189682	0
Motor Car Expenses	247507	28742
Postage & Telegram	3937739	3036637
Printing & Stationery	81318555	56799578
Reimbursement of Out of Pocket Expenses to Auditor	7854	6852
Rent	2874487	1115550
Salaries	34281187	24983897
Service Tax	657400	0
Sundry Debit Credit Balance Written Off	3534	(722538)
Tax Audit Fees	25000	25000
Telephone and Telex Expenses	2291533	2224831
Tender Fees	14284	35000
Travelling	3582265	8399962
TOTAL	190825169	150085845

SCHEDULE 'S'

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.

PROVISION FOR TAXATION : Provision for Income Tax, Fringe Benefit Tax and Deferred Tax amounting to Rs.1,11,12,670.00 has been made for the period ended March 31, 2009 under the provisions of Income Tax Act, 1956.

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, 2009. 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.
3. Debit balances in the accounts of suppliers and others are subject to confirmation and reconciliation.
4. During the year 3551900 shares of Rs.10/- each have been forfeited for non payment of allotment money and the amount received on application has been transferred to Capital Reserves.
5. Figures have been rounded off to the nearest rupee.
6. Previous year's figures have been regrouped and rearranged wherever necessary.
7. During the year the company has accounted for Deferred tax in accordance with Accounting Standard 22 "Accounting for Taxes on Income" issued by The Institute of Chartered Accountants of India. The Net effect of Deferred Tax has been debited to Profit and Loss Account with the Deferred Tax Asset of Rs. 0.97 Lakhs.
8. Creditors for Goods and Expenses includes Rs. 15107651/- (Previous year Rs. 11876024/-) 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. Quality Needles (P) Ltd.)
9. Financial and Derivatives Instrument

Derivative contracts entered into by the company and outstanding as on March 31, 2009, is Rs. NIL Foreign Currency exposures that are not hedged by derivatives instruments as on March 31, 2009.

CENTENIAL SURGICAL SUTURE LTD.

Annual Report 2008 - 2009

Particulars	Amount (Rs. in Lakhs)
Receivables against Export Sales	41.46
Payable against import of Raw Material	212.23

10. 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	1098365	884721

- 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:

	2008 ~ 2009 (in Rs.)	2007 ~ 2008 (in Rs.)
Changes in present value of obligations		
Present value of obligations as at beginning of year	1035131	678043
Interest Cost	82810	54243
Current Service Cost	249345	188561
Benefits Paid	24339	NIL
Actuarial (gain) / loss on obligations	112905	114284
Present value of obligations as at end of year	1455852	1035131
Fair value of Plan Assets :		
Fair Value of Plan Assets at the beginning of year	814911	659641
Actual Return on Plan Assets	75000	91493
Contributions	36935	63777
Benefits Paid	24339	NIL
Fair Value of Plan Assets at the end of the year	902507	814911
Funded Status	(553345)	(220220)
Excess of actual over estimated return on Plan Assets (Actual rate of return = Estimated rate of return as ARD falls on March 31.)	NIL	NIL
Actuarial Gain / Loss recognized :		
Actuarial Gain / Loss for the year - Obligation	(112905)	(114284)
Actuarial Gain / Loss for the year - Plan Assets	NIL	NIL
Total Gain / Loss for the year	112905	114284
Actuarial Gain / Loss recognized in the year	112905	114284
Amount recognized in the Balance Sheet		
Present value of obligations as at the end of year	1455852	1035131
Fair Value of Plan Assets as at the end of year	902507	814911
Funded Status	(553345)	(220220)
Net Asset / (Liability) recognized in Balance Sheet	553345	220220
Expenses recognised in the Profit & Loss Account:		
Current Service Cost	249345	188561
Interest Cost	82810	54243
Expected Return on Plan Assets	75000	91493
Net Actuarial (gain) / loss recognized in the year	112905	114284
Expenses recognised in statement of Profit & Loss	370060	265595

CENTENIAL SURGICAL SUTURE LTD.

Annual Report 2008 - 2009

	2008 ~ 2009	2007 ~ 2008
Investment Pattern of Plan Assets:		
Insurer Managed Fund	100.00 %	100.00 %
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 %

11. Basic and diluted earning per share

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

	Current Year (Rupees in Lakhs)	Previous Year (Rupees in Lakhs)
A. Amount used as the numerator		
Net Profit after Tax	Rs. 88.14	Rs. 133.11
Less Dividend	Nil	Nil
Net Profit available for Equity Shareholders	Rs. 88.14	Rs. 133.11
B. Weighted Average Number of Equity Shares (Nos.) :	3648300	7200200
C. Basic and Diluted Earning Per Share	Rs. 2.74	Rs. 1.85

12. Computation of Deferred Tax Asset / (Liability)

	Current Year (Rupees in Lakhs)	Previous Year (Rupees in Lakhs)
Deferred Tax Assets / (Liability)	Rs. 3.16	Rs. 2.49

13. 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. 20.50 Lakhs	Salary
Mr. Shyam Kingar	Rs. 7.20 Lakhs	Salary
Mr. Chandrakant Rawale	Rs. 3.00 Lakhs	Salary
Mr. Devraj Poojary	Rs. 3.00 Lakhs	Salary
Mr. Vijay Majrekar	Rs. 6.00 Lakhs	Rent
Mr. Shyam Kingar	Rs. 8.46 Lakhs	Rent
Ms. Seema Kingar	Rs. 8.46 Lakhs	Rent

14. Segment Reporting – Accounting Standard (AS 17)

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

15. 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. 24,00,000.00 per annum or Rs. 2,00,000.00 per month when employed for the year or part thereof.

	Current Year	Previous Year
Employed throughout the year	Nil	Nil
Employed for part of the year	Nil	Nil

CENTENIAL SURGICAL SUTURE LTD.

Annual Report 2008 - 2009

B. Licensed, Installed Capacity and Production

Item	Licensed Capacity	Installed Capacity	Production Current Year	Production Previous Year
Atraumatic Needles and Sutures, etc. (Absorbable and Non-Absorbable)	N.A.	500000 dozens	464056 dozens	463156 dozens

C. Stocks

Item	Current Year		Previous Year	
	Quantity	Value	Quantity	Value
Atraumatic Needles and Sutures, etc. (Absorbable and Non-Absorbable)	100853 dozens	Rs. 553.20 lakhs	102833 dozens	Rs. 326.29 lakhs

D. Sales

Item	Current Year		Previous Year	
	Quantity	Value	Quantity	Value
Atraumatic Needles and Sutures, etc. (Absorbable and Non-Absorbable)	466025 dozens	Rs. 4915.31 lakhs	426162 dozens	Rs. 4126.86 lakhs

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	Previous Year
Indigenous	Rs. 1406.26 lakhs	Rs. 1294.61 lakhs
As a % of Total	56.33 %	61.62 %
Imported	Rs. 1090.23 lakhs	Rs. 806.27 lakhs
As a % of Total	43.67 %	38.38 %

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

	Current Year	Previous Year
1. Raw Materials	Rs. 1040.93 lakhs	Rs. 707.55 lakhs
2. Components & Spare Parts	Nil	Nil
3. Capital goods	Nil	Nil

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

	Current Year	Previous Year
1. Royalty	Nil	Nil
2. Technical Fees	Nil	Nil
3. Purchase	Nil	Nil
Value of all imported and indigenous raw materials, spare parts and components :		
	Current Year	Previous Year
Indigenous	62.75 %	64.47 %
Imported	37.25 %	35.53 %
Amount remitted during the year	Rs. 882.39 lakhs	Rs. 698.37 lakhs

H. Earning in foreign exchange

	Current Year	Previous Year
Sales	Rs. 194.29 lakhs	Rs. 164.25 lakhs
Quantitative details:		
a. Raw material consumed	Rs. 2496.49 lakhs	Rs. 2100.87 lakhs
b. Goods produced	464056 dozens	463156 dozens

Notice To Members

Notice is hereby given that the **14th Annual General Meeting** of the members of **CENTENIAL SURGICAL SUTURE LTD.** will be held on Tuesday the **September 29, 2009** at 3.30 p.m. at the Registered Office of the Company situated at F-29, MIDC, Murbad, Thane – 421 401 to transact the following business:

A. ORDINARY BUSINESS:

1. To receive, consider and adopt the audited accounts for the year ended March 31, 2009 along with notes and schedules thereon as on that date and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. N. M. Birje, Director of the Company who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. S. H. Jain, Director of the Company who retires by rotation and being eligible offers himself for re-appointment.
4. 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:

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

“RESOLVED THAT, in accordance with the provisions of section 198, 269, 309, 310 and 314 of the Companies Act, 1956, schedule XIII and other applicable provisions, if any, the consent of shareholders be and is hereby accorded to variation in the Managerial remuneration of Mr. Vijay Majrekar, Managing Director and CEO with effect from April 1, 2009 on such terms and conditions as approved by the Board.”

“RESOLVED FURTHER THAT, the Board is also authorised to vary / revise the aforesaid remuneration from time to time within limits of Schedule XIII of the Companies Act, 1956 and is also authorised to take necessary steps for implementing the aforesaid resolution.”

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

“RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), (hereinafter referred to as “the said Act”) the consent of the Company be and is hereby accorded to the re-appointment of Mr. C. R. Rawale as a Whole time Director of the Company for a period of 3 (Three) years with effect from October 1, 2009 on the terms and conditions including remuneration as placed before this meeting, with liberty to the Board of Directors (hereinafter referred to “the Board” which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter and vary the terms of the said re-appointment and/or remuneration and/or agreement.

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

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

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.
2. The proxies, in order to be effective should be deposited with the Company not less than 48 hours before the time fixed for the commencement of the meeting.
3. Members are requested to notify any changes in their addresses to the Company's registered office.
4. Any member requiring further information on accounts at the meeting is requested to send their queries in writing to the Managing Director of the Company before September 25, 2009.
5. The Register of Members and Share Transfer Register shall remain closed from Tuesday the September 22, 2009 to Tuesday the September 29, 2009 (both days inclusive).
6. The relevant explanatory statement under Section 173(2) of the Companies Act, 1956 in respect of the business under item No. 5 and 6 as set above is annexed hereto.
7. Members are requested to bring their copy of Annual Report for 2008 - 2009 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.

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

Murbad, Thane
July 31, 2009

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

Vijay Majrekar
Chairman cum Managing Director

CENTENIAL SURGICAL SUTURE LTD.

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16. Provisions and / or Payments	2008 ~ 2009	2007 ~ 2008
Statutory Auditors Fees	Rs. 80,000.00	Rs. 50,000.00
Tax Audit Fees	Rs. 25,000.00	Rs. 25,000.00

Signatures to Schedules A to S

As per my report attached

for, VIPUL N. SHAH & ASSOCIATES

Chartered Accountants

VIPUL N. SHAH

Proprietor

Membership No.: 40346

Murbad, June 30, 2009

For and on behalf of Board of Directors

Vijay Majrekar

Chairman cum Managing Director

Devraj Poojary

Executive Director

CENTENIAL SURGICAL SUTURE LTD.

Annual Report 2008 - 2009

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 0 9

(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 3 3 3 5 6 8 1 7	2 3 3 3 5 6 8 1 7

SOURCES OF FUNDS

Paid up Capital
3 6 4 8 3 0 0 0
Secured Loan
8 5 7 7 1 7 7 7

Reserves & Surplus
7 1 0 7 8 7 3 5
Unsecured Loan
4 0 2 3 0 3 0 5

APPLICATION OF FUNDS

Net Fixed Assets
5 8 4 7 0 1 1 2
Net Current Assets
1 7 5 0 8 3 7 0 5
Accumulated Loss
N I L

Investments
1 0 0 0 0 0
Miscellaneous Expenditure
N I L

(4) PERFORMANCE OF THE COMPANY

Income
5 1 4 7 0 4 7 4 0
Profit before Tax
2 8 5 5 7 9 7 4
Earning per share
2 . 7 4

Total Expenditure
4 8 6 1 4 6 7 6 7
Profit after Tax
1 7 4 4 5 3 0 1
Dividend rate on Equity Share
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**
 Chartered Accountants
VIPUL N. SHAH
 Proprietor
 Membership No.: 40346
 Murbad, June 30, 2009

For and on behalf of Board of Directors
Vijay Majrekar **Devraj Poojary**
 Chairman cum Managing Director Executive Director

CENTENIAL SURGICAL SUTURE LTD.

Annual Report 2008 - 2009

STATEMENT OF CASH FLOW PREPARED PURSUANT TO THE LISTING AGREEMENT WITH STOCK EXCHANGES FOR THE YEAR ENDED MARCH 31, 2009.

	2008-2009	2007-2008
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit (Loss) Before Tax and Extraordinary Items	17445301	13310012
Depreciation	7994156	7442761
Miscellaneous Expenditure to be written off	0	0
Operating Profit Before Working Capital Changes	<u>25439457</u>	<u>20752773</u>
Adjustment for		
Trade Receivables (21443762)		
Inventory (52450753)		
Trade Payable & Other Liability <u>30756583</u>	<u>(43137932)</u>	<u>(12967704)</u>
Cash Generated From Operations :		
Cash Flow Before Extraordinary Items	(8728024)	249092
Extra Ordinary Items		
Net Cash from operating activities	<u>(26426499)</u>	<u>8034161</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(16281067)	(5071999)
Capital Work-in-Progress	0	0
Pre-operative Expenses	0	0
Sale of Fixed Assets	102120	0
Purchase of Investments	0	0
Sale of Investments	0	0
Interest & Discounting charges received	0	0
Advance Payment of Taxes (including TDS)	(94833)	(68879)
Loans & Advances <u>14057136</u>	<u>14057136</u>	<u>(14431823)</u>
Net cash used in investing activities	<u>(2216644)</u>	<u>(19572701)</u>
C. CASH FLOW FINANCIAL ACTIVITIES		
Proceeds from issue of Share Capital (Allotment Money)	0	0
Proceeds from Long Term Borrowings	27427898	(14548715)
Proceeds from Short Term Borrowings	(138000)	29750000
	<u>27289898</u>	<u>15201285</u>
Net Increase in Cash and Cash equivalents	(1353246)	3662745
Opening Balance of cash and cash equivalent 1.4.2008	8561276	4898534
Closing Balance of cash and cash equivalent 31.3.2009	<u><u>7208029</u></u>	<u><u>8561276</u></u>

For and on behalf of Board of Directors

Vijay Majrekar

Devraj Poojary

Chairman cum Managing Director

Executive Director

Murbad, June 30, 2009

AUDITORS' CERTIFICATE

We have examined the attached Cash Flow Statement of Centenial Surgical Suture Ltd. for the year ended March 31, 2009. The Statement has been prepared by the Company in accordance with the requirements of listing agreement Clause 32 with Mumbai 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 June 30, 2009 to the members of the Company.

For, VIPUL N. SHAH & ASSOCIATES

Chartered Accountants

(VIPUL N. SHAH)

Proprietor

Membership No.: 40346

June 30, 2009

Annexure to the Notice

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

ITEM NO. 5 :

Mr. Vijay Majrekar is Managing Director of the Company. Due to his sustained efforts the company posted improved financial performance in the current year. Board in their meeting held on April 30, 2009 proposed to increase his remuneration subject to approval of the shareholders. The said remuneration is already approved by the remuneration committee

a. Major Terms of variation in the remuneration of Mr. Vijay Majrekar, Managing Director.

I) TERMS & CONDITIONS :

1. Name & Designation of Director. : Mr. Vijay Majrekar, Managing Director
2. Variation in remuneration : w.e.f. April 1, 2009
3. Period : For remaining tenure of his appointment i.e. upto October 1, 2011.
4. Salary (p.m) : Rs.2,50,000/-p.m. with power to Board to vary from time to time within the limits of schedule XIII of the Companies Act, 1956.

II. Perquisites:

Mr. 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 Mr. Vijay Majrekar, Managing Director will be payable annually. The overall commission limit not to exceed 1% of the net profit of the Company computed in the manner specified in the Companies Act, 1956 and the actual commission be determined by the Board of Directors of the Company.

Perquisites: The Managing Director shall be entitled to the following perquisites as classified into three Categories 'A', 'B' & 'C'

CATEGORY 'A'

Housing facility, medical reimbursement, club fees, personal accident insurance, children's education allowance, holiday passage and leave travel concession. These will be provided as under.

- Housing: The Managing Director will be provided with furnished company accommodation.
- Medical Reimbursement: Expenses incurred for the Managing Director and the family subject to a ceiling of one month's salary over a period of three years.
- Club Fees: Fees of club subject to a maximum of three clubs. This will not include admission and life membership fees.
- Personal Accident Insurance: Premium not to exceed Rs. 4,000/- per annum.
- Children's Education Allowance: In case of children studying in or outside India, an allowance limited to a maximum of Rs. 5,000/- per child or actual expenses incurred whichever is less. Such 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.

CENTENIAL SURGICAL SUTURE LTD.

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.

MINIMUM REMUNERATION

Notwithstanding anything to the contrary therein, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profit or its profits are inadequate, the remuneration payable by way of salary and perquisites shall not exceed Rs.30,00,000/- per annum or Rs.2,50,000/- per month. The Board of Directors recommends the resolution as set out in the notice for your approval.

None of the Directors of the Company, except Mr. Vijay Majrekar is considered to be interested or concerned in this resolution.

These terms and conditions of re-appointment may be treated as abstract between the Company and Mr. Vijay Majrekar pursuant to Section 302 of the Companies Act, 1956.

Item No. 6:

As recommended by the Remuneration Committee and approved by the Board of Directors of the Company, at its meeting held on June 30, 2009 Mr. C. R. Rawale was re-appointed as a Whole Time Director of the Company for a period 3 (Three) years with effect from October 1, 2009. The remuneration to Mr. C. R. Rawale, inter alia, includes the payment of salary, perquisites and benefits and is subject to the approval of the members.

Mr. C. R. Rawale has served as a Whole Time Director of the Board of the Company and his term is expiring on September 30, 2009. Hence, Board re-appointed him for the further period of 3 (Three) years w.e.f. October 1, 2009.

The terms and conditions proposed to be entered into by the Company with Mr. C. R. Rawale in respect of his re-appointment, inter alia, contains the following terms and conditions.

TERMS & CONDITIONS:

- | | | | |
|----|--------------------------------|---|---|
| 1. | Name & Designation of Director | : | Mr. C. R. Rawale, Whole Time Director. |
| 2. | Date of Appointment | : | Re-appointed w.e.f. October 1, 2009 |
| 3. | Period | : | 3 years. |
| 4. | Salary (p.m.) | : | Rs.25,000/- p.m. with power to Board to vary from time to time within the limits of schedule XIII of the Companies Act. |
| 5. | Minimum Remuneration | : | In the absence or inadequacy of profits in any financial year, (a) subject to the approval of the Central Government, the remuneration payable to Mr. C. R. Rawale by way of salary and perquisites shall not be reduced & (b) if the approval of the Central Government as stated in (a) is not received, the remuneration payable to the Mr. C. R. Rawale shall be the maximum amount permitted as per Schedule XIII, as amended from time to time. |

He shall carry out such duties as may be entrusted to him subject to the supervision of the Board of Directors and he shall also perform such other duties and services as shall from time to time be entrusted to him by the Board of Directors.

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

This term of re-appointment may be treated as an abstract between the Company and Mr. C. R. Rawale, Pursuant to section 302 of the Companies Act, 1956.

Registered Office:

F-29, MIDC, Murbad, Thane 421 401

Murbad, Thane
July 31, 2009

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

Vijay Majrekar
Chairman cum Managing Director

CENTENIAL SURGICAL SUTURE LTD.

REGISTERED OFFICE : F-29, MIDC, Murbad, Thane 421 401.

PROXY FORM

I / We _____ of _____ in the district of _____ being a Member/Members of the above named company, hereby appoint _____ of _____ in the district of _____ failing him _____ of _____ in the district of _____ as my/our proxy to attend and vote for me/us and on my/our behalf at the FOURTEENTH ANNUAL GENERAL MEETING of the Company to be held at 3.30 p.m. on September 29, 2009 at F-29, MIDC, Murbad, Thane - 421 401 and at any adjournment thereof.

Signed this _____ day of _____ 2009.

Regd. Folio No. _____ No. of Shares _____.

Signature(s) _____

Affix a Re.1/- Revenue Stamp

Note : The proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the company.

CENTENIAL SURGICAL SUTURE LTD.

REGISTERED OFFICE : F-29, MIDC, Murbad, Thane 421 401.

CHANGE OF ADDRESS

To,
CENTENIAL SURGICAL SUTURE LTD.
F-29, MIDC, Murbad,
Thane 421 401.

Place : _____

Date : _____

Folio No.(s) : : _____

Dear Sir,
Kindly take on record my new-address for your further communications.

Name and New Address _____

To be handed over at the entrance of the meeting hall

Shareholder's Signature

CENTENIAL SURGICAL SUTURE LTD.

REGISTERED OFFICE : F-29, MIDC, Murbad, Thane 421 401.

(To be handed over at the entrance of the meeting hall)

ATTENDANCE SLIP

Name of the Shareholder _____

Shareholder's Folio No. _____ No. of Shares Held _____

Name of Proxy / Representative, if any _____

(To be filled in, if the proxy attends instead of the Shareholder)

I hereby record my presence at the FOURTEENTH ANNUAL GENERAL MEETING of the Company at F-29, MIDC, Murbad, Thane - 421 401 at 3.30 p.m. on September 29, 2009.

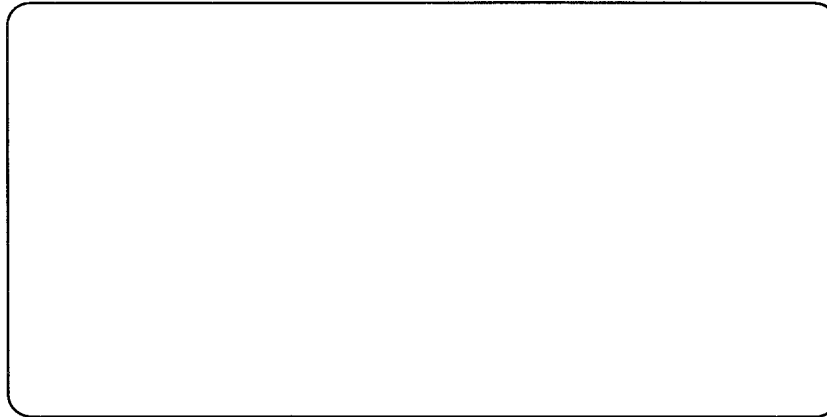
Note : Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be distributed at the time of Meeting.

**Signature of the
Shareholder / Proxy**

CENTENIAL SURGICAL SUTURE LTD.

Annual Report 2008 - 2009

To,



If, Undelivered Please Return To :

CENTENIAL SURGICAL SUTURE LTD.

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