

19th Annual Report
2012-2013

TWINSTAR INDUSTRIES LTD

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

Annual Report 2012-2013

BOARD OF DIRECTORS

Mr. Daulat Mehta	Managing Director
Mr. Nirmal Jain	Director
Mr. Kailash Mehta	Director
Mr. Yogesh Wadhvana	Additional Director

AUDITORS

M/s. N. K. Jalan & Co.
Chartered Accountants
Mumbai.

BANKERS

Union Bank of India
Axis Bank
State Bank of India

SHARE TRANSFER AGENT

Sharex Dynamic (India) Pvt. Ltd.
Unit No. 1, Luthra Ind. Premises,
Andheri - Kurla Road,
Safed Pool, Andheri (E),
Mumbai - 400 072.
Tel.: 2851606, Fax : 28512885.

REGISTERED OFFICE

Plot No. EL-178,
TTC MIDC Indl. Area,
Mahape, Navi Mumbai - 400 701.

BOOK CLOSURE

20-09-2013 to 30-09-2013
(both days inclusive)

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NOTE : Shareholders are requested to bring their copy of the Annual Report with them to the Annual General Meeting

TWINSTAR INDUSTRIES LTD

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NOTICE

NOTICE is hereby given that the 19th Annual General Meeting of TWINSTAR INDUSTRIES LIMITED will be held on Monday, the 30th day of September, 2013 at 9.00 a.m. at the Registered Office at Plot No. EL-178, TTC MIDC Indl. Area, Mahape, Navi Mumbai - 400 701, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013 and the Profit and Loss Account for the year ended as on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Nimal Jain, Who retires by rotation and is eligible for reappointment.
3. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. N.K. Jalan & Co., Chartered Accountants [Firm Registration No. 104019W], be and is hereby appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS:

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

"RESOLVED THAT subject to the approval in terms of Section 269 read with Section 198, 309, 310, 316(4) and Schedule XIII of the Companies Act, 1956 ("the Act"), consent of the members be and is hereby accorded to re-appoint Mr. Daulat S. Mehta as Managing Director of the Company for a period of five years with effect from 28th September 2012 to 27th September, 2017 and for payment of remuneration to Mr. D. S. Mehta as detailed herein below:

- a) Salary upto Rs.50,000 per month.
- b) Commission: As may be determined by the Board from year to year, subject to the applicable provisions of the Companies Act, 1956.
- c) Perquisites:

Medical Reimbursement: Expenses incurred for Mr. Daulat S. Mehta and his family, subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.

Leave Travel Concession: For Mr. Daulat Mehta and his family once in a year incurred in accordance with the Rules specified by the Company.

Club Fees: Subject to maximum of two clubs. This will not include admission and life membership fees.

Personal Accident Insurance: Premium not to exceed Rs.4000/- per annum.

For the purpose of this Category, family means the spouse, the dependent children and dependent parents of Mr. Daulat Mehta.

Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-tax Act 1961.

Gratuity not exceeding half a month's salary for each completed year of service. Past service of Mr. Daulat Mehta shall be taken into account for the purpose of calculating gratuity.

Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on Perquisites.

Free use of car with driver for the Company's business, all the expenditure in connection therewith being borne by the Company and free telephone and computer facilities at the residence.

Mr. Daulat Mehta shall be entitled to one month's privilege leave on full pay for every eleven months' service.

Mr. D. S. Mehta shall be entitled to reimbursement of all or any expenditure actually and properly incurred for Company's business. He shall not be entitled to any sitting fee for attending meetings of the Board of Directors' or Committees thereof.

Subject to the superintendence and control of the Board of Directors of the Company, Mr. Daulat Mehta shall be responsible for the day to day management of the Company and shall carry out such duties as may be entrusted to him by the Board of Directors.

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The appointment may be terminated by either party giving to the other party, three months' notice in writing.

Compensation for loss of office in case of any termination before 27th September 2017 would be payable to Mr. Daulat Mehta as per the provisions of the Companies Act, 1956.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary, to give effect to this resolution and to accept the terms and conditions for appointment and remuneration payable to Mr. Daulat Mehta as Managing Director of the Company as may be specified by the Central Government while granting the approval and to modify the terms and conditions accordingly."

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

"RESOLVED THAT Mr. Yogesh Wadhwa, who was appointed as an Additional Director under Section 260 of the Companies Act, 1956 on 29th March 2013 and who shall hold office up to the date of the forthcoming 19th Annual General Meeting and in respect of whom a notice under section 257 of the Companies Act, 1956 has been received proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to file e-form 32 with the Ministry of Corporate Affairs and to do all such acts, deeds and things, as may be required to give effect to this resolution."

For and on behalf of the Board

D. S. Mehta
Managing Director

Place: Mumbai
Date: 07.08.2013

NOTES:

1. A Member entitled to attend and vote at the Annual General Meeting (the meeting) is entitled to appoint a proxy to attend and vote instead of herself/himself and a proxy need not be a Member of the Company.
2. The proxy form should be deposited at the Registered Office of the Company not less than 48 (Forty Eight) hours before the commencement of the meeting.
3. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the meeting.
4. For the convenience of the Members, an Attendance Slip is annexed to the Proxy Form. Members are requested to affix their signature at the space provided and fill up the particulars and hand over the attendance slip at the place of the Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 20th, 2013 to Monday, September 30th, 2013 (both days inclusive).
6. Recently, The Ministry of Corporate Affairs (MCA), Government of India, had issued the following circulars in Green Initiative i.e. Circular Nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively, allowing companies to send official documents to their Shareholders electronically as part of its Green Initiatives in Corporate Governance.

Recognizing the spirit of the circular issued by the MCA, we propose to send notices/documents (i.e., physical Annual Report of the Company comprising of Balance Sheet, Profit & Loss Account, Directors' Report, Auditors' Report etc.) to the email address.

In this behalf, we are confident that you would appreciate the "Green Initiative" taken by MCA. We solicit your cooperation in helping the Company to implement the e-governance initiatives of the Government.

Shareholders who have not updated their email ID till date are requested to kindly update your email address with your depository participant for Demat holding of shares and with Mr. Daulat Mehta from 'Twinstar Industries Limited' on the email id info@twinstar.in for physical holding of shares and co-operate with the Company to implement the Green Initiative of the Government in the following format.

Name of the member	Son of/ Daughter of/ Wife of	Client ID/ Ledger Folio No.	No. of Shares held	Pan No. (mandatory in case of Demat holders)	E-mail address

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7. Share holders are requested to dematerialize their shares. The Company has appointed M/s. SHAREX DYNAMIC (INDIA) PVT. LTD. for handling share transfer job and also for maintaining electronic connectivity with NSDL AND CDSL who have allotted ISIN ACTIVATION NUMBERAS – ISIN No.- INE070B01013.
8. Members desirous of making nomination in terms of Section 109A of the Act, 1956 in respect of their shareholding may approach the Registrar for assistance, Shareholders holding shares in electronic form may approach their DP with whom they maintain their account for nomination.
9. Members are requested to notify immediately any change in their address :
 - * to their Depository Participants (DPs) in respect of their electronic share accounts; and
 - * to Registrar and Share Transfer Agent of the Company in respect of their physical shares folios along with Bank particulars.
10. Members desiring any information on the Accounts are requested to write to the Company at least one week before the meeting so as to enable the Management to keep the information ready & replies will be provided at the meeting.
11. Disclosures as per Clause 49 of the Listing Agreement for appointment /reappointment of Directors. Brief particulars of Directors being appointed/re-appointed as under:

Particulars	Re-appointed Directors' Details	Re-appointed Managing Directors' Details	Regularised Directors' Details
Name	Mr. Nirmal Jain	Mr. Daulat Mehta	Mr. Yogesh Wadhwa
Brief Profile covering experience, achievements etc	Bachelor in Commerce.	Chartered Accountant and has an experience in industry of about 25 years	Science Graduate
Date of Birth	01.09.1959	09.01.1957	13.05.1960
Date of Appointment	29.04.2000	26.06.1994	29.03.2013
Shares held in the Company	NIL	1161900	NIL

EXPLANATORY STATEMENT

Item No: 4

Mr. Daulat Mehta was appointed as Managing Director ("MD") w.e.f. 28th September 2009 for a period of three years. His tenure as MD expired on 27th September 2012.

It is now proposed to re-appoint him as Managing Director for purposes of complying with the provisions of section 269, schedule XIII and other relevant provisions of the Companies Act, 1956 (the "Act") for the period of five years.

Further, in accordance with the above stated provisions of the Act, approval of the shareholders by way of ordinary resolution is required for confirming the appointment of Mr. Daulat Mehta as Managing Director would be required.

The Directors recommend the resolution for the approval of the shareholders. Except for Mr. Daulat Mehta, none of the Directors have any interest in the resolution.

Item No. 5

Mr. Yogesh Wadhwa was appointed as additional Director. Under section 260 of the Companies Act, 1956 (the "Act"), he vacates office as of the date of the Annual General Meeting ("AGM"). Notice under 257 of the Act has been received by the Company recommending the appointment of Yogesh Wadhwa as Director at the ensuing AGM.

Approval of the shareholders for the appointment is required by an ordinary resolution. The Directors recommend the resolution for the approval of the shareholders.

Except for Mr. Yogesh Wadhwa, none of the Directors may be deemed to have any personal interest in the resolution.

For and on behalf of the Board

D. S. Mehta
Managing Director

Place: Mumbai
Date: 07.08.2013

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DIRECTORS REPORT

To,
The Members
Twinstar Industries Limited

Your Directors present herewith their Nineteenth Annual Report and Audited Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS:

The table given herein below set out salient features pertaining to the working of the Company during the year under review.

(Rs. in Lacs)

Particulars	2012-13	2011-12
Sales and Services	5181.63	3220.22
Other Income	19.40	0
Profit/(Loss) before interest and depreciation	97.33	58.51
Less: Financial Expenses	9.45	0
Less: Depreciation	28.91	15.10
Net Profit/ (Loss) before Tax	68.41	43.40
Net Profit/ (Loss) after Income Tax &	11.22	100.08

OPERATIONS AND OVERALL PERFORMANCES:

During the year the total profits before tax of the Company is Rs. 68.41 Lacs against Rs. 43.40 Lacs in the previous year.

DIVIDEND:

Due to inadequate profit during the year under review and with purpose to retain profit for strengthening capital base of the company, the Board of Directors do not recommend declaration of any dividend for the year ended 31.03.2013.

DEPOSITS:

The Company has not accepted any deposit from the public during the year under review and, as such, there are no outstanding deposits in terms of the Companies (Acceptance of Deposits) Rules, 1975.

TWINSTAR SOFTWARE INC.:

Twinstar Software Inc. is a 100% subsidiary of the Company incorporated under the Laws of California State, USA. The main object of the subsidiary is to work as a marketing window for the Company. It is engaged in marketing the Company's products and services, which in turn will accelerate the Company's growth. Business activities of the subsidiary during the year under review have been sluggish due Slowdown in USA.

Pursuant to the provisions of Section 212 of the Companies Act, 1956, financial statements of the subsidiary are annexed hereto.

CORPORATE GOVERNANCE

Your Company and its Board have taken adequate steps towards implementation of the provisions of Clause 49 of the Listing Agreement and it is committed to achieve the highest standards of the Corporate Governance.

For the matters concerning Corporate Governance, you are requested to refer to the separate segment on the same, forming part of the Annual Report.

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DIRECTORS

During the year under review, following were the changes in the Composition of Board of Directors:

Mr. Nirmal Jain who retires by rotation at the ensuing Annual General Meeting is proposed to be reappointed.

Mr. Daulat Mehta was re-appointed as Managing Director by the Board of Directors.

Mr. Harsh Mehta and Mr. Rishabh Jain were appointed as Additional Directors as on 18.12.2012 and 29.03.2013 respectively and have resigned as Additional Directors as on 30.03.2013

It has been proposed to regularize the appointment of Mr Yogesh Wadhwana as a Director of the Company pursuant to Section 257 of the Companies Act, 1956.

AUDITORS

M/s. N.K.Jalan & Co., Chartered Accountants [Firm Registration No. 104019W], Statutory Auditors of the Company be appointed at the ensuing Annual General Meeting to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting

PARTICULARS ON ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING AND OUTGO.

The Company is not engaged in any manufacturing activity and therefore there are no particulars to be disclosed under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

Foreign Exchange Earnings and Outgo:

Foreign Exchange Earnings : Nil

Foreign Exchange Outgo : Nil

PARTICULARS OF EMPLOYEES

There is no employee covered under the provisions of Section 217(2A) of the companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended.

DIRECTOR'S RESPONSIBILITY STATEMENT

The Directors Confirms:

1. That in the preparation of annual accounts, the applicable accounting standards have been followed.
2. That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. That the Directors have prepared the annual accounts on a going concern basis.

ACKNOWLEDGMENTS

Yours Director's place on record their deep appreciation to the Bankers, Shareholders and Customers for their Co-operation Yours Directors' place on record their deep appreciation to the Bankers, Shareholders and Customers for their co-operation and support and to the staff members for their contribution towards the performance of the Company.

for, Twinstar Industries Limited

D. S. Mehta
Managing Director

Place: Mumbai
Date: 07.08.2013

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MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Industry Structure and Development:

The Company is diversifying into activities other than I.T business. The company will be focusing on commodity exports, jewellery exports and trading. This is being done to en-cash the contacts and connections built in the international market over a period of time. The company has also changed its name in order to identify itself with all its new objectives. The I.T business will remain with the company as one of its division.

Industry Outlook:

The Information Technology sector is going to be in demand in long term. Industry dynamics are changing. USA has been a big market as they are looking at cost cutting for their day to day operations which would yield further business to India. Therefore focus on IT enabled services would yield benefits including employment generations and foreign exchange earnings.

Opportunity and Threats:

Twinstar Industries has now undertaken a new line of activity i.e. business process outsourcing with its large infrastructure at Navi Mumbai. The presence in international market and relationship with large corporate houses in the world would bring good opportunity especially today when 'outsourcing' is becoming a good solution for large corporate houses in world market.

The overseas labour union resistance may pose threat to profitability.

Future Outlook:

As far as I.T business is concerned, the market is not encouraging for the time being mainly because of the US economy. The company has taken up new objects and agendas which are very promising.

Operational and Financial Performance:

The summarized performance of Twinstar Industries was as under:

	(Rs. in Lacs)	
	2012-13	2011-12
Sales	5181.63	3220.22
Others	19.40	0.00
EBIDT	106.77	58.51

Human Resources and Industrial Relations:

Despite uncertainties prevailing during the year under review on account of sluggish market condition, the management was able to ensure high morale of the employees and medical transcriptionists.

Internal Control System:

The Company has very effective control system covering both accounting and administrative controls. The internal audit carries out audit tests and report on non - compliance / weaknesses if any, through internal audit reports. These reports are reviewed by the Management Committee and subsequently by the Audit Committee of the Board.

For Twinstar Industries Limited

D.S. Mehta
Managing Director

Place : Mumbai.
Date : 07.08.2013

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REPORT ON COPORATE GOVERNANCE

1. COMPANY'S PHILOSPHY ON CODE OF GOVERNANCE

This Report on Corporate Governance forms part of the Directors Report. This section, besides being in compliance with the mandatory requirement of the listing agreement, gives an insight into the process of the Company's Philosophy on code of governance.

The Company believes in values of Transparency, Professionalism and Accountability in its dealings with its Employees, Shareholders, Government and Clients. The company is committed to achieving the high standards of Corporate Governance.

2. BOARD OF DIRECTORS

CATEGORY OF DIRECTORS

Composition

The Boards presently comprises 4 Directors. As required by Clause 49(I)(A)(i) of Listing Agreement more than 50% of the directors are non – executive and as per Clause 49(I)(A)(ii) more than 1/3rd Directors are Independent directors. The composition of the Board in detail is as follows:

Sr. No.	Name of the Directors	Category	Number of Directorships*	Number of Committee positions held in other Public Limited Companies.	
				Chairman	Member
1.	Mr. D.S. Mehta	Promoter, Executive Director	2	Nil	Nil
2.	Mr. Kailash Mehta	Promoter, Non Executive Director	1	Nil	Nil
3.	Mr. Yogesh Wadhvana	Independent, Non Executive Director	4	Nil	Nil
4.	Mr. Nirmal Jain	Independent, Non Executive Director	-	Nil	Nil

* Directorship includes Only Public Limited Companies

Attendance:

During the year under review, 9 (Nine) Board Meeting were held. The dates on which the meetings were held were as follows:-

30th May 2012, 13th August 2012, 25th September 2012, 9th November 2012, 18th December 2012, 12th February 2013 18th March 2013, 29th March 2013 & 30th March 2013.

Attendance record of the participating Directors for the year ended 31.03.2013 are as follows:

Sr. No.	Name Of The Directors	Meetings held during the tenure of the Director from 01/04/2012 to 31/03/2013	No of Meetings attended	Attendance at the last AGM
1.	Mr. D.S. Mehta	9	9	Yes
2.	Mr. Kailash Mehta	9	9	Yes
3.	Mr. Yogesh Wadhvana*	8	6	Yes
4.	Mr. Nirmal Jain	9	9	Yes
5.	Mr. Harsh Mehta*	5	5	—
6.	Mr. Rishabh Jain*	2	1	—

* Mr. Harsh Mehta was appointed as Additional Director w.e.f 18th December 2012.

* Mr. Yogesh Wadhwanan resigned as Director w.e.f 18/12/2012 and appointed as Additional Director w.e.f. 29th March 2013.

* Mr. Rishabh Jain was appointed as Additional Director w.e.f 29th March 2013 and resigned as Additional Director w.e.f 30th March 2013.

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Change in Directors:

During the year under review, following were the changes in the Composition of Board of Directors:

Mr. Kailash Mehta who retires by rotation at the ensuing Annual General Meeting is proposed to be re-appointed.

Responsibilities of the Board:

The Board discharges the duties, responsibilities as required under the applicable statute (s) including the Companies Act, 1956, Guidelines issued by SEBI and other regularities bodies from time to time. The Board of Directors ensures that other responsibilities do not have any material impact on their responsibilities as Directors of the Company.

Role of Independent Directors:

The Independent Directors plays an important role & participate in all the deliberation of the Board and contribute to the decision making process with their knowledge and expertise in the areas of Accounts, Financial, Law & other professional areas.

During the financial year 2012-13, no commission was paid to any director of the Company.

3. BOARD COMMITTEES:

(A) AUDIT COMMITTEE:

In the financial year 2012-13, the Audit Committee duly met 5 times on 24.05.2012, 08.08.2012, 02.11.2012, 20.12.2012 & 08.02.2013. The Composition of the Audit Committee and the details of meetings attended by the members of the Audit Committee are given below:-

Name	Category	No. of Meetings during the year	
		Held	Attended
Mr. Nirmal Jain	Independent, Non Executive Director	5	5
Mr. Kailash Mehta	Promoter, Non Executive Director	5	5
Mr. Yogesh Wadhvana	Independent Non Executive Director	3	3
Mr. Harsh Mehta	Promoter, Non Executive Director	2	2

The Audit Committee is responsible for the areas specified by Clause 49 of the Listing Agreement and Section 292-A of the Companies Act, 1956, besides other roles as may be referred by the Board of Directors. The Audit Committee has reviewed the Annual financial results, half-yearly results and internal working system of the company and has held discussion with the Statutory Auditors of the company.

Role of Audit Committee

The role of the Audit committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management

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- d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- 5A. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
6. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
7. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
8. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

B) SHARE TRANSFER & INVESTORS GRIEVANCE COMMITTEE:

In the financial year 2012-13, the Share Transfer & Investor Grievance Committee duly met one time on 10.08.2012. The Composition of the Shareholders/Investors Grievance Committee and details of Meetings attended by the Members of the Committee are given below:

Name	Category	No. of Meetings during the year	
		Held	Attended
Mr. Nirmal Jain	Independent, Non Executive Director	1	1
Mr. Kailash Mehta	Promoter, Non Executive Director	1	1
Mr. Yogesh Wadhvana	Independent, Non Executive Director	1	1

The main function of the share transfer and Investor Grievance Committee is to supervise and ensure efficient transfer of shares, dematerialisation of shares and timely attendance of investor's complaints. The committee meets to review the transfers/ Remat / demat / duplicate shares issue, executed by the RTA M/s. Sharex Dynamic (India) Pvt. Ltd. Mr. D. S. Mehta is the Compliance Officer of the Company.

1 Complaints were received & resolved during the financial year and no complaints were pending as on 31st March 2013.

Half-yearly Transfer Audit and Quarterly Secretarial Audit in terms of the Listing Agreement are regularly carried out by an Independent Practicing Company Secretary.

C) REMUNERATION COMMITTEE:

In the financial year 2012-13, the Remuneration Committee duly met 3 times and 25th March 2013. The Composition of the Remuneration Committee and details of Meetings attended by the Directors are given below:

Name	Category	No. of Meetings during the year	
		Held	Attended
Mr. Nirmal Jain, Chairman	Independent, Non Executive Director	3	3
Mr. Yogesh Wadhvana*	Independent, Non Executive Director	1	1
Mr. Kailash Jain	Independent, Non Executive Director	3	3

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The Committee approves the remuneration of Directors and Manager. However, no remuneration has been paid to any Directors except Mr. Daulat Mehta in the year under review.

5. REMUNERATION POLICY:

The Company's Remuneration Policy aims at attracting high caliber talent by taking into account the talent market, national and international remuneration trends and the competitive requirements of each of its business. The remuneration of employees largely consists of salary and perquisites. The components of the total remuneration vary for different cadres, and are governed by industry pattern, qualification and experience of the employee, responsibilities and individual performance.

Remuneration to Director:

The remuneration of Directors in all cases is decided by the Board subject to necessary approval of shareholders and other applicable approvals, if any save and except Mr. Daulat Mehta, Managing Director, no other Director is drawing remuneration.

During the year, Mr. Daulat Mehta, Managing Director has been paid aggregate remuneration of Rs. 3,00,000/- by way of Salary and Remuneration.

5. GENERAL BOARD MEETING:

The last three Annual General Meetings of the Company were held as under:

Year	Venue	Date	Time
2012	Plot No. EL-178, Mahape, Navi Mumbai.	28.09.2012	09.00 a.m.
2011	Plot No. EL-178, Mahape, Navi Mumbai.	30.09.2011	11.00 a.m.
2010	Plot No. EL-178, Mahape, Navi Mumbai.	30.09.2010	11.00 a.m.

No Special Resolution was passed during last three AGMs held.

No Special Resolution was passed through Postal Ballot during last financial year.

6. DISCLOSURES:

- * The disclosure of related party transactions has been made in Point No. 13 of Schedule 12 of the Notes to Accounts annexed to the Balance sheet as on 31st March 2013.
- * There has not been any non-compliance, penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to any of capital Market, during the last three years.
- * The person heading the finance of the companies have certified the specified matters to the Board, As required under Clause 49 V.

7. MEANS OF COMMUNICATION

The main source of the information to the Shareholder is the Annual Reports, which include, interalia, the Director's Report, the Report of Board of Directors on Corporate Governance, Management Discussion and Analysis Report and the Auditor's Financial results. The unaudited quarterly/Audited results, notices of General Meetings and intimation to the Stock Exchanges as required under the Listing Agreements.

8. MANAGEMENT DISCUSSION ANALYSIS REPORT

The Management Discussion Analysis Report forms a part of the Annual Report.

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9. CODE OF CONDUCT

All the Directors and Senior Management Personnel have affirmed Compliance with the Code of Conduct.

Declaration by the Managing Director under Clause 49 of the Listing Agreement regarding adherence To Code of Conduct:

In accordance with Clause 49 (1) (D) of the Listing Agreement all the Directors and Senior Management Personnel have affirmed Compliance with the Code of Conduct for the year ended on 31st March 2013.

D.S. Mehta
MANAGING DIRECTOR

10. SHAREHOLDERS INFORMATION

i. Annual General Meeting

The Annual General Meeting of the Company for the year ended 31st March 2013 will be held at Plot No. EL-178, TTC MIDC Indl. Area, Mahape, Navi Mumbai - 400 701 on Monday, 30th September 2013 at 09:00 a.m.

ii. Financial Calendar for 2013-2014 (Provisional)

1	Results for the Quarter ended 30th June 2013	By 15th August 2013
2	Results for the Quarter ended 30th September 2013	By 15th November 2013
3	Results for the Quarter ended 31st December 2013	By 15th February 2014
4	Results for the Quarter ended 31st March 2014	By 15th May 2014
5	Results for the Year ended 31st March 2014	By end of May 2014
6	Annual general Meeting for the year ended 31st March 2014	By end of September 2014

iii. Book Closure

The Register of Members and Share Transfer Books are closed keeping in view the proposed dates of annual general meeting. For the year reference the above registers/books would be closed from Friday 20th September 2012 to Monday 30th September 2013 (both days inclusive) and was notified accordingly.

iv. Dematerialization of Shares:

The equity shares of the Company are available for dematerialisation under the Depository System operated by Central Depository Services (India) Limited as well as National Securities Depository Limited. The percentage of shares in demat form as on 31.03.2013 is 97.50%.

v. Dividend Payment:

No dividend has been recommended for the year 2012-2013.

vii. Listing of shares on stock exchanges and Stock Code

Sr. No.	Name of the Stock Exchange	Stock code
1	The Bombay Stock Exchange Limited	531917
2.	Ahmedabad Stock Exchange Limited	61860
3.	Bangalore Stock Exchange	TSEL

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11. Market Price Data:

High/Low of market price of the Company's equity shares traded on BSE during the last financial year was as follows:

Month	High	Low
April 2012	1.26	1.05
May 2012	1.19	0.86
June 2012	1.10	0.88
July 2012	1.07	0.88
August 2012	1.37	0.88
September 2012	1.18	0.92
October 2012	1.39	0.93
November 2012	1.06	0.92
December 2012	1.32	1.03
January 2013	1.32	0.97
February 2013	1.16	0.83
March 2013	1.00	0.79

Source: www.bseindia.com

12. Registrar and Transfer Agent:

M/s. Sharex Dynamic (India) Pvt. Ltd., Mumbai has been appointed as a common agency for both physical and Electronic Connectivity for dematerialization of shares.

To supplement to the prompt services given by the Registrar & Transfer Agent the Share Transfer and Investors Grievance Committee meets as and when there are transfers/transmission of shares for the Approvals of periodical transfers, issue of share certificates, splitting of shares etc.

All requests for dematerialization of shares are processed and confirmation thereof is sent to the shareholders within 21 days of the receipt thereof.

Registrar and Transfer Agents (Share transfer and communication regarding Share certificates and Change of Address)

Sharex Dynamic (India) Pvt. Ltd.
Branch off. :
Unit No. 1, Luthra Ind. Premises,
Andheri - Kurla Road,
Safed Pool, Andheri (E),
Mumbai - 400 072.

13. Distribution of Shareholding of the Company as on 31st March 2013 is as follows:

No. of Shares held value	No. of Shareholders		Share Amount	
	Total	% of Total	Total	% of Total
Up to -5000	8027	74.27%	16328120	7.26%
5001-10000	1334	12.34%	11765360	5.23%
10001-20000	613	5.67%	10194300	4.53%
20001-30000	208	1.92%	5387670	2.39%
30001-40000	97	0.89%	3559870	1.58%
40001-50000	141	1.30%	6844530	3.04%
50001-100000	189	1.74%	14714870	6.54%
100001 and above	198	1.83%	156205280	69.42%
Total	10807	100	225000000	100.00%

TWINSTAR INDUSTRIES LTD
(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

14. Shareholding Pattern of the Company as on 31st March 2013 is as follows:

CATEGORY	Nos. of Equity Shares	Total %
(A) Shareholding of Promoter Promoter Group		
1 Indian		
Individuals / Hindu Undivided Family	3623800	16.11%
Bodies Corporate	1901700	8.45%
Sub Total	5525500	24.56%
2 Foreign		
Total Shareholding of Promoter and Promoter Group (A)	5525500	24.56%
(B) Public Shareholding		
1 Institutions	520250	2.31%
2 Non-Institutions		
Bodies Corporate	7197115	31.99%
Individuals Shareholders holding nominal Share Capital up to Rs. 1 Lakh	3673218	16.33%
Individuals shareholders holding nominal share Capital in excess of Rs. 1 Lakh	4988157	22.17%
3 Any others (Specify)		
Non Resident Indians	563669	2.51%
Clearing Members	32091	0.14%
Sub Total	16974500	75.44%
Total Public shareholding (B)	16974500	75.44%
Total (A) + (B)	22500000	100.00%
C Shares held by Custodians and against which Depository Receipts have been issued	-	-
[Total (A)+(B)+(C)]	22500000	100.00%

15. Investor Correspondence:

For transfer / dematerialization of shares and any other query relating to the shares of the company.

Sharex Dynamic (India) Pvt. Ltd.
Unit No.1, Luthra Industrial Premises,
Andheri- Kurla Road,
Safed Pool, Andheri (E)
Mumbai-400 072
Tel: 28515606 Fax: 28512885

For, Twinstar Industries Limited

D. S. Mehta
Managing Director

Place: Mumbai
Date: 07.08.2013

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CEO Certification

To
The Board of Directors
Twinstar Industries Limited
Mumbai

I, Daulat Mehta, Managing Director of Twinstar Industries Limited, to the best of my knowledge and belief, certify that

- 1) I have reviewed the Balance Sheet and Profit and Loss account (standalone and consolidated), and all the schedules and notes on accounts, as well as the Cash Flow statements, and the Directors' report.
- 2) Based on my knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made.
- 3) Based on my knowledge and information, the financial statements, and other financial information included in this report, present in all material respects a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations.
- 4) To the best of my knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct
- 5) I am responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and i have :
 - (a) Designed such disclosure controls and procedures to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared.
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles (GAAP).
 - (c) Evaluated the effectiveness of the Company's disclosure, controls and procedures
 - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting

Date : 07.08.2013
Place: Mumbai

Sd/-
Daulat Mehta
MANAGING DIRECTOR

AUDITOR'S CERTIFICATE

To,
The Members,
Twinstar Industries Ltd.

We have examined the compliance of conditions of Corporate Governance by M/s. Twinstar Industries Limited for the year ended 31st March, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

We state that no investor grievance is pending as at 31st March, 2013, for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investor 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 N. K. JALAN & CO.
CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 07.08.2013

(N.K. JALAN)
Proprietor

TWINSTAR INDUSTRIES LTD

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

INDEPENDENT AUDITOR'S REPORT

TWINSTAR INDUSTRIES LTD (FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

Report on the Financial Statements

1. We have audited the accompanying financial statements of TWINSTAR INDUSTRIES LTD (FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD) (the "Company"), which comprise the Balance sheet as at 31st March, 2013. The statement of Profit and Loss and also Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management Responsibility for the Financial Statement's

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 of India (the "Act"). These responsibilities includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that gives a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedure selected depends on the auditors' judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors' internal control relevant to the company's preparation and fair representation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimate made by the Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that, audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
 - (b) In the case of the statement of Profit and Loss, of the Profit for the year ended on that date; and
 - (c) In the case of the Cash Flow Statements, of the cash flow for the year ended on that date.

Other Matter

We did not audit the financial statements of company's wholly owned subsidiary "Twinstar Software Exports Inc" (USA), whose financial statement reflect total assets (net) of Rs.31,87,036 as at 31st March 2013. These financial statements of subsidiary are not audited.

The consolidation has been done based on management certified financial statement as on 31st March 2013.

Report on other Legal and Regulatory Requirement

7. As required by 'the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amended) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (hereinafter referred as to the "order"), and on the basis of such checks of the books and record of the Company as we considered appropriate and according to the information and explanation given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the order.

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8. As required by the Section 227 (3) of the Act, we report that:
- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (b) In our opinion, proper Books of Accounts as required by the law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the Books of Accounts;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on 31st March, 2013 and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March 2013, from being appointed as a director in terms of clause (g) of Sub-section (1) of section 274 of the Act;

FOR N.K. JALAN & CO.
CHARTERED ACCOUNTANTS
FIRM NO. 104019W

PLACE: MUMBAI
DATED: 07.08.2013

(N.K. JALAN) PROPRIETOR
Membership No. 11878

ANNEXURE TO THE AUDITORS REPORT

(Referred to in Paragraph 1 of our report of even date)

1.
 - (a) The Company has maintained proper records showing full particular including quantitative details and situation of fixed assets.
 - (b) All the assets have not been physically verified by us during the year, but there is a regular program of verification by the management, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) During the year, the company has not disposed off the plant and machinery.
2. Since the Company is into trading activity, it does not maintain any inventory; hence provision of this clause is not applicable.
3.
 - (a) During the year Company has granted loans to two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved is Rs. 10,33,36,613/- and the year end balance is Rs. 7,64,36,613/-.
 - (b) In our opinion, the terms and conditions of loans given by the company are prima facie, not prejudicial to the interest of the company.
 - (c) In our opinion, the company is regular in receipt of principal amount and no interest has been collected thereon.
 - (d) In our opinion, reasonable steps have been taken by the company for recovery of principal amount but not for the interest.
 - (e) During the year the Company has not taken any loan from party covered in the register maintained under section 301 of the Companies Act, 1956. Hence clause (f) and (g) are not applicable.
4. According to the information and explanation given to us, there are adequate internal Control procedures commensurate with the size of company and nature of business.
5.
 - (a) According to the information and the explanation given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

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(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

- (b) In our opinion and according to the information and explanations given to us transactions made in pursuance of contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market price at the relevant time.
6. The Company has not accepted any public deposits; hence provision of this clause is not applicable.
 7. There is no internal audit done by external auditor. However the company is maintaining internal control commensurate with its size & nature of its business.
 8. The Company is not required to maintain cost records u/s 209(1)(d) of the companies Act, 1956. Accordingly, the provision of clause 4(viii) of the order 2003 is not applicable to this company.
 9. (a) The company is regular in depositing with appropriate authority undisputed statutory dues including provident fund, employees state insurance, wealth tax, custom duty, excise duty and other statutory dues applicable to it except Service Tax and Property Tax.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of wealth tax, customs duty, excise duty were in arrears except Property Tax of Rs.22,82,930 as at 31st March, 2013 for a period of more than 6 months from the date they became payable.
 10. The company is registered for a period of more than 5 years. It has not accumulated losses of more than 50% of the net worth. The company has not incurred cash losses in the financial year and in financial year immediately preceding the financial year.
 11. In our opinion and according to the information and explanations given to us, there is no term loan outstanding as on the year ended 31st March, 2013.
 12. The company has not granted any advances in the nature to loans on the basis of security by way of pledge of shares or other securities.
 13. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xii) of the companies (Auditor's Report) Orders, 2003 is not applicable to this company.
 14. As per information & explanations given to us, proper records have been maintained of the transaction & contracts and other investments. All shares instruments and other investments have been held by the company in its own name
 15. In our opinion, the company has not given any guarantees for loans taken by others from banks or financial institutions. Hence, the clause (xv) of the order is not applicable.
 16. The company has not raised any term loans during the year.
 17. According to the informations and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long term investment. However, long term funds have been used to meet short term working capital requirement.
 18. The company has not made any preferential allotment of shares during the year.
 19. During the period covered by our audit, the company has not issued any debentures. Hence, the clause (xix) of the Order is not applicable.
 20. The company has not raised any money by public issue during the period covered by our audit. Accordingly, the provisions of clause 4 (xx) of the Order, 2004 is not applicable to this company.
 21. Accordingly to the information and explanations given to us, no fraud on or by the company has been noticed during the course of our audit.

Place: Mumbai
Dated: 07.08.2013

N.K. JALAN & CO.
Chartered Accountants
Firm No. 104019W

(N. K. Jalan) Proprietor
Membership No. 11878

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Balance Sheet as at 31 March, 2013

Particulars	Note No.	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2.1	224,602,360	224,602,360
(b) Reserves and surplus	2.2	864,269	-258,579
2 Non-current liabilities			
3 Current liabilities			
(a) Trade payables	2.3	13,186,769	40,281,547
(b) Other current liabilities	2.4	10,092,821	9,882,036
(c) Provisions	2.5	1,125,000	-
TOTAL		249,871,219	274,507,364
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	2.6	31,546,363	17,609,715
(b) Non - Current Investments	2.7	3,994,500	3,994,500
(b) Deferred tax assets (net)	2.8	1,148,745	5,742,855
(c) Other Non Current Assets	2.9	299,696	299,696
Current assets			
(a) Trade receivables	2.10	48,200,662	43,769,637
(b) Current Investments	2.11	87,100,000	112,100,000
(c) Cash and cash equivalents	2.12	556,923	13,152,295
(d) Short-term loans and advances	2.13	77,024,331	77,838,666
Significant Accounting Policies	1		
Notes To Accounts	2		
TOTAL		249,871,219	274,507,364

As per our report Of Even Date
For N. K. JALAN & CO.
Firm Reg No. 104019 W
Chartered Accountants

CAN K JALAN
PROPRIETOR
Mem. No. 11878

Place : Mumbai
Date : 07.08.2013

**FOR TWINSTAR INDUSTRIES LTD (FORMERLY KNOWN
AS TWINSTAR SOFTWARE EXPORTS LTD)**

D.S. Mehta
Director

K.S. Mehta
Director

TWINSTAR INDUSTRIES LTD

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

Statement of Profit & Loss as on 31 March, 2013

Particulars	Note No.	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
A CONTINUING OPERATIONS			
1 Revenue from operations (gross)	2.14	518,163,602	322,022,567
Less: Excise duty		-	-
Revenue from operations (net)		518,163,602	322,022,567
2 Other income	2.15	1,940,691	-
3 Total revenue (1+2)		520,104,293	322,022,567
4 Expenses			
(a) Purchases of stock-in-trade	2.16	507,245,139	313,743,682
(b) Employee benefits expense	2.17	912,177	778,059
(c) Depreciation and amortisation expense	2.5	2,890,972	1,510,726
(d) Other expenses	2.18	2,214,047	1,649,387
Total expenses		513,262,335	317,681,854
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		6,841,958	4,340,713
6 Tax expense:			
(a) Current tax expense for current year		1,125,000	-
(b) Tax Adjustment relating to prior years		-	-
(c) Net current tax expense		-	-
(d) Deferred tax Asset / (Liability)		-4,594,110	5,742,855
7 Profit / (Loss) from continuing operations		1,122,848	10,083,568
8 Profit / (Loss) for the year		1,122,848	10,083,568
9.i Earnings per share (of ₹ 10/- each):			
(a) Basic			
(i) Continuing operations		0.25	0.19
(ii) Total operations		0.25	0.19
(b) Diluted			
(i) Continuing operations		0.25	0.19
(ii) Total operations		0.25	0.19
9.ii Earnings per share (excluding extraordinary items) (of ₹ 10/- each):			
(a) Basic			
(i) Continuing operations		0.25	0.19
(ii) Total operations		0.25	0.19
(b) Diluted			
(i) Continuing operations		0.25	0.19
(ii) Total operations		0.25	0.19

See accompanying notes forming part of the financial statements

As per our report Of Even Date

For N. K. JALAN & CO.

Firm Reg No : 104019 W

Chartered Accountants

CANK JALAN
PROPRIETOR
 Mem. No. 11878

Place : Mumbai
 Date : 07.08.2013

**FOR TWINSTAR INDUSTRIES LTD (FORMERLY KNOWN
 AS TWINSTAR SOFTWARE EXPORTS LTD)**

D.S. Mehta
 Director

K.S. Mehta
 Director

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NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013

Note 2.1 Share capital

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares	₹	Number of shares	₹
a) Authorised				
Equity shares of ' 10 each	22,500,000	225,000,000	22,500,000	225,000,000
b) Issued #				
Equity shares of ' 10 each	22,460,236	224,602,360	22,460,236	224,602,360
c) Subscribed and fully paid up				
Equity shares of ' 10 each	22,460,236	224,602,360	22,460,236	224,602,360
Total	22,460,236	224,602,360	22,460,236	224,602,360

Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Kala Mehta	1,471,800	6.54	1,471,800	6.54
Daulat Mehta	1,161,900	5.16	1,161,900	5.16
Twinstar Holding & Finance Ltd.	1,900,000	8.44	1,900,000	8.44
Vintage Finstock Pvt. Ltd.	3,300,000	14.67	3,300,000	14.67

The company has only one class of shares referred to as equity shares having a par value of ' 10/- each and holder of equity shares is entitled to one vote per share.

Note 2.2 Reserves and surplus

Particulars	As at	
	31 March, 2013	31 March, 2012
	₹	₹
(a) General Reserve		
Opening balance	19,837,000	19,837,000
Add : Transferred from surplus in Statement of Profit & Loss	-	-
Less : Utilised/ transferred during the for:	-	-
Closing balance	19,837,000	19,837,000
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	-20,095,597	-30,179,147
Add: Profit / (Loss) for the year	1,222,848	10,083,568
Amounts transferred from:		
General reserve	-	-
Other reserves (give details)	-	-
Closing balance	-18,972,731	-20,095,597
Total	864,269	-258,579

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Note 2.5 Fixed assets

Tangible assets	Gross block				Accumulated depreciation and impairment				Net block		
	Balance as at 1 April, 2012	Additions	Deposits	Other adjustments	Balance as at 31 March, 2013	Balance as at 1 April, 2012	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2013	Balance as at 31 March, 2013	Balance as at 31 March, 2012
(a) Land Leasahold	5,013,214	-	-	-	5,013,214	-	-	-	-	5,013,214	5,013,214
(b) Buildings Owned	15,461,464	8,580,288	-	-	24,041,752	6,557,836	1,241,551	-	7,799,387	16,242,355	8,903,628
(c) Furniture & Fixtures Owned	6,781,296	137,995	-	-	6,919,291	5,621,552	679,251	-	6,300,803	618,488	1,159,744
(d) Vehicles Owned	2,837,746	-	-	-	2,837,746	2,837,746	-	-	2,837,746	-	-
(e) Computer Equipments Owned	106,900,237	-	-	-	106,900,237	106,900,237	-	-	106,900,237	-	-
(f) Office equipment Owned	540,319	-	-	-	540,319	353,707	25,665	-	379,372	180,947	186,612
(g) Diesel Generating Set Owned	376,578	-	-	-	376,578	268,697	17,887	-	286,584	89,994	107,661
(h) UPS System Owned	1,019,340	-	-	-	1,019,340	624,240	46,419	-	672,659	346,661	365,100
(i) Air Conditioner Owned	1,060,418	74,150	-	-	1,134,568	611,623	54,648	-	666,271	468,297	448,795
(j) Electric Installation Owned	1,903,420	315,785	-	-	2,219,205	1,098,294	98,730	-	1,197,024	1,022,161	805,126
(k) Computer & Hardware Owned	2,050,000	6,919,128	-	-	8,969,128	1,465,375	681,907	-	2,147,282	6,791,646	554,625
(l) LCD TV Owned	34,960	-	-	-	34,960	-	-	-	-	34,960	34,960
(m) Motor Cars Owned	-	800,275	-	-	800,275	-	42,904	-	42,904	757,371	-
Total	143,979,022	16,827,621	-	-	160,006,368	126,369,307	2,880,972	-	129,260,279	31,546,363	17,609,715
Previous year	143,979,022	-	-	-	143,979,022	123,947,855	1,510,726	-	124,658,561	17,609,715	20,631,167

Note : 1) The Valuation of Fixed Assets has been taken, valued and certified by the managing director of the company

Note 2.6 Non-current investments

Particulars	As at 31 March, 2013			As at 31 March, 2012		
	Quoted # ₹	Unquoted # ₹	Total ₹	Quoted ₹	Unquoted ₹	Total ₹
Investment in equity instruments (give details separately for fully / partly paid up instruments)						
(i) of subsidiaries (Refer Note)	-	3,994,500	3,994,500	-	3,994,500	3,994,500
(ii) of associates						
(iii) of joint venture companies						
(iv) of controlled special purpose entities						
(v) of other entities (give details)						
Total	-	3,994,500	3,994,500	-	3,994,500	3,994,500

Note : Investment in equity shares of Twinstar Software Inc.

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Note 2.7 Deferred Tax Assets (net)

In accordance with the Accounting Standard 22 on " Accounting for Taxes on Income " issued by The Institute of Chartered Accountants of India, Deferred assets and liabilities should be recognized for all timing differences in accordance with the said standard.

The tax effect of significant timing differences during the year that have resulted in deferred tax assets and liabilities are given below :

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(A)		
(a) WDV As Per Companies Act	31,546,364	17609715
(b) WDV As Per Income Tax Act	17,090,743	6015860
Difference	14,455,621	11,593,855
Deferred Tax Liability @ 30.9%	4,466,787	3,582,501
(B) Total Closing Business Loss	41,452,987	30,179,147
Deferred Tax Asset @ 11.845% (Difference Between IT Rate & MAT)	4,910,106	9,325,356
(C) Sec 43B Timing difference (Property Tax)	2,282,930	
Deferred Tax Asset @ 30.9%	705,425	
Net Deferred Tax Asset	1,148,745	5,742,855
Less: Opening Deferred tax Assets	5,742,855	-
Recognized in Balance Sheet	1,148,745	5,742,855
Recognized in Profit & Loss Account	4,594,110	5,742,855

Note 2.9 Non Current Assets

Bvank Guarantee	161,442	161,442
Electricity Deposit	60,709	60,709
MIDC Water Deposit	6,880	6,880
Other Deposit	53,145	53,145
Telephone Deposit	17,520	17,520
Total	299,696	299,696

Note 2.10 Trade Receivable

Debts outstanding for a period exceeding six months

Unsecured, considered good	-	14,592,944
Other Trade receivables		
Unsecured, considered good	48,200,662	29,176,693
Less: Provision for doubtful trade receivables	-	-
Total	48,200,662	43,769,637

Balance of Debtors are subject to confirmation and/or Reconciliation/consequential adjustments if any.

TWINSTAR INDUSTRIES LTD

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

Note 2.11 Current investments

Particulars	As at 31 March, 2013			As at 31 March, 2012		
	Quoted # ₹	Unquoted # ₹	Total ₹	Quoted ₹	Unquoted ₹	Total ₹
Investment in equity instruments (give details separately for fully / partly paid up instruments)						
(i) of subsidiaries	-	-	-	-	-	-
(ii) of associates						
(iii) of joint venture companies						
(iv) of controlled special purpose entities						
(v) of other entities (give details)						
Originel Technologies Ltd (2,00,000 equity shares of Rs. 20/- each, fully paid)		40,00,000	40,00,000		-	-
Axis Trading Co. Pvt. Ltd. (2,00,000 equity shares of Rs. 100/- each, fully paid)		-	-		20,00,000	20,00,000
H.K.Multitrade Pvt. Ltd.		-	-		-	-
Melamines Minerals Pvt. Ltd. (10,000 equity shares of Rs. 1,000/- each, fully paid)		-	-		10,00,000	10,00,000
N.M.Gems Gold Pvt. Ltd. (40,000 equity shares of Rs. 250 each, fully paid)		-	-		10,00,000	10,00,000
Nakoda Bhairav Jewellers Pvt. Ltd. (75,000 equity shares of Rs. 200 each, fully paid)		-	-		15,00,000	15,00,000
Texnit Exports Pvt. Ltd. (10,000 equity shares of Rs. 1,000/- each, fully paid)		-	-		10,00,000	10,00,000
Wing Infrastructure Engineers Pvt. Ltd. (94,200 equity shares of Rs. 500 each, fully paid)		47,10,000	47,10,000		47,10,000	47,10,000
Total	-	87,10,000	87,10,000	-	112,10,000	112,10,000

Note 2.12 Cash and cash equivalents

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(a) Cash on hand	463,239	96,775
(b) Balances with banks		
(i) In current accounts		
Axis Bank	74,480	30,884
Oriental Bank of Commerce	-	17,087
Union Bank Of India	19,205	13,007,548
Total	556,923	13,152,295

Note 2.13 Short-term loans and advances

(A) Advance recoverable in cash or in kind or for value to be received	130,192	-
(B) Payment of Taxes	-	119,443
(C) TDS Receivable (A.Y. 2013-14)	57,526	0
(C) Other Loan and Advances	76,836,613	77,719,223
Less: Provision for other doubtful loans and advances	-	-
Total	77,024,331	77,838,666

Balance of Loans and Advances are subject to confirmation and/or Reconciliation/consequential adjustments if any.

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Note 2.14 Revenue from operations

Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
Sale of products @ (Refer Note (i) below)	518,163,602	322,022,567
Less:		
Excise duty		
Total	518,163,602	322,022,567
Note (i)		
Traded goods		
Steel, Cotton & Cotton Coated Fabrics (Taxable)	355,548,388	206,296,012
Cotton & Cotton Coated Fabrics (Non Taxable)	157,105,588	115,726,555
IT Product Sales (Export Sales)	5,509,625	-
Total - Sale of Traded Goods	518,163,602	322,022,567
Note 2.15 Other Income		
Interest Income	590,691	-
Profit on Sale of Investments	1,350,000	-
	1,940,691	-
Note 2.16 Purchase of traded goods		
Steel, Cotton & Cotton Coated Fabrics (Taxable)	152,802,975	205,937,977
Cotton & Cotton Coated Fabrics (Non Taxable)	354,442,164	107,805,705
Total	507,245,139	313,743,682
Note 2.17 Employee benefit expense		
Salaries and wages	549,499	421,700
Director's Remuneration	300,000	297,500
Profession Tax		2,500
Staff Welfare Expenses	32,038	35,706
Staff Travelling Expenses	30,640	20,653
Total	912,177	778,059

TWINSTAR INDUSTRIES LTD

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Note 2.18 Other expenses

Particulars	For the	For the
	year ended	year ended
	31 March, 2013	31 March, 2012
	₹	₹
Accounting Charges	51,000	84,000
Audit Fees	89,888	89,888
Bank Charges	65,356	14,950
Courier Charges	2,580	-
Electricity Expenses	77,361	40,280
Entertainment Expenses	72,530	70,329
Interest on Car Loan	31,896	-
Interest on CC Limit	944,850	114,462
Listing Fees	-	184,482
Loan Processing Fees	-	169,453
Membership & Subscription	-	1,000
Miscellaneous Expenses	4,563	-
Motor Car Driver Salary	120,000	-
Motor Car Petrol Expenses	49,149	-
Motor Car Repair & Maintance	77,085	-
Office Expenses	9,923	6,161
Office Rent	115,000	90,000
Printing and stationery	28,054	11,788
Profession Fees	151,007	72,000
Property Tax	-	604,810
Register & Transfer Charges	79,104	76,926
Repairs & Maintenance	-	3,800
ROC Expenses	5,000	1,843
Security Charges	150,000	-
Telephone Expenses	27,804	13,215
Travelling Charges	50,405	-
Water Charges	11,491	-
Total	2,214,047	1,649,387

Notes: (i)

(i) Payments to the auditors comprises (net of service tax input credit, where applicable):

As auditors - statutory audit	56,180	56,180
For taxation matters	11,236	11,236
Other Matters	22,472	22,472
Total	89,888	89,888

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Consolidated Balance Sheet as at 31 March, 2013

Particulars	Note No.	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2.1	224,602,360	224,602,360
(b) Reserves and surplus	2.2	-3,066,737	-1,066,043
2 Non-current liabilities			
3 Current liabilities			
(a) Trade payables	2.3	28,430,677	51,800,341
(b) Other current liabilities	2.4	10,266,424	10,055,636
(c) Provisions	2.5	265,000	-
TOTAL		259,963,724	285,392,294
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	2.6	315,463,625.59	17,609,715
(b) Deferred tax assets (net)	2.7	500,975	5,742,855
(c) Other Non Current Assets	2.8	2,304,516	2,304,516
Current assets			
(a) Trade receivables	2.9	61,066,635	56,635,610
(b) Current Investments	2.10	87,100,000	112,100,000
(c) Cash and cash equivalents	2.11	565,561	13,160,932
(d) Short-term loans and advances	2.12	76,879,673	77,838,666
Notes To Accounts & Significant Accounting Policies	1 & 2		
TOTAL		259,963,724	285,392,294

As per our report Of Even Date
For **N. K. JALAN & CO.**
Firm Reg No : 104019 W
Chartered Accountants

CAN K JALAN
PROPRIETOR
Mem. No. 11878

Place : Mumbai
Date : 30.05.2012

**TWINSTAR INDUSTRIES LTD (FORMERLY KNOWN
AS TWINSTAR SOFTWARE EXPORTS LTD)**

D.S. Mehta
Director

K.S. Mehta
Director

Cash Flow Statement as on 31 March, 2013

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	6,841,958	4,340,713
Adjustments to reconcile profit before tax to cash provided by operating activities		
Depreciation and amortisation expense	2,890,972	1,510,726
Interest & Dividend Income	-590,691	
Operating Profit before Working Capital changes	9,142,239	5,851,439
Changes in assets and liabilities		
Trade receivables	-4,431,025	14,149,367
Current Investments	25,000,000	-17,100,000
Loans and advances and other assets	814,335	-9,147,444
Liabilities	-26,883,993	19,307,067
Income taxes paid	-	-
NET CASH GENERATED BY OPERATING ACTIVITIES	3,641,556	13,060,429
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment towards capital expenditure	-16,827,621	-
Purchase of Investment	-	-
Interest and dividend received	590,691	-
CASH FLOWS FROM INVESTING ACTIVITIES BEFORE EXCEPTIONAL ITEM	-16,236,930	-
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	-16,236,930	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	-	-
Share Issue Expenses	-	-
NET CASH USED IN FINANCING ACTIVITIES	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	-12,595,374	13,060,429
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	13,152,295	91,866
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	556,921	13152295

As per our report Of Even Date

For **N. K. JALAN & CO.**

Firm Reg No : 104019 W

Chartered Accountants

CANK JALAN
PROPRIETOR
Mem. No. 11878

Place : Mumbai
Date : 30.05.2012

o **TWINSTAR INDUSTRIES LTD (FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)**

D.S. Mehta
Director

K.S. Mehta
Director

Company Overview :

Twinstar Industries Ltd. (Formerly known as Twinstar Exports Ltd.) along with fully owned and controlled subsidiary Twinstar Software Inc. is a public limited company engaged in business of trading in Steel, Cotton and Cotton coated Fabrics.

SIGNIFICANT ACCOUNTING POLICIES

(I) Basis of Preparation of financial statements:

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or are vision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Revenue Recognition:

Expenses and Income considered payable and receivable respectively are accounted for on accrual basis except when no significant uncertainty as to determination or realization exists.

(iii) Fixed Assets:

Fixed Assets are stated at cost including all expenses upto commissioning/putting the Assets into use.

(iv) Depreciation:

Depreciation on Fixed Assets has been provided for in accordance with Schedule XIV to the Companies Act, 1956 on Straight line Method.

(v) Investments:

Investments are stated at cost.

(vi) There is no quantitative information which is required to be given under paragraphs 3 & 4 of Part II of Schedule VI of the Companies Act, 1956.

(vi) Contingent Liability:

Contingent Liabilities are not provided for and are disclosed separately by way of notes.

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

FOR N. K. JALAN & CO.

CHARTERED ACCOUNTANTS

FIRM NO. 104019W

(N.K.JALAN) PROPRIETOR

Daulat Mehta
Managing Director

K.S.Mehta
Director

Place:

Mumbai.

Dated: 07.08.2013

TWINSTAR SOFTWARE EXPORTS LIMITED

Regd. Office : Plot No. EL- 178, TTC MIDC Indl, Area Mahape Navi Mumbai-400701

Nineteenth Annual General Meeting

ATTENDANCE SLIP

I certify that I am registered shareholder/Proxy for the Registered Shareholder of the Company. I hereby record my presence at the 19th Annual General Meeting of TWINSTAR SOFTWARE EXPORT LIMITED held on Monday 30th September, 2013 at Regd. Office: Plot No. EL- 178, TTC MIDC Indl, Area Mahape Navi Mumbai-400701, at 9.00 a.m.

Full Name of the Member: _____

(as Registered with the Company)

Full name of the Proxy: _____

Regd. Folio No. : _____

Signature of the Shareholder/ Member/Proxy: _____

Notes :

1. Shareholders/ joint shareholders, Proxies are requested to bring the attendance slips with them. Duplicate Slips will not be issued at the entrance of the Auditorium.
2. Please bring your copy of the Annual Report to the Meeting Venue.
3. Please avoid being accompanied by Non- members and children.

TWINSTAR SOFTWARE EXPORTS LIMITED

Regd. Office : Plot No. EL- 178, TTC MIDC Indl, Area Mahape Navi Mumbai-400701.

PROXY FORM

Regd. Folio No: _____ No of Share: _____

I/We _____

Of _____ being a member of TWINSTAR SOFTWARE EXPORTS LIMITED hereby appoint _____ of

_____ or failing him _____ of

_____ or failing him _____ of

_____ as my/our proxy to vote for me /us and on my /our behalf at the 19th Annual General meeting of the Company to be held on Monday 30th September, 2013 at Regd. Office: Plot No. EL- 178, TTC MIDC Indl, Area Mahape Navi Mumbai-400701. at 9.00 a.m. and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____, 2013

Signed by the said _____

Note : The Proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the meeting . A proxy need not be a member.

Book-Post

TWINSTAR INDUSTRIES LTD

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

Plot No. EL-178,

TTC MIDC Indl. Area

Mahape,

Navi Mumbai - 400 701.