

# **CISTRO TELELINK LIMITED**

**19th  
Annual Report  
2010-2011**

**CORPORATE INFORMATION****BOARD OF DIRECTORS**

Mr. Prahalad Singh Tomar : Non Executive Independent Director (Chairman)  
 Mr. Sanjay Agrawal : Non Executive Independent Director  
 Mr. Jatin Chawla : Non Executive Independent Director  
 Mr. Satyendersingh Gupta : Non Executive Independent Director  
 Mr. Pyarelal Varma : Non Executive Independent Director  
 Mr. Arun Kumar Sharma\* : Additional Executive Director

\*w.e.f. 12<sup>th</sup> February, 2011.

**AUDITORS:**

**S. R. Naredi & Co.**

Chartered Accountants,  
 Membership No.72014  
 Indore.

**BANKERS:**

Dena Bank

**REGISTRAR & SHARE TRANSFER AGENTS:**

Ankit Consultancy Pvt.Ltd.  
 60, Electronic Complex,  
 Pardeshipura, Indore (M.P.) 452010  
 Email id: - ankit\_4321@yahoo.com  
 Tel.:0731-3198601-602, 2551745-46  
 Fax: 0731-4065798

**REGISTERED OFFICE:**

206, Airen Heights,\*  
 A.B.Road,  
 Indore,  
 Madhya Pradesh: 452010.  
 \*w.e.f. 02<sup>nd</sup> August, 2011

**SHARES LISTED AT:**

Bombay Stock Exchange, Mumbai

**ANNUAL GENERAL MEETING:**

Date: 29.09.2011  
 Time: 11.00 A.M.  
 Place: Registered Office  
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**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE **NINETEENTH** ANNUAL GENERAL MEETING OF THE MEMBERS OF **CISTRO TELELINK LIMITED** WILL BE HELD ON **THURSDAY THE 29<sup>th</sup> SEPTEMBER, 2011 AT 11.00 A.M.** AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 206, AIREN HEIGHTS, A.B.ROAD, INDORE, MADHYA PRADHESH – 452010 TO TRANSACT THE FOLLOWING BUSINESS.

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited accounts for the year ended 31<sup>st</sup> March 2011 along with notes and schedules thereon as on that date and the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sanjay Agarwal who retires by rotation & being eligible offers himself for re-appointment.
3. To appoint M/s. S.R. Naredi & Co., Chartered Accountants, Indore, retiring Auditors as Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of next Annual General Meeting and fix their remuneration.

**SPECIAL BUSINESS:****4. Appointment of Mr. Arun Kumar Sharma as a Director liable to retire by rotation**

To consider and if thought fit to pass, with or without modification, the following resolution as an **ordinary resolution:**

“**RESOVLED THAT** Mr. Arun Kumar Sharma, who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 during the year w.e.f. 12<sup>th</sup> February, 2011 to hold the office upto the date of the forthcoming Annual General Meeting, and in respect of whom formalities under Section 257 of the Companies Act 1956 has been complied with proposing his candidature for the post of Director be and is hereby appointed as Director of the Company, liable to retire by rotation.”

**5. Appointment of Mr. Arun Kumar Sharma as a Executive Director of the Company**

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

“**RESOVLED THAT** pursuant to the provisions of Section 198, 269, 309, 314 and Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, consent of the Members be and are hereby accorded for appointment of Mr. Arun Kumar Sharma as a Executive Director of the Company for a period of five years w.e.f 12<sup>th</sup> February, 2011.

“**RESOLVED FURTHER THAT** any Director of the Company be and is hereby authorised to file necessary forms with the Registrar of Companies, Gwalior and to take all necessary steps in order to give effect to the aforesaid resolution.”

By Order of the Board  
**CISTRO TELELINK LIMITED**

Sd/-

**P.S.TOMAR**  
**(DIRECTOR)**

**DATE : 30<sup>th</sup> August, 2011**

**PLACE : INDORE**

**Notes to Notice**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE 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. **THE REGISTER OF MEMBERS AND SHARE TRANSFER REGISTER OF THE COMPANY SHALL REMAIN CLOSED FROM THURSDAY 22<sup>ND</sup> SEPTEMBER, 2011 TO THURSDAY, 29<sup>TH</sup> SEPTEMBER, 2011 (BOTH DAYS INCLUSIVE).**

4. As a measure of economy, copies of the Annual Reports and Accounts will not be distributed at the meeting. Members are therefore, requested to bring their copies to the meeting.
5. Members are requested to produce the attendance slip duly signed, sent along with the Annual Report And Accounts, for admission to the meeting hall.
6. Members desirous of having any information regarding accounts are requested to write to the Company at least 7 days in advance of the date of Annual General Meeting so as to enable the management to keep the information ready.
7. 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 consolidate their holdings in one folio.
8. Explanatory statement under section 173(2) of the Companies Act, 1956 in respect of the Special Business set above is annexed hereto.

By Order of the Board  
CISTRO TELELINK LIMITED

Sd/-

P.S.TOMAR  
(DIRECTOR)

DATE : 30<sup>th</sup> August, 2011

PLACE : INDORE

**EXPLANATORY STATEMENT**

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

**ITEM NO.4 & 5**

Mr. Arun Kumar Sharma, was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 during the year w.e.f. 12<sup>th</sup> February, 2011 to hold the office upto the date of the forthcoming Annual General Meeting. The Company has received a notice from a member alongwith a deposit of Rs.500/- proposing the candidature of Mr. Arun Kumar Sharma to the office of Director pursuant to section 257 of the Companies Act, 1956.

The Information about Mr. Arun Kumar Sharma is as follows:-

Name of the Director	Mr. Arun Kumar Sharma
Age	47
Expertise in specific functional area	Accounting and Finance
Directorship in other Indian Public Limited Company & other firms as on 31.03.2011	NIL
Shareholding	NIL

The Board considers that his association as Director will be beneficial and in the interest of the Company.

The Board recommends this resolution for your consideration and approval as an Special Resolution.

Mr. Arun Kumar Sharma was also appointed as Executive Director of the Company for a period of 5 (Five) years w.e.f 12<sup>th</sup> February 2011 subject to the confirmation by members. Mr. Arun Kumar Sharma would not be drawing any remuneration for the services rendered by him.

Keeping in view his experience and expertise, the Board recommends the adoption of the resolution at Item Nos. 4 & 5 of the Notice.

Except Mr. Arun Kumar Sharma, none of the Directors of the Company are concerned or interested in the said resolution.

By Order of the Board  
CISTRO TELELINK LIMITED

Sd/-

P.S.TOMAR  
(DIRECTOR)

DATE : 30<sup>th</sup> August, 2011

PLACE : INDORE

**DIRECTORS REPORT**

To  
The Members  
**CISTRO TELELINK LIMITED.**

Your Directors have great pleasure in presenting DIRECTORS' REPORT along with the Audited Balance Sheet and Profit And Loss Account, for the year ended 31<sup>st</sup> March, 2011.

**FINANCIAL RESULTS:**

The financial Results are briefly indicated below:

<b>PARTICULARS</b>	<b>(Amt in Rs.)</b>	
	<b>For the year ended on</b>	
	<b>31.03.2011</b>	<b>31.03.2010</b>
Total Income	2,711,342	13,69,000
Total Expenditure	2,772,055	17,18,000
Profit/ [Loss] before Taxation	(92,572)	(186947)
Add: Short Provision for taxation for earlier years	NIL	NIL
Interest on loan written back under OTS	NIL	NIL
Profit/ (loss) after Taxation	(92,572)	(186947)
Loss Brought Forward	(1,405,274)	(12,18,327)
Balance carried to Balance Sheet	(1,497,846)	(1,405,274)

**FINANCIAL OPERATIONS:**

The Company has suffered losses of Rs. 92,572/- (Rupees Ninety Two Thousand & Five Hundred Seventy Two) during the financial year. Your Directors are expected to achieve better performance in future and are taking maximum efforts to control the cost and optimize the results in the coming year.

**DIVIDEND:**

In view of losses, the Directors do not recommend any dividend as such.

**DEPOSITS:**

The Company has not accepted any deposits, within the meaning of Section 58A, 58AA & any other provision of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 made there under.

**PARTICULARS OF EMPLOYEES:**

In accordance with the provision of Section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Amendment Rules 1999 as amended up to date, there were no employees during the whole or part of the year who were in receipt of remuneration in excess of limits as mentioned in the section and hence no details are given as such.

**SHARE CAPITAL:**

There is no change in Authorised Share Capital and Issued Share Capital during the financial year.

**DIRECTORS:**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Arun Kumar Sharma was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 during the year w.e.f. 12<sup>th</sup> February, 2011 to hold the office upto the date of the forthcoming Annual General Meeting; hence members are requested to re-appoint him in the forthcoming Annual General Meeting of the Company.

Further appointment of Mr. Arun Kumar Sharma is also proposed as Executive Director for a period of 5 ( Five) years w.e.f 12<sup>th</sup> February 2011

During the year Mr. Sanjay Agarwal, Director, retires by rotation and being eligible has offered himself for re-appointment. The members are requested to re-appoint him in the forthcoming Annual General Meeting.

**SUBSIDIARIES:**

Since the Company has no subsidiaries, provisions of Section 212 of the Companies Act, 1956 is not applicable to the Company.

**MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT:**

Management Discussion and Analysis is also annexed herewith forming part of this report.

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

The Board of Directors hereby confirms;

- i. that in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the 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 maintenances of adequate accounting records in accordance with the provision 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.

**CORPORATE GOVERNANCE CODE:**

The Board had implemented certain provisions of Corporate Governance Code in pursuance of clause 49 of Listing Agreement during the year. The report on Corporate Governance is annexed hereto forming part of this report. The requisite certificate from the Auditors of the Company on implementation of requirements of the Corporate Governance is also annexed herewith forming part of this report.

**LISTING:**

The company's shares are listed at the Bombay Stock Exchange. The trading of equity shares of the Company has begun w.e.f 30<sup>th</sup> August 2011.

**AUDITORS:**

**M/s. S. R. NAREDI & Co. Chartered Accountants, Indore**, Statutory Auditors of your company hold office until the conclusion of the forthcoming Annual General Meeting. They had signified their willingness to accept re-appointment and further confirmed their eligibility under Section 224 (IB) of the Companies Act 1956.

**PARTICULARS OF CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION:**

Since ours is not a manufacturing unit the concept of conservation of energy & technology absorption is not applicable to our Company.

**FOREIGN EXCHANGE EARNING & OUTGOING:**

During the year, there was no Foreign Exchange earning and outgo.

**ACKNOWLEDGEMENTS:**

Your Directors take this opportunity to place on record, gratitude for co-operation and support received from their Banker, stakeholders, various departments and agencies of Central and State Government and dedication and commitment to the staff at all levels without which the all-round growth and prosperity of the company would not have been possible.

By Order of the Board  
**CISTRO TELELINK LIMITED**

Sd/-

**DATE** : 30<sup>th</sup> August, 2011  
**PLACE** : INDORE

**P.S.TOMAR**  
**(CHAIRMAN)**

## CORPORATE GOVERNANCE REPORT

### Company's philosophy:

The Corporate Governance Code as introduced by Securities and Exchange Board of India (SEBI) in pursuance of Clause 49 of Listing Agreement became applicable to the company since March, 2003. The company has implemented the same.

The Company believes in maximum utilization of resources at minimum cost and attaining maximum long term shareholders value. The company has also consistently followed good corporate policy and enhanced its value in the eyes of shareholders, Bankers, Customers and Employees.

### Board of Directors:

The Board of the Company comprises of 6 (Six) Directors out of which 5 (Five) are Non Executive Independent Directors and 1 (One) is a Executive Director of the Company. There is no nominee or Institutional Directors in the Company.

None of Directors has pecuniary or Business relationship with the Company other than as mentioned elsewhere in the Annual Report. No Director of the Company is either member in more than ten committees and/or Chairman of more than five committees across all Companies in which he is Director.

During the year there were in total **6 (Six)** Board Meetings were held i.e. on 30<sup>th</sup> April, 2010, 12<sup>th</sup> July, 2010, 04<sup>th</sup> August, 2010, 03<sup>rd</sup> September, 2010, 09<sup>th</sup> November, 2010, 12<sup>th</sup> February, 2011. Gap between the two meetings was not more than 4 months. All the information required to be furnished to the Board was made available to them along with detailed Agenda notes.

Sr No	Name of Director	Category	No. of Meetings Attended	Attendance at Last AGM	No. Of Other Directorship in Public Limited Companies*	No. Of Other Committee member-Ship. In other Companies
1.	Mr. Jatin Chawla	Non Executive Independent Director	6	Yes	Nil	Nil
2.	Mr. Sanjay Agarwal	Non Executive Independent Director	6	Yes	Nil	Nil
3.	Mr. Prahlad Singh Tomar	Non Executive Independent Director	6	Yes	Nil	Nil
4.	Mr. Satyendersingh Gupta	Non Executive Independent Director	6	Yes	Nil	Nil
5.	Mr. Pyarelal Varma	Non Executive Independent Director	6	Yes	Nil	Nil
6.	Mr. Arun Kumar Sharma	Executive Professional Director	1	—	Nil	Nil

\* Excludes Directorships/Chairmanship in Indian Private Limited Companies, Section 25 Companies and Foreign Companies and positions held in Proprietorship and Partnership in Firms.

All the above Board meetings were held at the registered office of the company. The required Quorum was present at all the above board Meetings and all the resolutions were duly approved. There were no instances of Adjournment of any of the said meetings.

### Code of Conduct:

The Board has adopted Code of Conduct, which is applicable to all Directors of the company, which is available on the website of the company.

**Audit Committee:**

Pursuant to the provisions of Section 292(A) of The Companies Act, 1956 and Clause 49 of Listing Agreement, an Audit Committee comprising of three Non Executive Directors is required to be constituted. The Audit Committee of the Company consists of 3 (Three) Non Executive Independent Directors as follows:

Mr. Prahlad Tomar ~ Chairman  
 Mr. Jatin Chawla ~ Member  
 Mr. Arun Kumar Sharma ~ Member.

Chairman of the Audit Committee is Independent Director and was present at the 18<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2010

The composition of the Audit Committee is as per the Section 292A of the companies Act, 1956 and Clause 49 of listing agreement.

The functions of the Audit Committee are as per Company Law and Listing Agreement with the Stock Exchanges. These include the review of accounting and financial policies and procedures, review of financial reporting system and procedures and ensuring compliance of statutory requirements.

The terms of reference of the Audit Committee include:

- To review financial statements and pre-publication announcements before submission to the Board
- To apprise the Board on the impact of accounting policies, accounting standards and applicable laws and regulations
- To hold discussion with statutory auditors on the scope and content of the audit.
- Appointment of Statutory Auditor and fixing their remuneration.

Details of the Audit Committee Meeting:

Name of the Members	Category	No. of Meetings Held	No of Meetings attended
P.S.Tomar	Chairman	5	5
Jatin Chawla	Member	5	5
Sanjay Agarwal#	Member	4	4
Arun Kumar Sharma*	Member	1	1

# Resigned to be a member of Audit Committee w.ef 12<sup>th</sup> February 2011

\* Inducted as a Member of Audit Committee w.ef. 12<sup>th</sup> February 2011

All the meetings were held at the registered office of the Company.

**Remuneration Committee:**

The Stock Exchange Listing Agreement stipulates that the Remuneration Committee should comprise of at least three Non Executive Independent Directors. The remuneration committee of the Company comprised of following three members.

Name of the Members	Category
P.S.Tomar	Chairman
Jatin Chawla	Member
Sanjay Agarwal	Member

The directors of the Company do not draw any remuneration or sitting fees from the Company.

**Shareholders/Investors Grievance Committee:**

The Company is in the process of forming Shareholder/Investors Grievance Committee.

The company has not received any Complaints from the shareholders during the year.

The company has delegated authority to Share Transfer agent, who attends to share transfer formalities at least once in a fortnight.



**General Body Meetings:**

Details of general meeting held in the last three years are given below:

Financial Year	Date	Time	Venue	Special Resolution(s)
2009-2010	30.09.2010	11.00A.M	Registered Office	—N.A—
2008-2009	30.09.2009	11.00A.M.	Registered Office	— N.A—
2007-2008	30.09.2008	11.00A.M.	Registered Office	— N.A—

No special resolution was put through postal ballot as the said resolution was voted unanimously by show of hands.

**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 that may have potential conflict with the interest of the company at large.

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 Shares of the Company are listed on Bombay Stock Exchange. The Companies shares were suspended for trading w.e.f 24.04.2003 by Bombay Stock Exchange due to non compliances of Listing Agreement. The Company is in the process of revocation of suspension.

The Company is regularly complying with the mandatory requirements of the Corporate Governance and in the process of adopting non mandatory requirements in due course.

**Means of Communication:**

The results of the Company are furnished to the Bombay Stock Exchange Limited on a periodic basis (quarterly, half yearly and annually) after the approval of the Board of Directors. The results are normally published in "The Financial Express"- English Newspaper and "Indore Samachar" Hindi Newspaper within 48 hours of Approval of the Board. These were not sent individually to the shareholders.

**General Shareholders Information:**

1.	Annual General Meeting Date, Time and Venue	29 <sup>th</sup> September, 2011 at 11.00 A.M. at Registered Office of the Company.
2.	Financial Calendar	1 <sup>st</sup> April to 31 <sup>st</sup> March of next year
	Results for : First quarter	2 <sup>nd</sup> week of August, 2011
	Half Yearly	2 <sup>nd</sup> week of November, 2011
	Third quarter	2 <sup>nd</sup> week of February, 2012
	Fourth quarter	Last week of June, 2012
3.	Date of Book-closure	22 <sup>nd</sup> September, 2011 to 29 <sup>th</sup> September, 2011.
4.	Listing on Stock Exchanges in India	Bombay Stock Exchange, Mumbai
5.	Registered and corporate office	206, Airen Heights Indore, Madhya Pradesh – 452 001
6.	Registrar and transfer Agent	Ankit Consultancy Pvt.Ltd. 60, Electronic Complex, Pardeshipura, Indore (M.P.) 452010
7.	Stock Code/ISIN No.	531775/ INE365C01023
8.	Email-ID of the Company	<a href="mailto:cistrotelelink@gmail.com">cistrotelelink@gmail.com</a> <a href="http://www.cistrotelelink.net">www.cistrotelelink.net</a>

**Market price data:**

Since the company shares were suspended for trading the market price data is not available.

**Registrar and Transfer Agent:**

The Company has appointed Ankit Consultancy Private Limited for processing and approving the transfer of shares. Their contact details are as follows:

**Ankit Consultancy Pvt.Ltd.**

60, Electronic Complex,  
Pardeshipura,  
Indore Madhya Pradesh: 452010  
Tel.:0731-3198601-602, 2551745-46  
Email id: - ankit\_4321@yahoo.com

**Share Transfer System:**

The Share transfer of Securities in physical form are registered, duly transferred and dispatched within one month of the receipt, if the transfer documents are in order. The share transfers are approved every fifteen days.

All matters pertaining to share transfer are being handled by Ankit Consultancy Pvt. Ltd, the Registrar and Share Transfer agent of the Company. The share transfer requests received are processed by them and a Memorandum of Transfer is sent to the Company for approval by the Board of Directors. The average time taken for processing share transfer requests including dispatch of share certificate is 15 days, while it takes a minimum of 10–12 days for processing dematerialization request. The Company regularly monitors and supervises the functioning of the system so as to ensure that there are no delays or lapses in the system.

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the Depositories in India – National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The Status of Dematerialization of Company's Shares as on 31<sup>st</sup> March, 2011 as under:

Particulars	No. of Shares	% of Holding
Electronic Mode	7048000	13.73%
Physical	44295000	86.27%
<b>Total</b>	<b>5,13,43,000</b>	<b>100</b>

The Company has not issued ESOP or any GDRs/ ADRs/ Warrants/ Convertible instrument.

**Address for correspondence:**

Shareholders of the company can send correspondence at company's share & Transfer Agent's Office or the Registered Office of the company situated at following address:

206, Airen Heights,  
A.B.Road, Indore,  
Madhya Pradesh-452010  
Tel No: 0731-2522951;  
Fax No: 0731-2519332

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**MANAGEMENT DISCUSSION AND ANALYSIS****A) INDUSTRY STRUCTURE AND DEVELOPMENT:**

In India, there are various kinds of telecom service licenses, including access licenses i.e. basic/fixed service, cellular, Unified Access (basic + cellular) service; carrier licenses i.e. national long distance and international long distance; licenses for internet services; VSAT licenses; IP-1 registration for passive infrastructure (towers, ducts, fibre) and IP-2 licenses for bandwidth.

The Indian Telecom Services Sector has witnessed tremendous growth in the recent past, primarily driven by intense competition, falling tariffs, and reforms in the regulatory set-up. Major Indian business houses have invested substantially in this sector. The past year or so have been very exciting for the industry. The Company is at present in the business of trading of goods.

**B) SEGMENTWISE PERFORMANCE:**

As on date of this report, the Company has no segment, hence not applicable to the Company.

**C) OPPORTUNITIES / OUTLOOK:**

The company is taking maximum efforts to capitalize on business opportunities & further expect a better outlook in the coming years.

**D) THREATS:**

The threat for the Company is the unrestricted competition is allowed in all the categories under the telecom services.

**E) RISKS AND CONCERNS:**

Your company will take adequate majors to safeguard against Risks & Concerns.

**F) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

Your Company has been maintaining an adequate internal control system commensurate with the size & nature of its business.

**G) HUMAN RESOURCES POLICIES:**

The employees are one of the key assets of the company. The Company has formulated sound policies for employee motivations and retentions. Also required training was given to the employees.

**H) CAUTIONARY STATEMENT:**

Due to unfavorable market conditions your company is facing profitability problems however, your management is making optimum efforts to minimize the overheads & cost reduction.

By Order of the Board  
**CISTRO TELELINK LIMITED**

Sd/-

**DATE** : 30<sup>th</sup> August, 2011  
**PLACE** : INDORE

**P.S.TOMAR**  
**(Director)**

**CFO CERTIFICATION**

To,  
The Board of Directors,  
**CISTRO TELELINK LIMITED**  
206, Airen Heights, A.B. Road, Indore, Madhya Pradesh – 452 010

I, Arun Kumar Sharma, CFO of the Company do hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- i. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
  - ii. 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.
- (b) 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.
- (c) 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.
- (d) We have indicated to the auditors and the Audit Committee
- i. Significant changes in internal control during the year;
  - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which we are 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.

By Order of the Board  
**For CISTRO TELELINK LIMITED**

Sd/-

**DATE** : 30<sup>th</sup> August, 2011  
**PLACE** : **INDORE**

**Arun Kumar Sharma**  
**(CFO)**

**A REPORT ON CORPORATE GOVERNANCE BY STATUTORY AUDITORS**

To,  
The Board of Directors,  
**CISTRO TELELINK LIMITED.**  
206, Airen Heights  
A.B.Road, Indore,  
Madhya Pradesh – 452 001.

We have reviewed the implementation of Corporate Governance produced by the company during the year ended on 31<sup>st</sup> March, 2011 with the relevant records and documents maintained by the company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The Compliance of the conditions of the Corporate Governance is the responsibility of the Management. Our examination is neither an audit nor an expression of opinion on the financial statements of the company.

On the basis of the above and according to the information and explanations given to us, in our opinion, the Company has not complied with Clauses 49 of the Listing Agreement.

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

**For S.R. Naredi & Co.,**  
**Chartered Accountants**

Sd/-

**Place** : **Indore**  
**Date** : **30<sup>th</sup> August, 2011.**

**S.R. Naredi**  
**(Proprietor)**

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**AUDITORS' REPORT**

To,  
The Members,  
Cistro Telelink Limited

1. We have audited the attached Balance sheet of **M/s Cistro Telelink Limited**, as at 31<sup>st</sup> March 2011 and the Profit and Loss Account and the cash flow statement for the year ended on that date 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 sub-section (4A) of Section 227 of the Companies Act, 1956, we Annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to 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 such books.
  - (iii) The Balance Sheet, Profit and Loss Account and cash flow statement dealt with by this report are in agreement with the books of account.
  - (iv) In our Opinion, the Balance Sheet, Profit and Loss Account and cash flow statement dealt with by this report comply with the applicable accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
  - (v) In our opinion, based on information and explanation given to us all the directors is disqualified as on 31<sup>st</sup> March 2011 from being appointed as director in term of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - (vi) 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;
    1. In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2011;
    2. In the case of the Profit and Loss Account, of the **LOSS** of the Company for the year ended on that date; and,
    3. In the case of the cash flow statement, of the cash flow of the Company for the year ended on that date.

**For S.R. Naredi & Co.,  
Chartered Accountants  
Firm Regn No. 002818C**

Sd/-

**Place : Indore  
Date : 30<sup>th</sup> August, 2011.**

**S.R. Naredi  
(Proprietor)**

**ANNEXURE TO THE AUDITORS' REPORT****ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2011 OF M/S CISTRO TELELINK LIMITED.**

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:-

- (i) In respect of its fixed assets:
  - a. The company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. Since the plot of land has been surrendered to MPAKVN, building materials were reported to have been shifted to other place. Exact quantity and location details were not given to us.
  - c. The Company has not disposed off any substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- (ii) a. The inventory has been physically verified by the management during the year at reasonable intervals. In our opinion, the frequency of verification is reasonable.
- b. The procedure followed by the management for physical verification of stocks is reasonable and adequate in relation to the size of the company and the nature of its business.
- c. On the basis of our examination of stock records, we are of the opinion that the record of stocks is fair and proper in accordance with the normally accepted accounting principles and we have been informed that no material discrepancies were noticed on physical verification.
- (iii) a. The company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. As the company has not granted any loans, secured or unsecured, to parties listed in the register maintained under Section 301 of the Companies Act, 1956, paragraphs (iii) (b), (c) and (d) of the Order, are not applicable.
- b. The company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. As the company has not taken any loans, secured or unsecured, from parties listed in the register maintained under Section 301 of the Companies Act, 1956, paragraphs (iii) (f) and (g) of the Order, are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our random checking, no major weakness has been noticed in the internal controls.
- (v) In respect of transactions covered under Section 301 of the Companies Act, 1956:
  - a. In our opinion and according to the information and explanations given to us, there are no such transactions made during the year in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956.
  - b. In our opinion and according to the information and explanations given to us, there are no transactions made during the year in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lacs in respect of any party during the year.
- (vi) The company has not accepted any deposits from the public within the meaning of sections 58A, 58AA or any other relevant provisions of the Act and the rules framed there under.
- (vii) In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
- (viii) According to the information and explanations given to us the Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 in respect of manufacturing activities of the Company.

- (ix) a. According to the information and explanation given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it.
- b. According to the information and explanation given to us, no undisputed amounts payable in respect of the statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to the Company were in arrears as at 31st March, 2011 for a period of more than six months from the date they became payable except for TDS Rs. 69269/-.
- c. On the basis of our examination of the documents and records, and the information and explanations given to us, there is no any disputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable which have not been deposited with the appropriate authorities
- (x) The accumulated losses of the Company are not more than fifty percent of its net worth. The company has incurred cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- (xi) The Company has neither taken any loans from the banks/ financial institution nor issued debenture, Therefore clause 4 (xi) of the order is not applicable.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or any other securities.
- (xiii) In our opinion and according to the information and explanation given to us, the nature of activities of the company does not attract any special statute applicable to chit fund and nidhi\*/ mutual benefit fund / societies.
- (xiv) In our opinion and according to the information and explanations given to us, the Company has not done any dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
- (xv) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) The Company has not taken Term Loan. Therefore clause 4(xvi) of order is not applicable.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that no funds raised on short-term basis which have been used for long-term application.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures and we are therefore not required to comment on this clause.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) According to the information and explanations given to us and to the best of our knowledge and belief, no material fraud on or by the Company has been noticed or reported during the year.

**For S.R. Naredi & Co.,  
Chartered Accountants  
Firm Regn No. 002818C**

Sd/-

**S.R. Naredi  
(Proprietor)**

**Place : Indore**

**Date : 30<sup>th</sup> August, 2011.**

**BALANCE SHEET AS ON 31ST MARCH 2011**

<b>PARTICULARS</b>	<b>SCH NO</b>	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
<b><u>SOURCES OF FUNDS:</u></b>			
<b><u>SHARE HOLDERS FUND</u></b>			
Share Capital	1	51343000	51343000
<b><u>LOANS FUNDS</u></b>			
Unsecured	2	919844	919844
<b>TOTAL RUPEES:</b>		<b>52262844</b>	<b>52262844</b>
<b><u>APPLICATION OF FUNDS:</u></b>			
<b><u>FIXED ASSETS:</u></b>			
GROSS BLOCK	3	827601	827601
DEPRECIATION			
<b>TOTAL RUPEES:</b>		<b>827601</b>	<b>827601</b>
<b><u>INVESTMENTS</u></b>	4	<b>1600000</b>	<b>1600000</b>
<b><u>CURRENT ASSETS, LOANS &amp; ADVANCES:</u></b>			
Inventories		130194	162053
Sundry Debtors	5	501376	377264
Cash & Bank Balances	6	33007	7281
Loans & Advances	7	44415829	44415829
Deposits	8	300000	300000
		<b>45380407</b>	<b>45262427</b>
<b><u>LESS: CURRENT LIABILITIES &amp; PROVISIONS:</u></b>			
<b>CURRENT LIABILITIES:</b>			
- For Supplies & Expenses	9	1849227	1646676
- For Share Application Money Refund		3690	3690
<b>PROVISIONS:</b>	10	<b>95183</b>	<b>87183</b>
		<b>1948100</b>	<b>1737549</b>
<b>NET CURRENT ASSETS:</b>		<b>43432307</b>	<b>43524879</b>
<b>MISCELLANEOUS EXPENDITURE:</b>	11	<b>4905090</b>	<b>4905090</b>
(To the extent not written of or adjusted)			
<b>PROFIT &amp; LOSS ACCOUNT</b>		<b>1497846</b>	<b>1405274</b>
<b>TOTAL RUPEES:</b>		<b>52262844</b>	<b>52262844</b>
<b>NOTES ON ACCOUNTS :</b>	13		

As per our report of even date attached  
For S. R. Naredi & Co.  
Chartered Accountants  
Sd/-  
(CA S. R. Naredi)  
Proprietor

For and on behalf of the Board of Director

Sd/-  
Mr. Satyendersingh Gupta  
Director

Sd/-  
Mr. Pyarelal Verma  
Director

Place : INDORE  
Date : 30<sup>th</sup> August, 2011



**TRADING AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2011**

<b>PARTICULARS</b>	<b>SCH NO</b>	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
<b>A: INCOME:</b>			
Sales		2711342	1369000
Increase in stock	12	(31859)	162053
TOTAL (A):		<u>2679483</u>	<u>1531053</u>
<b>B: EXPENSES:</b>			
Purchases		2450378	1414000
Administrative Expenses	13	195646	242000
Employees Remuneration	14	126031	62000
TOTAL (B)		<u>2772055</u>	<u>1718000</u>
<b>C: NET PROFIT/(LOSS) FOR THE YEAR</b>		(92572)	(186947)
<b>D: BALANCE BROUGHT FORWARD FROM LAST YEAR</b>		(1405274)	(1218327)
<b>E: BALANCE CARRIED TO THE BALANCE SHEET</b>		(1497846)	(1405274)
<b>NOTES ON ACCOUNTS:</b>	15		

As per our report of even date attached  
**For S. R. Naredi & Co.**  
Chartered Accountants  
**Sd/-**  
**(CA S. R. Naredi)**  
Proprietor

For and on behalf of the Board of Director

<b>Sd/-</b>	<b>Sd/-</b>
<b>Mr. Satyendersingh Gupta</b>	<b>Mr. Pyarelal Verma</b>
Director	Director

Place : **INDORE**  
Date : **30<sup>th</sup> August, 2011**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

PARTICULARS	2010-2011		2009-2010	
	Rs	Rs	Rs	Rs
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Tax & Extraordinary items adjustment for : Depreciation		-92572		-186947
		—		—
		<u>-92572</u>		<u>-186947</u>
Operating Cash Profit before working capital changes/adjustment for :				
Trade & other Receivable	(124,112)		0	
Inventories	31859		-162053	
Trade Payable & other liabilities	210551		349000	
		<u>118298</u>		<u>186947</u>
		25726		0
Cash Generated from Operations				
Interest		—		—
Taxes Paid		-		-
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<u>25726</u>		<u>0</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Sale of Assets		—		—
Pre - operative Expenses		-		-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>				<u>0.00</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Borrowings (Net)		-		-
Increase Share Capital Money		-		-
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<u>0.00</u>		<u>0.00</u>
<b>NET INCREASE / DECREASE (-) IN CASH AND CASH TRANSACTION (A+B+C)</b>		<u>25726</u>		<u>0</u>
CASH OR CASH EQUIVALENT AS ON 1st APRIL,2010		7281		7281
		33007		7281
<b>CASH /CASH EQUIVALENTS AS ON 31<sup>st</sup> MARCH,2011</b>		<u>33007</u>		<u>7281</u>

As per our report of even date attached

For S. R. Naredi &amp; Co.

Chartered Accountants

Sd/-

(CA S. R. Naredi)

Proprietor

For and on behalf of the Board of Director

Sd/-

Mr. Satyendersingh Gupta  
Director

Sd/-

Mr. Pyarelal Verma  
Director

Place : INDORE

Date : 30<sup>th</sup> August, 2011

**SCHEDULES FORMING PART OF THE BALANCE SHEET &  
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2011**

P A R T I C U L A R S	CURRENT YEAR	PREVIOUS YEAR
<b>SCHEDULE:- 1 SHARE CAPITAL:</b>		
AUTHORISED:		
56000000 Equity Shares of Rs. 1/- each (Previous year 56000000 Equity Shares of Rs.1/- each)	56,000,000	56,000,000
ISSUED SUBSCRIBED & PAIDUP:		
51343000 Equity Shares of Rs. 1/- each fully paid-up (Previous year 51343000 Equity Shares of Rs.1/- each fully paid-up)	51,343,000	51,343,000
<b>TOTAL RUPEES :</b>	<b><u>51,343,000</u></b>	<b><u>51,343,000</u></b>
<b>SCHEDULE:- 2 UNSECURED LOANS:</b>		
Inter Corporate Deposits:		
Ives Leasing & Finance Ltd.	500,000	500,000
Sonic Fiscal Services Ltd.	419,844	419,844
<b>TOTAL RUPEES :</b>	<b><u>919,844</u></b>	<b><u>919,844</u></b>
<b>SCHEDULE:- 3 FIXED ASSETS:</b>		
Factory Building (Building Materials etc.)	571,301	571,301
Car Account	256,300	256,300
<b>TOTAL RUPEES :</b>	<b><u>827,601</u></b>	<b><u>827,601</u></b>
<b>SCHEDULE:- 4 INVESTMENTS (QUOTED)</b>		
160000 Equity Shares of Rs.10/- each fully paid-up of Brahma Capital & Sec.Ltd., Indore (Previous year 160000 Equity Shares of Rs.10/- each)	1,600,000	1,600,000
<b>TOTAL RUPEES :</b>	<b><u>1,600,000</u></b>	<b><u>1,600,000</u></b>
<b>SCHEDULE:- 5 SUNDRY DEBTORS: (Unsecured Considered good)</b>		
Due over 6 months		
Kukreja Shoe Company, Gwalior	377,264	377,264
Others	124,112	
<b>TOTAL RUPEES :</b>	<b><u>501,376</u></b>	<b><u>377,264</u></b>
<b>SCHEDULE:- 6 CASH &amp; BANK BALANCES:</b>		
(a) Cash-in-Hand:	29,317	3,591
(b) Balance in Current A/c. with: (As per Annexure 'A')	3,690	3,690
<b>TOTAL RUPEES :</b>	<b><u>33,007</u></b>	<b><u>7,281</u></b>
<b>SCHEDULE:- 7 LOANS &amp; ADVANCES:</b>		
(i) LOANS: (Unsecured considered good) (As per Annexure 'B')	23,131,474	23,131,474
(ii) ADVANCES RECOVERABLE IN CASH OR IN KIND FOR VALUE TO BE RECEIVED: (As per Annexure 'C')	21,284,355	21,284,355
<b>TOTAL RUPEES:</b>	<b><u>44,415,829</u></b>	<b><u>44,415,829</u></b>
<b>SCHEDULE:- 8 DEPOSITS:</b>		
Security Deposit with M.P.S.E.	300,000	300,000
<b>TOTAL RUPEES :</b>	<b><u>300,000</u></b>	<b><u>300,000</u></b>

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
<b>SCHEDULE:- 9 CURRENT LIABILITIES &amp; PROVISIONS:</b>		
A. CURRENT LIABILITIES:		
CREDITORS FOR PURCHASES	592,551	390,000
CREDITORS FOR EXPENSES (As per Annexure 'D')	1,256,676	1,256,676
<b>TOTAL RUPEES :</b>	<b>1,849,227</b>	<b>1,646,676</b>
<b>SCHEDULE:- 10 PROVISIONS:</b>		
(As per Annexure 'E')	95,183	87,183
<b>TOTAL RUPEES :</b>	<b>95,183</b>	<b>87,183</b>
<b>SCHEDULE:- 11 MISCELLANEOUS EXPENDITURE:</b>		
(To the extent, not written off or adjusted)		
1 Preoperative Expenses:		
Opening Balance	1,957,506	1,957,506
Sub Total	1,957,506	1,957,506
2 Public Issue Expenses:		
Opening Balance	2,947,584	2,947,584
Sub Total	2,947,584	2,947,584
<b>TOTAL RUPEES: (1+2)</b>	<b>4,905,090</b>	<b>4,905,090</b>
<b>SCHEDULE:- 12 INCREASE IN STOCK</b>		
Opening Balance of traded goods	162,053	-
Closing Balance of traded goods	130,194	162,053
	(31,859)	162,053
<b>SCHEDULE:- 13 ADMINISTRATIVE EXPENSES:</b>		
Audit Fees	6,000	6,000
Professional Fees	2,000	2,000
Misc Expenses	187,646	234,000
<b>TOTAL RUPEES :</b>	<b>195,646</b>	<b>242,000</b>
<b>SCHEDULE:- 14 EMPLOYEES REMUNERATION</b>		
Salary & Wages	126,031	62,000
	126,031	62,000
<b>SCHEDULE: 15: NOTES ON ACCOUNTS</b>		

Annexed to and forming part of the Accounts for the year ended 31<sup>st</sup> March 2011.

1. Significant Accounting Policies:

- A. **Method of Accounting** : The financial statements are prepared under historical cost conventions as going concern and are consistent with generally accepted accounting principles on an accrual basis unless otherwise stated.
- B. **Use of Estimates** : The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period in which the results are known / materialized.
- C. **Fixed Assets** : Fixed assets are stated at cost (net of VAT and CENVAT of which credit is allowed) less accumulated depreciation and impairment, if any. Cost includes all expenses incurred to bring the asset to present location and condition. All direct expenses are capitalized until fixed assets are put to use.

- D. Depreciation/Amortization :** The Company has not charged depreciation on car during the year.
- E. Investments :** Investments are either classified as long term investment or short term investment based on management intention. Long Term investments are stated at cost. Management is of the view that value of Long Term Investment is equal to cost hence Provision for diminution in value of long term investment is not required.
- F. Borrowing Cost :** There is no fresh borrowing during the year.
- G. Inventories :** Inventory is valued at cost or net realizable value whichever less is.
- H. Revenue Recognition / Sales :** Sales revenue is recognized on transfer of the significant risk and reward of ownership of the goods to the buyer and stated at net of discount, rebate and returns.
- I. Employees Benefits :** Provisions for Gratuity and Long term employee benefits are not made, because there is no liabilities arise of this account.
- J. Taxation :** Since there is loss during the year hence Provision for current tax is Nil in accordance with the provisions as per Income Tax Act 1961. Deferred tax assets arising on account of timing difference are recognized and carried forward to the extent there is virtual certainty that these would be realized in future. Because there is no virtual certainty that these would be realized in future hence provision for deferred tax assets is not made.
- K. Provisions, Contingent Liabilities and Contingent Assets :** Provisions involving substantial degree of estimation in measurement that can be reliably ascertained are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes, when no reliable estimate is made or when there is present or past obligation that may, but probably will not, require an outflow of resources. Contingent Assets are neither recognized nor disclosed in the financial statements.
- L. Impairment of Assets :** An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. Recoverable amount is higher of net selling price or value in use. Management reviews the carrying cost of the assets at the end of each balance sheet date and is of the view that the recoverable value in the assets is more than the carrying amount and hence no provision for impairment of assets has been made.
- Balance of sundry debtors, sundry creditors, loans Advances and Bank are subject to confirmation or reconciliation and adjustment, if any, the Management does not expect any material difference affecting the current year's financial statement.
  - In the opinion of the Board, the current assets have a value on realization in the ordinary course of business at least equal to the amount at which these are stated above and the provisions for known Liabilities is adequate and not in excess of the amount considered reasonable and necessary.
  - None of the employee is covered under section 217(2A) of the companies Act 1956 read with Companies (particulars of Employees) Rules 1975 and subsequent amendment from time to time.
  - No provision has been made for interest payable/receivable on unsecured loans and security deposit during the year.
  - The Company had surrendered plot of land to MPAKVN. Hence building material of Rs.571301.30 was reported to have been shifted to some other place. Exact quantity and location details etc. were not made available to us.
  - Basic earning per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earning per share is computed by dividing the net profit after tax by the weighted average number of equity shares and also weighted average number of equity shares that could have issued upon conversion of all dilutive potential equity share

Information on earning per share as per accounting standard 20 on earning per share.

	<u>31.03.2011</u>	<u>31.03.2010</u>
Net Profit/ (Loss) for the year after tax	(92572)	(186947)
Amount Available to Equity Shareholders	(92572)	(186947)
Weighted Average no. of share	51343000	51343000
Basis & Diluted Earning per Share (in rupees)	(0.00)	(0.00)
Face value per Equity Share (Rupees)	1	1

8. **Segment Reporting :** As the company's business activity falls within a single business segment i.e. 'Textile Goods' and there is no export turnover hence there is no segments wise information to report as per Accounting Standard -17 "Segment Reporting".
9. **Related party Disclosure :** There are no transactions with related parties hence disclosures as required by the Accounting Standard - 18 'Related Party Disclosures' are NIL.
10. The Company has not accounted for Deferred tax assets in accordance with the accounting standards - 22 "accounting for taxes on income" as per prudent practice.

## 11. Quantitative Details :

Description of Goods	Opening Stock		Purchases		Sales		Closing Stock	
	Qty (In No.)	Value (Rs. In Lacs)	Qty (In No.)	Value (Rs. In Lacs)	Qty (In No.)	Value (Rs. In Lacs)	Qty (In No.)	Value (Rs. In Lacs)
Textile Goods	725	1.62	10893	24.51	11039	27.11	579	1.30

12. Other additional information as required by Para 3, 4 (c) and 4(d) of Part-II of Schedule VI to the Companies Act 1956 are either not applicable or NIL.
13. Previous year figures have been regrouped/ rearranged wherever necessary to make them comparable with current year.

14. **BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE :-**I. **Registration Details :-**

Registration No.	6925 of 1992	State Code	4
Balance Sheet Date	31ST MARCH 2011		

II. **Capital Raised During The Year (Amt. in Rs. Thousands)**

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Promoters & their Friends &	: NIL

III. **Position of Mobilisation and Deployment of Funds (Amt. in Rs. Thousands)**

Total Liabilities	52262.844	Total Assets	52262.844
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**Sources of Funds**

Paid-up Capital	51343.000	Reserves & Surplus	NIL
Secured Loans	NIL	Unsecured Loans	NIL
Deferred Tax Liabilities (Net)	NIL		

**Application of Funds :-**

Net Fixed Assets	827.601	Investments	1600.000
Net Current Assets	43432.307	Accumulated Losses	1497.846
Misc. Expenditure	4905.090		

IV. **Performance of Company (Amt. in Rs. Thousands)**

Turnover	2711.342	Total Expenditure	2772.055
Profit Before Tax	(92.572)	Profit After Tax	(92.572)
Earning Per Shares in Rs.	0.00	Dividend @ %	NIL

V. **Generic Names of Three Principal Products/Services of Company**

Item Code No.	:	
Product Description	:	Textiles Goods

As per our report of even date attached

For S. R. Naredi &amp; Co.

Chartered Accountants

Sd/-

(CA S. R. Naredi)

Proprietor

Place : INDORE

Date : 30<sup>th</sup> August, 2011

For and on behalf of the Board of Director

Sd/-

Mr. Satyendersingh Gupta  
Director

Sd/-

Mr. Pyarelal Verma  
Director

**CISTRO TELELINK LIMITED**

Regd. Office: 206, Airen Heights, A.B.Road, Indore, Madhya Pradesh - 452 010.

**ATTENDANCE SLIP**

Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the **19<sup>th</sup> Annual General Meeting** of the Company at Registered Office of the Company on **29<sup>th</sup> September, 2011 at 11.00 A.M.**

\_\_\_\_\_  
Name of the Shareholders

\_\_\_\_\_  
Signature

Folio No. \_\_\_\_\_

\_\_\_\_\_  
(Full name of Proxy)

**Note:** No Duplicate Attendance Slip will be issued at the meeting hall. You are requested to bring your copy of Annual Report to the Meeting.

\_\_\_\_\_  
(TEAR HERE)

**CISTRO TELELINK LIMITED**

Regd. Office: 206, Airen Heights, A.B.Road, Indore, Madhya Pradesh - 452 010.

**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..... or failing him ..... of ..... In the district of ..... as my/our proxy to vote for me/us on my our behalf at the **19<sup>th</sup> Annual General Meeting** of the Company to be held at Registered Office of the Company on **29<sup>th</sup> September, 2011 at 11.00 A.M.**, and at any adjournment thereof.

Signed this..... day of ....., 2011.

Reg. Folio No.....

No. of Shares .....

Affix  
Rs.1/-  
Revenue  
Stamp

Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

BOOK-POST

To,

**CISTRO TELELINK LIMITED**

Regd. Office: 206, Airen Heights, A.B.Road, Indore, Madhya Pradesh - 452 010

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