

Annual Report 2010-2011

BOARD OF DIRECTORS

Mr. D. S. Mehta *Managing Director*

Mr. Nirmal Jain *Director*

Mr. Yogesh Wadhwana *Director*

Mr. K. S. Mehta *Director*

AUDITORS

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

BANKERS

Bank of Baroda

Axis Bank

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.

TWINSTAR INDUSTRIES LTD

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

NOTICE

NOTICE is hereby given that the 17th Annual General Meeting of TWINSTAR INDUSTRIES LIMITED will be held on Friday, the 30th day of September, 2011 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, 2011 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. Yogesh Wadhvana, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

"RESOLVED THAT M/s. N.K. Jalan & Co., Chartered Accountants, Mumbai, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at remuneration, mutually agreed between the Board of Directors of the Company and the Auditors."

By Order of the Board
For Twinstar Industries Limited

D. S. Mehta
Managing Director

Place: Mumbai
Date: 30.08.2011

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. A form of proxy is attached to this notice. Any member appointing a proxy must do so by sending the duly executed instrument of proxy and deliver it to the Registered Office of the Company not less than 48 hours before the date and time of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2011 to 30th September, 2011 (both days inclusive).
4. Members are requested to notify immediately any change in their address to the company quoting folio no.
5. Members are requested to bring their copy of Annual Report to the meeting, since additional copies will not be available.
6. Members are requested to send their queries at least 7 days before the meeting to the Registered Office of the Company so that information required by the Members may be made available at the Meeting.
7. As required under the listing agreement, the particulars of Directors who are proposed to be appointed are as follows:

Name	Mr. Yogesh Wadhvana
Designation	Director
Status	Independent, Non Executive
Date of Birth	13/05/1960
Director in Company since	01/03/1995

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DIRECTORS REPORT

Dear Shareholders,

Your Directors present herewith their Sixteenth Annual Report and Audited Accounts for the year ended 31st March, 2011.

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	2010-11	2009-10
Sales and Services	1057.39	2054.34
Other Income	0.33	0
Profit/(Loss) before interest and depreciation	24.19	29.55
Less: Financial Expenses	0	0
Less: Depreciation	15.10	16.59
Net Profit/ (Loss) before Tax	9.08	12.96
Net Profit/ (Loss) after Tax	9.08	12.96
Add/Less: Profit / (Loss) of Previous Year	310.87	-321.81
Less: Sundry Balances w/off.	0	-2.02
Balance of Profit carried to Balance Sheet	301.79	-310.87

OPERATIONS AND OVERALL PERFORMANCES:

During the year the profits of the Company was 9.08 Lacs against profits of Rs. 12.96 Lacs in the previous year. However your Directors are hopeful that the strategies and Business Plans made by the Management will reap more positive yields in the time to come.

DIVIDEND:

Due to inadequate profits 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 financial year ended 31.03.2011.

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.

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

DIRECTORS

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

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

AUDITORS

M/s. N. K. Jalan, Chartered Accountants retire and being eligible, offer themselves for re-appointment.

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.

DIRECTORS' 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

Your 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: 30.08.2011

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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 encash the contacts and connections built in the international market over a period of time. 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 have 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 Limited was as under:

	(Rs. in Lacs)	
	2010-11	2009-10
Sales	1057.39	2054.34
Others	0.33	0
EBIDT	24.19	29.55

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: 30.08.2011

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REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY 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.

BOARD OF DIRECTORS:

The Composition of the Board of Directors with reference to the number of Executive and Non-Executive Directors meets the requirement of Code of Corporate Governance.

During the year under review, 8 (Eight) Board Meeting were held. The dates on which the meetings were held were as follows:-

29th April 2010, 17th June 2010, 29th July 2010, 26th August 2010, 09th September 2010, 30th October 2010, 02nd December 2010, 20th January 2011.

The Composition of the Board of Directors and attendance of the Directors at the Board Meetings during the year and at the last Annual General Meeting also their number of other directorships in Indian Companies are as follows :-

Name of the Director	Category	Designation	Financial Year 2010-11		No. of other Directorships *
			Attendance at Board Meetings	Last AGM	
Mr. D.S. Mehta	Promoter, Executive Director	Managing Director	8	Yes	—
Mr. Kailash Mehta	Promoter, Non Executive Director	Director	8	Yes	1
Mr. Yogesh Wadhvana	Independent, Non Executive Director	Director	—	No\	1
Mr. Nirmal Jain	Independent, Non Executive Director	Director	8	Yes	1

* Includes Directorship of Private Limited Companies

Changes in Directors:

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

Mr. Yogesh Wadhvana 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.

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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 2010 - 2011, no commission was paid to any director of the Company.

BOARD COMMITTEES:

A) AUDIT COMMITTEE:

The Company has already constituted an Audit Committee comprises of 3 Non-executive Director.

Name	Category	No. of Meetings during the year	
		Held	Attended
Mr. Nirmal Jain, Chairman	Independent, Non Executive Director	4	4
Mr. Kailash Mehta	Promoter, Non Executive Director	4	4
Mr. Yogesh Wadhvana	Independent, Non Executive Director	4	4

The Committee has met 4 times during the financial year ended 31st March 2011 on 28th April 2010, 29th July 2010, 01st September 2010, 28th October 2010.

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
 - 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

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- 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. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. 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.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- 12A. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

B) SHARE TRANSFER & INVESTORS GRIEVANCE COMMITTEE:

The Company has constituted Investor Grievance Committee comprising of

The Company has constituted Investor Grievance Committee comprising of

Name	Category	No. of Meetings during the year	
		Held	Attended
Mr. Kailash Mehta, Chairman	Promoter, Non Executive Director	5	5
Mr. Nirmal Jain	Independent, Non Executive Director	5	5
Mr. D. S. Mehta	Promoter, Executive Director	5	5

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.

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

No complaints were received during the financial year 2010-11.

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C) REMUNERATION COMMITTEE

The Composition of the Investment Committee and details of Meetings attended by the Directors are given below:

Name	Category	No. of Meetings during the year Held Attended	
D. S. Mehta, Chairman	Independent, Non Executive Director	2	2
Yogesh Wadwana	Independent, Non Executive Director	2	2

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

REMUNERATION POLICY:

The Company's Remuneration Policy aims at attracting high calibre 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 Directors:

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. D.S. Mehta, Managing Director, no other Director is drawing remuneration.

During the year, Mr. D. S. Mehta, Managing Director has been paid aggregate remuneration of Rs. Nil by way of Salary and Remuneration.

GENERAL BODY MEETING:

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

Financial Year	Date	Time	Location
2009-10	30.09.2010	09.00 a.m.	Registered Office: Plot No. EL-178, Mahape, Navi Mumbai.
2008-09	30.09.2009	09.00 a.m.	Registered Office: Plot No. EL-178, Mahape, Navi Mumbai.
2007-08	30.09.2008	09.00 a.m.	Registered Office: Plot No. EL-178, Mahape, Navi Mumbai.

No Special Resolution was passed during last three AGMs held.

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

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 2011.
- * 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.

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7. MEANS OF COMMUNICATION

The main source of the information to the Shareholder is the Annual Reports, which include, inter alia, 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 are published for the information of the Shareholders in Leading National and Regional Daily Newspapers 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.

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 2011.

D.S. Mehta
MANAGING DIRECTOR

10. SHAREHOLDERS INFORMATION

- | | |
|--|--|
| 1. Annual General Meeting Date
Day and Time, Venue | 30th September 2011, Friday at 9.00 a.m.
at Plot No. EL-178, TTC MIDC Indl. Area,
Mahape, Navi Mumbai - 400 701. |
| 2. Financial Calendar (Tentative) for 2011-2012. | |
| a) Financial reporting for the quarter
Ending June 30, 2011, Quarter and
Half year ended Sept. 30, 2011
Quarter ending December 31, 2011 and
Quarter ended 31st March 2012 | Within 45 days from the end of the quarter
as stipulated under the Listing Agreement. |
| b) Financial reporting for the year ending
March 31, 2012 (audited) | Within three months from the end of the
last quarter as stipulated under the Listing
Agreement or before 31st August 2011. |
| 3. Date of Book Closure | 24th September 2011 to 30th September
2011 |
| 4. Unclaimed/unpaid Dividend for the Previous years | NIL |
| 5. Listing of Equity Shares | Bombay Stock Exchange
Ahmedabad Stock Exchange
Bangalore Stock Exchange |
| 6. Stock Code No. – | BSE - 531917
ASE - 61860
BGSE - TSEL |
| 7. Registered Office | Plot No. EL-178, TTC MIDC Indl. Area,
Mahape, Navi Mumbai - 400 701. |

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8. For dealing in shares in the dematerialisation form, code No. (ISIN - INE070B01013) has been allotted to the securities of our Company by Central Depository Services (India) Limited and National Securities Depository Limited.

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 2010	4.36	3.48
May 2010	4.22	2.94
June 2010	4.30	2.81
July 2010	3.75	3.02
August 2010	5.55	3.40
September 2010	4.69	3.40
October 2010	4.50	3.34
November 2010	3.60	2.71
December 2010	3.21	2.70
January 2011	3.67	2.71
February 2011	3.33	2.27
March 2011	4.02	2.42

Source: www.bseindia.com

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 dematerialisation 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 dematerialisation 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.

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Distribution of Shareholding:

Distribution of Shareholding as on 31st March 2011 was as under;

No. of Shares held value	No. of Shareholders		Share Amount	
	Total	% of Total	Total	% of Total
up to -5000	7296	72.41%	16328120	7.26%
5001-10000	1334	13.24%	11765360	5.23%
10001-20000	613	6.08%	10194300	4.53%
20001-30000	208	2.06%	5387670	2.39%
30001-40000	97	0.96%	3559870	1.58%
40001-50000	141	1.40%	6844530	3.04%
50001-100000	189	1.88%	14714870	6.54%
100001 and above	198	1.97%	156205280	69.42%
Total	10076	100	225000000	100.00%

Shareholding Pattern as on 31st March 2011

CATEGORY	Nos. of Equity Shares	Total %
(A) Shareholding of Promoter Promoter Group		
1 Indian		
Individules / Hindu Undivided Family	3613800	16.06%
Bodies Corporate	4701700	20.90%
Sub Total	8315500	36.96%
2 Foreign		
Total Shareholding of Promoter and Promoter Group (A)	8315500	36.96%
(B) Public Shareholding		
1 Institutions	520250	2.31%
2 Non-Institutions		
Bodies Corporate	5009684	22.27%
Individuals Shareholders holding nominal Share Capital up to Rs. 1 Lakh	3033672	13.48%
Individuals shareholders holding nominal share Capital in excess of Rs. 1 Lakh	5017893	22.30%
3 Any others (Specify)		
Non Resident Indians	588231	2.61%
Clearing Members	14770	0.07%
Sub Total	13664250	60.73%
Total Public shareholding (B)	14184500	63.04%
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%

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Dematerialisation of Shares:

The Equity Shares of the Company are to be traded compulsorily in Dematerialised form. About 63.36% of paid-up Equity Capital has been dematerialised as on 31/03/2011.

The Company has entered in to agreements with the National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL) for the purpose.

ISIN number for NSDL & CDSL: INE070B01013.

Investor Correspondence:

For transfer/ dematerialisation of shares and any other query relating to the shares of the Company.

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

Any query on Annual Report
Twinstar Industries Ltd.
Plot No. EL - 178, TTC MIDC Indl. Area,
Electronic Zone, Mahape, Navi Mumbai: 400 701.

For, Twinstar Industries Limited

D. S. Mehta
Managing Director

Place: Mumbai
Date: 30.08.2011

AUDITOR'S CERTIFICATE

To,
The Members,
Twinstar Industries Ltd.

We have examined the compliance of conditions of Corporate Governance by Twinstar Industries Ltd. for the year ended 31st March 2011 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 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 on 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 for a period exceeding one month against the Company as per the records maintained by the Investors Grievance Committee.

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

FOR N. K. JALAN & CO.
CHARTERED ACCOUNTANTS

(N.K. JALAN)
Proprietor

Place: Mumbai
Date: 30.08.2011

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AUDITORS' REPORT

TO,
THE MEMBERS OF
TWINSTAR INDUSTRIES LTD.,
(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

We have audited the attached Balance Sheet of **Twinstar Industries Ltd.** for the year ended 31st March, 2011 and also the Profit & Loss Account 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 statements on our audit.

We have 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 materials misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 enclose in the Annexure a statement on the matter specified in paragraphs 4 & 5 of the said order.

Further to our comments in the annexure referred to in paragraph 1 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 purpose 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 the books ;
- iii) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account;
- iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956; to the extent applicable.
- v) On the basis of written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified, as on 31st March, 2011 from being appointed as a director in terms 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 true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011, and
 - b) in the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date.

N.K. JALAN & CO.
Chartered Accountants

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

Mumbai
Dated: 30.08.2011

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.
 - (a) The physical verification of inventory has been conducted at reasonable intervals by the management.
 - (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to size of company and nature of business.
 - (c) The company is maintaining proper records of inventory and as per information and explanations given no material discrepancies were noticed during physical verification done by management. We have not conducted any physical verification during the year.
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.54,341,319 and the year end balance is Rs.50,577,068.

Annual Report 2010-2011

- (a) In our opinion, the terms and conditions of loans given by the company are prima facie, not prejudicial to the interest of the company.
 - (b) In our opinion, the company is regular in receipt of principal amount and no interest has been collected thereon.
 - (c) 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.
(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 Service Tax of Rs. 18,44,141 and Property Tax of Rs.40,86,788 as at 31st March, 2011 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, 2011.
 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. In our opinion, the company is not dealing in or trading in share, securities, debentures and other investments; hence, the clause (xiv) of the order is not applicable.
 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 made a preferential allotment of 5000000 of Rs.10 each shares during the year. In our opinion the price at which the shares have been allotted are not prejudicial to the interests of the company.
 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.

N.K. JALAN & CO.
Chartered Accountants

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

Mumbai
Dated: 30/08/2011

TWINSTAR INDUSTRIES LTD

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

Balance Sheet As on 31st March, 2011

Particulars	Sch.	As on 31/03/2011		As on 31/03/2010	
		Rs.	Rs.	Rs.	Rs.
Sources of Funds					
Capital	1		224,602,360		174,602,360
Reserve & Surplus	2		19,837,000		19,837,000
Total			<u>244,439,360</u>		<u>194,439,360</u>
Application of Funds					
Fixed Assets	4				
a. Gross Block		143,979,022		143,979,022	
b. Less: Depreciation		<u>124,858,581</u>		<u>123,347,855</u>	
c. Net Block		19,120,441		20,631,167	
d. Capital Work-In-Progress		0	19,120,441	0	20,631,167
Investments	5		98,994,500		53,194,500
<u>Current Assets , Loans & Advances</u>	6				
Sundry Debtors		57,919,004		124,673,702	
Cash & Bank Balances		91,866		6,205,658	
Loans & Advances		<u>68,990,918</u>		<u>61,051,495</u>	
		127,001,786		191,930,855	
<u>Less : Current Liabilities & Provisions</u>	7				
Current Liabilities		<u>30,856,516</u>		<u>102,404,610</u>	
		30,856,516	96,145,272	102,404,610	89,526,245
Profit & Loss A/c			30,179,147		31,087,448
Notes To Accounts	12				
Total			<u>244,439,360</u>		<u>194,439,360</u>

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 : 30/08/2011

**For TWINSTAR INDUSTRIES LTD (FORMERLY KNOWN AS
TWINSTAR SOFTWARE EXPORTS LTD)****D. S. MEHTA**

DIRECTOR

K. S. MEHTA

DIRECTOR

Place : MUMBAI

Date : 30/08/2011

Annual Report 2010-2011

Trading, Profit & Loss Account for the year ended 31st March, 2011

Particulars	Sch.	For the year ended 31/03/2011		For the year ended 31/03/2010	
		Rs.	Rs.	Rs.	Rs.
Income					
Sales	8	105,739,387		205,434,372	
Other Income	9	33,906	105,773,293	0	205,434,372
Expenditure					
Cost of Materials	10	100,992,020		199,737,081	
Administrative & Other Expenses	11	2,362,246		2,742,312	
Depreciation		1,510,726	104,864,992	1,658,741	204,138,134
Net Profit Before Tax			908,301		1,296,238
Add/Less : Profit / Loss of Previous Year			-31,087,448		-32,181,649
			-30,179,147		-30,885,411
Sundry Balances w/off			0		-202,037
Net Profit after tax transferred to Balance Sheet			-30,179,147		-31,087,448

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 : 30/08/2011

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

D. S. MEHTA

DIRECTOR

K. S. MEHTA

DIRECTOR

Place : MUMBAI

Date : 30/08/2011

TWINSTAR INDUSTRIES LTD

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

Schedules Annexed to and forming part of Balance Sheet as on 31/03/2011

Schedule 1 : Share Capital

Particulars	Rs.	
	31/03/2011	31/03/2010
<u>Authorised Share Capital</u>		
225000000 Shares of Rs.10 Each/-	225,000,000	175,000,000
	225,000,000	175,000,000
<u>Issued Subscribed and paid up Capital</u>		
22460236 Equity Share of Rs.10 each.(P.Y.17460236 equity shares of Rs.10/-)	224,602,360	174,602,360
	224,602,360	174,602,360
Total Share Capital	224,602,360	174,602,360

Schedule 2 : Reserves & Surplus

Particulars	Rs.	
	31/03/2011	31/03/2010
<u>General Reserve</u>		
	19,837,000	19,837,000
	19,837,000	19,837,000

Schedule 3 : Fixed Assets

Particulars	Rate of Depn.	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Op.as on 01/04/2010	Additions	Deduction	Cost as on 31/03/2011	Op.as on 01/04/2010	for the year	Deductions	Cl.as on 31/03/2011	A.s on 31/03/2011	A.s on 31/03/2010
		LEASEHOLD LAND	0.00	5013214	0	0	5013214	0	0	0	5013214
BUILDING	3.34	15461464	0	0	15461464	5525010	516413	0	6041423	9420041	9936454
FURNITURE&FIXTURES	6.33	6781296	0	0	6781296	4763040	429256	0	5192296	1589000	2018256
VEHICLES	9.50	2837746	0	0	2837746	2837746	0	0	2837746	0	0
COMPUTER EQUIPMENTS	16.21	106900237	0	0	106900237	106900237	0	0	106900237	0	0
OFFICE EQUIPMENT	4.75	540319	0	0	540319	302377	25665	0	328042	212277	237942
DIESEL GENERATING SET	4.75	376578	0	0	376578	232923	17887	0	250810	125768	143655
UPS SYSTEM	4.75	1019340	0	0	1019340	527404	48418	0	575822	443518	491936
AIR CONDITIONER	4.75	1060418	0	0	1060418	510883	50370	0	561253	499165	549535
ELECTRIC INSTALLATION	4.75	1903420	0	0	1903420	917470	90412	0	1007882	895538	985950
COMPUTER & HARDWARE	16.21	2050000	0	0	2050000	830765	332305	0	1163070	886930	1219235
LCD TV	0.00	34990	0	0	34990	0	0	0	0	34990	34990
Total		143979022	0	0	143979022	123347855	1510726	0	124858581	19120441	20631167
Previous year Total		143979022	0	0	143979022	121689114.37	1658741	0	123347855.37	20631166.63	22289907.63

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Schedules Annexed to and forming part of Balance Sheet as on 31/03/2011

Schedule 4 : Investments	Rs.	
Particulars	31/03/2011	31/03/2010
Current Investments (Non-Trade)		
<u>Shares</u>		
AB & Co Global Pvt. Ltd.	0	2,500,000
AB and Company Corporate Services	0	4,000,000
Enrich Properties	0	8,000,000
H.K. Multitrade Pvt. Ltd.	35,000,000	32,500,000
Mehta Infocomm Pvt. Ltd.	0	2,200,000
N. M. Gems Pvt. Ltd.	10,000,000	0
Nakoda Bhairav Jewellers Pvt. Ltd.	15,000,000	0
Wing Infrastructure Engineers Pvt. Ltd.	35,000,000	0
	95,000,000	49,200,000
Investment in Subsidiary Companies		
Investment in Twinstar software Inc.	3,994,500	3,994,500
	3,994,500	3,994,500
<u>Total Investments</u>	98,994,500	53,194,500
Aggregate book value of unquoted investments	95,000,000	49,200,000
Schedule 5 : Current Assets, Loans & Advances	Rs.	
Particulars	31/03/2011	31/03/2010
Current Assets		
Cash & Bank Balances		
Cash balance on hand	91,241	385,650
	91,241	385,650
Bank Balance with Scheduled Banks		
- On Current Accounts	386	4,902
	386	4,902
<u>Bank Balance with Other Banks</u>		
- On Current Accounts	239	5,815,106
	239	5,815,106
	91,866	6,205,658
Sundry Debtors		
<u>Unsecured considered good</u>		
O/S for more than six months	22,051,060	24,661,902
Other Debtors	35,867,944	100,011,800
	57,919,004	124,673,702
Total Current Assets	58,010,870	130,879,360
Loans & Advances		
<u>Unsecured Considered Good</u>		
Advance recoverable in cash or in kind or for value to be received	17,994,711	6,314,106
Deposits	299,696	299,696
Other Loans and Advances	50,577,068	54,318,250
Payments of Taxes	119,443	119,443
	68,990,918	61,051,495

TWINSTAR INDUSTRIES LTD

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

Schedules Annexed to and forming part of Balance Sheet as on 31/03/2011

Schedule 6 : Current Liabilities & Provisions		Rs.	
Particulars	31/03/2011	31/03/2010	
<u>Current Liabilities</u>			
Sundry Creditors - Others	24,751,962	96,679,126	
Other Liabilities	6,104,554	5,725,484	
	30,856,516	102,404,610	
Schedule 7 : Sales		Rs.	
Particulars	31/03/2011	31/03/2010	
Sales & Services	105,739,387	205,434,372	
	105,739,387	205,434,372	
Schedule 8 : Other Income		Rs.	
Particulars	31/03/2011	31/03/2010	
Credit balance w/Back	33,906	0	
	33,906	0	
Schedule 9 : Cost of Materials		Rs.	
Particulars	31/03/2011	31/03/2010	
Cost of Goods Sold			
Purchases	100,992,020	199,737,081	
Total Cost of Goods Sold	100,992,020	199,737,081	

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Schedules Annexed to and forming part of Balance Sheet as on 31/03/2011

Schedule 10 : Administrative & Other Expenditure

Particulars	Rs.	
	31/03/2011	31/03/2010
<u>Payments to Employees</u>		
Salary & Allowances	669,037	463,110
	669,037	463,110
<u>Administrative Expenses</u>		
Accounting Charges	45,290	39,667
Advertisement & Publicity	12,614	0
Audit Fees	38,605	38,605
Bank Charges	32,785	29,570
Computer Expenses	12,500	0
Conveyance	0	6,886
Courier Charges	0	149
Credit Card Expenses	0	53,180
Electrical Charges (Navi Mumbai)	0	24,864
Electricity Charges	43,875	1,976
Entertainment Expenses	133,709	187,843
Interest on TDS	298	0
Interest on VAT	14,794	0
Listing Fees	62,014	154,603
Miscellaneous Exp.	2,790	7,736
Office Expenses	9,112	0
Office Rent	96,000	80,000
Printing & Stationery	34,135	53,272
Profession Fees	51,000	35,259
Property Tax	604,810	604,810
Registrar & Transfer Charges	67,829	79,189
ROC Expenses	350,000	0
Security Charges	12,706	144,000
Staff Welfare	2,585	4,166
Stipend (Navi Mumbai)	0	48,619
Tax Audit Fees	0	11,030
Telephone Exp.	54,468	74,829
Traning Expenses	0	545,000
Travelling Exp	9,290	0
Vat Audit Fees	0	11,030
water charges	0	42,919
	2,362,246	2,279,202
	2,362,246	2,742,312

TWINSTAR INDUSTRIES LTD

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE 12: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Accounting :

The Company follows accrual system of accounting. The financial statements have been prepared under historical cost convention as a going concern.

ii) Fixed Assets :

Fixed Assets are stated at cost including freight, duties, taxes and other incidental expenses incurred in relation to acquisition and installation of the same.

iii) Depreciation :

Depreciation on Fixed Assets is provided on Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

iv) Investments :

Long Term investments are stated at cost.

v) Revenue Recognition :

Expenses and income considered payable and receivable respectively are accounted for on accrual basis.

vi) Employee Benefits :

Provision for gratuity has not been made by the Company since none of the employees of the Company are eligible for gratuity payable under The Gratuity Act. Leave encashment benefits on retirement to employees will be accounted on payment basis. There is no defined benefit in the company.

viii) Taxation

In accordance with the Accounting standards 22 on " Accounting for Taxes on Income", (AS22) issued by the Institute of Chartered Accountant of India, deferred tax assets and liabilities should be recognized for all timing differences in accordance with the said standard. However, considering the present financial position and the requirement of the accounting standard regarding certainty/virtual certainty, the same is not provided for as an asset (net). However, the same will be reassessed at subsequent balance sheet dates and will be accounted for in the year of certainty/virtual certainty in accordance with the aforesaid accounting standard.

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

(a) WDV As Per Companies Act	1,91,20,441
(b) WDV As Per Income Tax Act	67,78,614
Difference	1,23,41,827
Net Deferred Tax Asset	38,13,625
Recognized in Balance Sheet	NIL

2. In the opinion of the Board of Directors, the Investments, Current Assets, Loans and Advances have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet.

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3. Balance of Sundry Debtors, Sundry Creditors and Loans & Advances including capital advances are subject to confirmation, reconciliation and adjustments if any.

	Current Year	Previous Year
4. Auditors' Remuneration :		
Audit Fees	Rs. 38,605	Rs. 38,605
Tax Audit Fees	Rs. -	Rs. 11,030
Total	Rs. 38,605	Rs. 49,635

6. Expenditure in Foreign Currency:

Foreign Traveling	Rs. NIL	Rs. NIL
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7. Earnings in Foreign Currency:

FOB value of Exports	Rs. NIL	Rs. NIL
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8. 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.

9. Disclosure of Segment Reporting under Accounting Standard 17 : The Company has No Segments.

11. Calculation of Earning Per Share (Face Value Rs, 10/- per Share) Fig in Lacs

	Year Ended 31.03.2011	Year Ended 31.03.2010
A. Net Profit/ (Loss) after Tax	9,08,301	12, 96,238
B. Weighted average number of Equity Shares		
Basic and Diluted	2,25,00,000	1,74,60,236
C. Nominal Value of Equity Shares	10/-	10/-

14. There is no outstanding payable to any Small Scale Industries by the Company as on 31st March, 2011.

15. Previous year's figure have been regrouped and/or rearranged wherever necessary.

16. Balance Sheet Abstract and Company's General Business Profile required as per Schedule VI to the Companies Act, 1956 is annexed herewith.

AS PER REPORT OF EVEN DATE

N. K. Jalan & Co.
Chartered Accountants

(N. K. Jalan)
Proprietor

Place: Mumbai
Dated:30/08/2011

For and on behalf of the Board,

For Twinstar Industries Ltd.
(Formerly known as Twinstar Software Exports Ltd)

(D.S. Mehta)
Chairman And Director

(K.S. Mehta)
Managing Director

TWINSTAR INDUSTRIES LTD

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

AUDITORS' REPORT

TO
THE MEMBERS OF
TWINSTAR INDUSTRIES LIMITED,

We have examined the attached consolidate Balance Sheet of Twinstar Industries Limited and its subsidiary Company for the years ended 31st March, 2011 and also the Consolidate Profit & Loss Account 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 statements on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standard require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of materials misstatement. An audit includes examining. On a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statement of subsidiary and reports that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standards(AS)21, 'Consolidated Financial Statements' issued by the institute of Chartered Accountants if India and on the included in the consolidated financial statements.

In our and to the best of our in formation and according to the explanations given to us , we are of the opinion that :

- a) The Consolidated Balance Sheet Give a true and fair view of the consolidated state of affairs Twinstar Industries Limited and its Subsidiary as at 31st March ,2011, and
- b) The Consolidated Profit & Loss Account give a true and fair view of the consolidated state of affairs of Twinstar Industries Limited and its subsidiary as a t 31st March , 2011, and

N.K.JALAN & CO
Chartered Accountants

(N.K. Jalan)
Proprietor

Mumbai,
Dated :30 August , 2011.

Annual Report 2010-2011

CONSOLIDATED BALANCE SHEET AS ON 31 ST MARCH 2011

	(Rs. In Lakhs)	
	Current Year	Previous Year
SOURCES OF FUNDS		
1. Shareholder's Funds:		
Share Capital	2,246.02	1746.02
Reserves & Surplus	198.37	198.37
2. Loan Funds:		
Secured Loans	0.00	0.00
Unsecured Loans	0.00	0.00
TOTAL	2444.39	1944.39
APPLICATIONS OF FUNDS		
1. Fixed Assets :		
Gross Block	1439.79	1439.79
Less Depreciation	1248.58	1233.47
Net Block	191.20	222.89
2. Investments	989.94	531.94
3. Currents Assets , loans & Advances :		
Sundry Debtors	579.19	1246.73
Cash & Bank Balances	0.91	62.06
Loans & Advances	689.90	610.51
	1270.00	1919.30
Less :		
Current Liabilities & Provisions:	308.56	1024.04
Current liabilities & Provision		
Net Current Assets	961.44	895.26
4. Deffered Tax Liability (refer Not '13' of Schedule '15')	0.00	0.00
5. Miscellenous Expenditure (to the extent not written off or adjusted)	0.00	0.00
6. Profit & Loss Account	301.81	310.87
TOTAL	2444.39	1944.39

Schedules referred to above and the notes therein form an integral part of the Accounts

As per our Report of even date

FOR N.K. JALAN & CO.

(N.K. JALAN)

Proprietor

PLACE : MUMBAI

DATED : 30 August , 2011.

For and on behalf of Board
For Twinstar Software Exports Ltd.

Managing Director

TWINSTAR INDUSTRIES LTD

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST MARCH 2011

	31-Mar-2011	31-Mar-2010
Cash Flow from Operating Activities		
Net Profit / Loss Before Tax	908301	1296238
Adjustment for		
Balances w/offs	0	(202037)
Prior Period Items	0	(12000)
Depreciation	1510726	1658741
	<hr/>	<hr/>
Operating profit before Working Capital Changes	2419027	2740942
Decrease / (Increase)in Sundry Debtors	66754698	(29222533)
Decrease / (Increase) in Loans & Advances)	(7939423)	2490955
Increase / (Decrease) in Current Liabilities	(71548094)	78752869
	<hr/>	<hr/>
Net Changes in Working Capital	(10313792)	54762233
FBT Paid	0	0
	<hr/>	<hr/>
Cash Flow from / (Outflow) from Investing Activities A	(10313792)	54762233
Cash Flow From Investing Activities		
Purchase of Fixed Asset		0
Net Cash Inflow/ (Outflow) From Investing Activities	(45800000)	(49200000)
	<hr/>	<hr/>
	B	(45800000)
Cash Flow From Financial Activities		
Proceeds from Issue of share Capital	50000000	0
Increase / (Decrease) in Secured Loan	0	(73420)
	<hr/>	<hr/>
Net Cash Inflow/ (Outflow) From Financial Activities C	50000000	(73420)
Net Increase / (Decrease) in Cash and equivalents A+B+C	(6113792)	5488813
Cash and cash equivalents (Opening Balance)	6205658	716845
	<hr/>	<hr/>
Cash and cash equivalents (Closing Balance)	91866	6205658
	<hr/>	<hr/>

Annual Report 2010-2011

FORM NO. 3CA

[See rule 6G (1) (a)]

Audit report under section 44AB of the Income-tax Act, 1961, in a case where the accounts of the business or profession of a person have been audited under any other law

I / we report that the statutory audit of

[mention name and address of the assessee with permanent account number]

M/S TWINSTAR INDUSTRIES LTD..

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)
PLOT NO. EL - 178, TTC MIDC INDL. AREA, MAHAPE,
NAVI MUMBAI - 400 701.

Permanent Account Number :- A A A C T 1 5 2 9 J

Was conducted by M/s. N. K. JALAN & CO. in pursuance of the provisions of the COMPANIES ACT, 1956 and we annex hereto a copy of our audit report dated 11.08.2011 along with a copy each of -

1. (a) the audited profit and loss account / income and expenditure account for the year ended on 31st March, 2011
(b) the audited balance sheet as at 31st March, 2011 and ;
(c) documents declared by the said Act to be part of, or annexed to, the profit and loss account / income and expenditure account and balance sheet.
2. The statement of particulars required to be furnished under section 44AB is annexed herewith in Form No. 3CD.
3. In our opinion and to the best of our information and according to explanations given to us, the particulars given in the said Form No. 3CD are true and correct.

For N. K. JALAN & CO.
Chartered Accountants.

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

Address: -
M/s N.K. Jalan & Co.
2-A, Mayur Apartment,
Dadabhai Cross Road No. 3,
Vile Parle (West)
Mumbai – 400 056.

Place : Mumbai
Date: 30/08/2011

Annual Report 2010-2011

TWINSTAR SOFTWARE EXPORTS LIMITED

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

Fifteenth 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 17th Annual General Meeting of TWINSTAR SOFTWARE EXPORT LIMITED held on Friday 30th September, 2011 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 17th Annual General meeting of the Company to be held on Friday 30th September, 2011 at Regd. Office: Plot No. EL- 178, TTC MIDC Indl, Area Mahape Navi Mumbai-400701 . at 9.00 a.m. and at any adjourment thereof.

As witness my/our hand(s) this _____ day of _____, 2011

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.

TWINSTAR INDUSTRIES LTD

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