
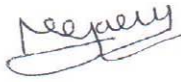
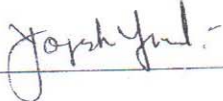


FORM A

Format of covering letter of the annual audit report to be filed with the  
Stock Exchange

1.	Name of the company	Twinstar Industries Limited
2.	Annual financial statements for the year ended	2013-2014
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not Applicable as the report is Unqualified
5.	To be signed by- <ul style="list-style-type: none"><li>• CEO/Managing Director</li> <li>• CFO</li> <li>• Auditor of the company</li> <li>• Audit Committee Chairman</li></ul>	    

## Annual Report 2013-2014

### BOARD OF DIRECTORS

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

24-9-2014 to 30-9-2014  
(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**

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

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### **NOTICE**

**NOTICE** is hereby given that the 20th Annual General Meeting of **TWINSTAR INDUSTRIES LIMITED** will be held on, Tuesday 30th day of September, 2014 at 09:00 a.m. at the Registered Office of the Company 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, 2014 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. Kailash Mehta (DIN: 01741399), who retires by rotation and being eligible offers himself 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** pursuant to the provision of Section 139 and other applicable provisions if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, M/s. N.K. Jalan & Co., Chartered Accountants [Firm Registration No. 104019W], be and is hereby appointed as the Statutory 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. Appointment of Mr. Nirmal Jain as a Non Executive Independent Director

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

**“RESOLVED THAT** pursuant to provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 read with Appointment and Qualification of Directors Rules, 2014, Schedule IV of the Companies Act, 2013 and in terms of Clause 49 of the Listing Agreement, subject to the approval of Central Government, SEBI, Stock Exchange, Ministry of Corporate Affairs and Registrar of Companies required if any, Mr. Nirmal Jain , DIN: 01506352, whose candidature has been proposed by a Member of the Company and the Company has obtained consent letter and declaration that he is not disqualified and is eligible to be appointed as an Independent Director of the Company, be and is hereby appointed as an Non Executive Independent Director of the Company for term of 5 consecutive Years commencing from this Annual General Meeting till the conclusion of Annual General Meeting to be held in the calendar year 2019.”

5. Appointment of Mr. Virendra Kumar Bhandari as an Non Executive Independent Director

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

**“RESOLVED THAT** pursuant to provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 read with Appointment and Qualification of Directors Rules, 2014, Schedule IV of the Companies Act, 2013 and in terms of Clause 49 of the Listing Agreement, subject to the approval of Central Government, SEBI, Stock Exchange, Ministry of Corporate Affairs and Registrar of Companies required if any, Mr. Virendra Kumar Bhandari , DIN : 01741546, whose candidature has been proposed by a Member of the Company and the Company has obtained consent letter and declaration that he is not disqualified and is eligible to be appointed as an Independent Director of the Company, be and is hereby appointed as an Non Executive Independent Director of the Company for term of 5 consecutive Years commencing from this Annual General Meeting till the conclusion of Annual General Meeting to be held in the calendar year 2019.”

## **Annual Report 2013-2014**

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6. Appointment of Mr. Rishabh Jain as a Non Executive Independent Director

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

**“RESOLVED THAT** pursuant to provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 read with Appointment and Qualification of Directors Rules, 2014, Schedule IV of the Companies Act, 2013 and in terms of Clause 49 of the Listing Agreement, subject to the approval of Central Government, SEBI, Stock Exchange, Ministry of Corporate Affairs and Registrar of Companies required if any, Mr. Rishabh Jain , (DIN: 03439137) , whose candidature has been proposed by a Member of the Company and the Company has obtained consent letter and declaration that he is not disqualified and is eligible to be appointed as an Independent Director of the Company, be and is hereby appointed as an Non Executive Independent Director of the Company for term of 5 consecutive Years commencing from this Annual General Meeting till the conclusion of Annual General Meeting to be held in the calendar year 2019.”

7. Appointment of Mrs. Kala Mehta as a Non Executive Woman Director

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

**“RESOLVED THAT** pursuant to provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 read with Appointment and Qualification of Directors Rules, 2014, Schedule IV of the Companies Act, 2013 and in terms of Clause 49 of the Listing Agreement, subject to the approval of Central Government, SEBI, Stock Exchange, Ministry of Corporate Affairs and Registrar of Companies required if any, Mrs. Kala Mehta , (DIN : 00308065), whose candidature has been proposed by a Member of the Company and the Company has obtained consent letter and declaration that she is not disqualified and is eligible to be appointed as an Woman Director of the Company, be and is hereby appointed as a Non Executive Woman Director of the Company liable to retire by Rotation.”

8. Adoption of new set of Articles of Association:

To consider and if thought fit, to pass with or without modification(s), the following resolutions as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Act 2013 read with the Companies (Incorporation) Rules 2014, the draft Regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution and, to the entire exclusion of the Regulations contained in the existing Articles of Association of the Company.

**FURTHER RESOVED THAT** the Board of Directors of the Company (which term shall be deemed to include any Committee thereof, which the Board has constituted or hereinafter constitute) be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary and with power to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further approval of the members of the Company”

For and on behalf of the Board

Sd/-  
**D. S. Mehta**  
*Managing Director*  
DIN: 01575366

Place: Mumbai

Date: 6th September 2014

## **TWINSTAR INDUSTRIES LTD**

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

### **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. In case of joint holders attending the meeting, only such joint holder who is higher in order of names will be entitled to vote.
6. The members who hold shares in electronic form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number, in attendance slip for attending meeting.
7. The Register of Members and Share Transfer Books of the Company will remain closed from, Wednesday, September 24th, 2014 to Tuesday, September 30th, 2014 (both days inclusive).
8. Green Initiatives:

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 admin@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.

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

9. 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 NUMBER AS – ISIN No.- INE070B01013.
10. Members desirous of making nomination in terms of Section 72 of the Companies Act, 2013 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.

## Annual Report 2013-2014

11. The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>* Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</p> <p>* In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</p>
DOB#	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>* Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.</p>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

## **TWINSTAR INDUSTRIES LTD**

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

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- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - \* Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - \* They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - \* After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - \* The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - \* They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

### **In case of members receiving the physical copy:**

Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

- (A) The voting period begins on Wednesday, 24th September 2014 at 9:00 a.m. and ends on Friday 26th September 2014 at 5.00 p. m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 28th August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (B) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company.

## Annual Report 2013-2014

13. 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.
14. 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.
15. All the documents referred to in accompanying Notice are open for inspection at the registered office of the Company on all the working days, except Saturdays, Sundays, and holidays between 11.00 a.m. and 1.00 p.m. upto the date of Annual general Meeting.
16. Disclosures as per Clause 49 of the Listing Agreement for appointment /reappointment of Directors. Brief particulars of Directors being appointed/re-appointed as under:

Name	Brief Profile covering experience, achievements etc	Date of Birth	Shares held in the Company	Directorships held in other companies (excluding section 25 and foreign companies) as on 31st March, 2014	Memberships of committees across companies (includes only Audit & Shareholders'/ Investors' Grievance Committee)	Relationship between directors inter-se
Mr. Kailash Mehta	Commerce Graduate 27 years of Industry Experience	25/06/1952	9,80,100	3	3	Brother of Managing Director Mr. Daulat Mehta
Mr. Nirmal Jain	Bachelor in Commerce. 22 years of Industry Experience	01/09/1959	Nil	1	1	Nil
Mr. Rishabh Jain	Arts Graduate 5years of Industry Experience	02/05/1982	Nil	3	Nil	Nil
Mr. Virendra Kumar Bhandari	B.E. 40 years of Industry Experience	26/08/1945	Nil	4	Nil	Nil
Mrs. Kala Mehta	Arts Graduate 20 years of Industry Experience	22/01/1964	14,71,800	3	Nil	Spouse of Managing Director Mr. Daulat Mehta



## **TWINSTAR INDUSTRIES LTD**

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

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### **EXPLANATORY STATEMENT**

#### **Item No: 4, 5 & 6**

##### **Appointment of Non Executive Independent Directors**

Pursuant to Section 149 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, Schedule IV of the Companies Act, 2013, every listed public Company is required to have atleast one third of the Total number of Directors as an Independent Directors to be appointed for a period of 5 consecutive years and who shall not be liable to retire by rotation.

The Company has received notices in writing under Section 160 of the Companies Act, 2013 from a member proposing the candidature of Mr. Nirmal Jain, Mr. Rishabh Jain, and Mr. Virendra Kumar Bhandari for the office of Director.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Nirmal Jain, Mr. Rishabh Jain, and Mr. Virendra Kumar being eligible and have offered themselves for appointment.

In the opinion of the Board, they fulfill the conditions specified in the Companies Act, 2013 and rules made there under for their appointment as an Independent Director of the Company.

It is proposed to appoint Mr. Nirmal Jain, Mr. Rishabh Jain, and Mr. Virendra Kumar as Independent Directors as per the aforesaid provisions of the Companies Act 2013. Accordingly the Board recommends resolution No(s). 4 to 6 as set forth in the Notice of Annual General Meeting to be passed as Ordinary resolution(s).

Mr. Nirmal Jain, Mr. Rishabh Jain, and Mr. Virendra Kumar shall be deemed to be interested in the resolutions of their respective appointment.

None of the other Directors or Key Managerial persons or their Relatives are directly or indirectly interested in the said resolution.

#### **Item No. 7**

Pursuant to Section 149 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, Schedule IV of the Companies Act, 2013, every listed public Company is required to have atleast one women Director who shall be liable to retire by rotation.

The Company has received notices in writing under Section 160 of the Companies Act, 2013 from a member proposing the candidature of Mrs. Kala Mehta for the office of Director.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mrs. Kala Mehta (DIN: 00308065) is eligible and has offered herself for appointment.

In the opinion of the Board, Mrs. Kala Mehta (DIN: 00308065) fulfills the conditions specified in the Companies Act, 2013 and rules made there under for her appointment as a Non Executive Women Director of the Company.

It is proposed to appoint Mrs. Kala Mehta (DIN: 00308065) as Non Executive Women Directors as per the aforesaid provisions of the Companies Act 2013. Accordingly the Board recommends resolution No. 7 as set forth in the Notice of Annual General Meeting to be passed as Ordinary resolution.

Mrs. Kala Mehta (DIN: 00308065) shall be deemed to be interested in the resolution.

None of the other Directors or Key Managerial persons or their Relatives except (DIN: 01575366) and Mr. Kailash Mehta (DIN: 01741399) are directly or indirectly interested in the said resolution.

#### **Item No. 8**

##### **Adoption of new set of Articles of Association**

The Current Articles of Association of the Company are in accordance with the provisions of Companies Act,

## ***Annual Report 2013-2014***

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1956, amendments, enactments, rules and regulations made thereunder.

Consequent to commencement of New Companies Act, 2013 effective from 01st April, 2014, it is necessary for the Company to make necessary amendments to its current set of Articles of Association to bring them in line with the provisions of Companies Act, 2013 and rules made thereunder.

Pursuant to the same the Board of Directors recommend to substitute the current Articles of Association and Adopt new set of Articles of Association which is based on "Table F" of Schedule I of the Companies Act, 2013.

The proposed Articles are available for inspection at the registered office of the Company between on all the working days, except Saturdays, Sundays and holidays between 11.00 a.m. and 1.00 p.m.

The Board recommends resolution No. 8 as set forth in the Notice of Annual General Meeting to be passed as Special resolution.

None of the Directors or KMP's of the Company or their relatives are directly or indirectly interested in the said resolution except to the extent of their Shareholding in the Company.

For and on behalf of the Board

Sd/-

**D. S. Mehta**  
*Managing Director*  
DIN: 01575366

Place: Mumbai

Date: 6th September 2014

## **TWINSTAR INDUSTRIES LTD**

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

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### **DIRECTORS REPORT**

To,  
The Members  
**Twinstar Industries Limited**

Your Directors present herewith their Twentieth Annual Report and Audited Accounts for the year ended 31st March, 2014.

### **FINANCIAL RESULTS:**

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

<b>Particulars</b>	<b>2013-14 (Rs. in Lacs)</b>	<b>2012-13 (Rs. in Lacs)</b>
Sales and Services	7142.40	5181.63
Other Income	5.62	19.40
Profit/(Loss) before interest and depreciation	134.35	107.096
Less: Financial Expenses	38.81	9.76
Less: Depreciation	43.35	28.91
Net Profit/ (Loss) before Tax	52.19	68.41
Net Profit/ (Loss) after Income Tax	42.19	57.17

### **OPERATIONS AND OVERALL PERFORMANCES:**

During the year the total profits before tax of the Company is Rs. 52.19 Lacs against Rs. 68.41 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 31.03.2014.

### **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.

### **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.

### **DIRECTORS**

During the year under review, there were no changes in the Composition of Board of Directors:

In the forthcoming Annual General Meeting of the Company it is proposed to reappoint Mr. Kailash Mehta (DIN: 01741399) as a Director who retires by rotation and being eligible offers himself for reappointment.

## Annual Report 2013-2014

In the forthcoming Annual General Meeting of the Company it is proposed to appoint Mr. Rishabh Jain (DIN: 03439137), Mr. Nirmal Jain (DIN 01506352), Mr. Virendra Kumar Bhandari (DIN 01741546) as a Non Executive Independent Director for the term of 5 Years under the provisions of Section 149 of Companies Act 2013 and pursuant to clause 49 of the Listing Agreement.

In the forthcoming Annual General Meeting of the Company it is proposed to appoint Mrs. Kala Mehta (DIN: 00308065) as Woman Director of the Company liable to retire by rotation under the provisions of Section 149 of Companies Act 2013

### 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 : ₹ 67,21,151  
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.

Yours Director's 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

Sd/-

**D. S. Mehta**  
Managing Director  
DIN: 01575366

Place: Mumbai  
Date: 14th August 2014

## **TWINSTAR INDUSTRIES LTD**

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### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

#### **Industry Structure and Development:**

The Company is currently operating in various sectors like I.T business and services, dealing and trading in cotton, steel, yarn, chemicals and electronic items according to the market scenario of the various products.

#### **Industry Outlook:**

Currently Company is focusing on IT Industries and related activities which are very much in demand not only in India but also throughout the World. The Board of Directors of the Company are very confident about the future prospects of the Company in the IT industry.

#### **Opportunity and Threats:**

The Board of Directors are exploring the possibilities of earning revenue for the Company through entering into BPO services by making use of the large infrastructure of the Company at Navi Mumbai.

#### **Future Outlook:**

Due to the presence of the Company in various industries and the willingness of the Board of Directors of the Company to keep on exploring various opportunities the future of the Company is promising and growth centered.

#### **Operational and Financial Performance:**

The summarized performance of Twinstar Industries was as under:

	(Rs. in Lacs)	
	<b>2013-14</b>	<b>2012-13</b>
Revenue from Operations	7142.40	5181.63
Others	5.63	19.40
Profit before Tax	52.19	68.41

#### **Human Resources and Industrial Relations:**

The Company has appropriate policies in place for recruitment, training, skill development and compensation for its workmen, employees and staff. The Company makes an effort to keep on building good relationship with its associates, competitors and all the stakeholders in the various industries wherein it operates.

#### **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 Audit Committee of the Board.

**For Twinstar Industries Limited**

Sd/-  
*D.S. Mehta*  
Managing Director  
DIN: 01575366

Place: Mumbai  
Date: 14th August 2014

## Annual Report 2013-2014

### REPORT ON CORPORATE GOVERNANCE

#### 1. 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.

#### 2. BOARD OF DIRECTORS

##### CATEGORY OF DIRECTORS

##### Composition

The Board 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. Daulat.S. Mehta	Promoter, Executive Director	4	Nil	Nil
2.	Mr. Kailash Mehta	Promoter, Non Executive Director	1	Nil	Nil
3.	Mr. Yogesh Wadhvana	Independent, Non Executive Director	14	Nil	Nil
4.	Mr. Nirmal Jain	Independent, Non Executive Director	2	Nil	Nil

##### Attendance:

During the year under review, 7 (Seven) Board Meeting were held. The dates on which the meetings were held were as follows:-

4th April 2013, 29th May 2013, 4th July 2013, 8th August 2013, 14th August 2013, 14th November 2013, 11th February 2014.

Attendance record of the participating Directors for the year ended 31.03.2014 are as follows:

Sr. No.	Name Of The Directors	Meetings held during the tenure of the Director from 01/04/2013 to 31/03/2014	No of Meetings attended	Attendance at the last AGM
1.	Mr. Daulat .S. Mehta	7	7	Yes
2.	Mr. Kailash Mehta	7	7	Yes
3.	Mr. Yogesh Wadhvana	7	7	No
4.	Mr. Nirmal Jain	7	7	No

##### Change in Directors:

During the year under review, there were no changes in the Composition of Board of Directors:

In the forthcoming Annual General Meeting of the Company it is proposed to reappoint Mr. Kailash Mehta (DIN: 01741399) as a Director who retires by rotation and being eligible offers himself for reappointment.

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In the forthcoming Annual General Meeting of the Company it is proposed to appoint Mr. Rishabh Jain (DIN: 03439137), Mr. Nirmal Jain (DIN 01506352), Mr. Virendra Kumar Bhandari (DIN 01741546) as a Non Executive Independent Director for the term of 5 Years under the provisions of Section 149 of Companies Act 2013 and pursuant to clause 49 of the Listing Agreement.

In the forthcoming Annual General Meeting of the Company it is proposed to appoint Mrs. Kala Mehta (DIN: 00308065) as Woman Director of the Company liable to retire by rotation under the provisions of Section 149 of Companies Act 2013

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

The Board discharges the duties, responsibilities as required under the applicable statute (s) including the Companies Act, 1956, Companies Act 2013 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 2013-14, no commission was paid to any director of the Company.

### **3. BOARD COMMITTEES:**

#### **(A) AUDIT COMMITTEE:**

The Constitution and terms of reference of the committee are in compliance with the requirements of section 177 of the Companies Act, 2013 and Clause 49 of Listing Agreement. 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	4	4
Mr. Kailash Mehta	Promoter, Non Executive Director	4	4
Mr. Yogesh Wadhvana	Independent Non Executive Director	4	4

In the financial year 2013-14, the Audit Committee duly met 4 times on 27.05.2013, 05.08.2013, 12.08.2013 & 11.11.2013 . The necessary quorum was present for all the meetings.

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.

#### **B) STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Company has a Stakeholders Relationship Committee of Directors to look into the redressal of complaints of Investors such as transfer or credit of shares, non-receipt of dividend/notices/annual reports, etc. The nomenclature of Shareholders and Investor Grievance Committee of Board was changed to Stakeholders Relationship Committee and the roles have been widened to get in line with the provisions of Companies Act, 2013 and the new amended Clause 49 of the Listing Agreement effective from 1st October, 2014 in the Board Meeting held on 14th August, 2014.

## Annual Report 2013-2014

In the financial year 2013-14, the Share Transfer & Investor Grievance Committee duly met Two times on 08.08.2013 and 11.02.2014 The Composition of the Stakeholders Relationship 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	2	2
Mr. Kailash Mehta	Promoter, Non Executive Director	2	2
Mr. Yogesh Wadhwa	Independent Non Executive Director	2	2

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.

No complaints were pending as on 31st March 2014.

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) NOMINATION AND REMUNERATION COMMITTEE

The Company has a Nomination & Remuneration Committee of Directors. The nomenclature of Remuneration Committee of Board was changed to Nomination and Remuneration Committee and the roles were widened to comply with the provisions of Companies Act, 2013 and the new amended Clause 49 of the Listing Agreement effective from 1st October, 2014 at the Board Meeting held on 14th August, 2014.

The Constitution and terms of reference of the committee are in compliance with the provisions of the Companies Act, 2013 and Clause 49 of Listing Agreement. The Composition of the Nomination and Remuneration Committee and the details of meetings attended by the members of the Nomination and Remuneration Committee are given below

In the financial year 2013-14, the Nomination and Remuneration Committee met once on 08.08.2013

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

The broad terms of reference of the Nomination & Remuneration Committee are as under:

To approve the annual remuneration plan of the Company;

To approve the remuneration and commission/incentive remuneration payable to the Managing Director and Whole Time Director for each financial year;

To approve the remuneration and annual performance bonus payable to the Chief Financial Officer and the Executive Vice Presidents of the Company for each financial year;

Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend/approve.



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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.

#### **4. 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. 618000/- by way of Salary and Remuneration.

#### **5. GENERAL BODY MEETING:**

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

<b>Year</b>	<b>Venue</b>	<b>Date</b>	<b>Time</b>
2013	Plot No. EL-178, Mahape, Navi Mumbai.	30.09.2013	09.00 a.m.
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.

No Special Resolution was passed during last three AGMs held.

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

#### **5. DISCLOSURES:**

- \* 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.

#### **6. 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.

#### **9. CODE OF CONDUCT**

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

## Annual Report 2013-2014

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 2014.

### 10. SHAREHOLDERS INFORMATION

#### i. Annual General Meeting

The Annual General Meeting of the Company for the year ended 31st March 2014 will be held at Plot No. EL-178, TTC MIDC Indl. Area, Mahape, Navi Mumbai - 400 701 on Tuesday, 30th September 2014 at 09:00 a.m.

#### ii. Financial Calendar for 2014-2015 (Provisional)

1	Results for the Quarter ended 30th June 2014	By 15th August 2014
2	Results for the Quarter ended 30th September 2014	By 15th November 2014
3	Results for the Quarter ended 31st December 2014	By 15th February 2015
4	Results for the Year ended 31st March 2015	By end of May 2015
5	Annual general Meeting for the year ended 31st March 2015	By end of September 2015

#### 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 to the above registers/books would be closed from Wednesday, 24th September 2014 to Wednesday, 30th September 2014 (both days inclusive) and was notified accordingly.

#### iv. Dematerialization of Shares:

The equity shares of the Company are available for dematerialization 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 31.03.2014 is 92.81%

#### v. Dividend Payment:

No dividend has been recommended for the year 2013-2014.

#### vi. 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:

<b>Month</b>	<b>High</b>	<b>Low</b>
April 2013	1.31	0.91
May 2013	1.19	0.92
June 2013	1.27	0.96
July 2013	1.40	0.87
August 2013	1.00	0.85
September 2013	1.21	0.85
October 2013	1.18	0.97
November 2013	1.36	1.00
December 2013	1.40	1.05
January 2014	1.71	1.13
February 2014	1.71	1.40
March 2014	1.57	0.96

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 2014 is as follows:**

<b>No. of Shares held value</b>	<b>No. of Shareholders</b>		<b>Share Amount</b>	
	<b>Total</b>	<b>% of Total</b>	<b>Total</b>	<b>% of Total</b>
Up to -5000	8012	74.14%	16273120	7.23%
5001-10000	1349	12.48%	11820360	5.25%
10001-20000	623	5.76%	10239300	4.55%
20001-30000	208	1.92%	5387670	2.39%
30001-40000	99	0.92%	3599870	1.60%
40001-50000	139	1.29%	6804530	3.02%
50001-100000	189	1.75%	14714870	6.54%
100001 and above	188	1.74%	156160280	69.40%
<b>Total</b>	<b>10807</b>	<b>100.00%</b>	<b>225000000</b>	<b>100.00%</b>

## Annual Report 2013-2014

### 14. Shareholding Pattern of the Company as on 31st March 2014 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	3452618	15.34%
Individuals shareholders holding nominal share Capital in excess of Rs. 1 Lakh	5208757	23.15%
3 Any others ( Specify)		
Non Resident Indians	563669	2.51%
Clearing Members	32091	0.14%
Sub Total	16454250	73.13%
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**

Sd/-  
**D. S. Mehta**  
Managing Director  
DIN: 01575366

Place: Mumbai  
Date: 14th August 2014

## **TWINSTAR INDUSTRIES LTD**

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

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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

**For, Twinstar Industries Limited**

Place: Mumbai  
Date: 14th August 2014

Sd/-  
D. S. Mehta  
Managing Director  
DIN: 01575366

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### **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, 2014, 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 Listing Agreement, except for the following:

- 1) The Company has not appointed Company Secretary in whole time employment to act as a secretary of Audit Committee.
- 2) The Company does not has a working website

We state that no investor grievance is pending as at 31st March, 2014, 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: 14th August 2014

Sd/-  
**(N.K. JALAN)**  
*Proprietor*

## Annual Report 2013-2014

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### INDEPENDENT AUDITOR'S REPORT

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

#### Report on the Financial Statements

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, 2014, the statement of Profit and Loss and Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management Responsibility for the Financial Statement's

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 flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. These responsibilities includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

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 the 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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give

a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (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 Statement, of the cash flows of the Company 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 ₹ 31,87,036 as at 31st March 2014. These financial statements of subsidiary are not audited. The consolidation has been done based on management certified financial statement as on 31st March 2014.

#### Report on other Legal and Regulatory Requirement

1. 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.
2. 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;

## **TWINSTAR INDUSTRIES LTD**

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

- (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, 2014 and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March 2014, 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: 28.05.2014

**(N.K. JALAN)**  
**PROPRIETOR**  
Membership No. 011878

### **ANNEXURE TO THE AUDITORS REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. In respect of fixed assets:
  - (a) The Company has maintained proper records showing full particular including quantitative details and situation of fixed assets, however no separate fixed asset register is available.
  - (b) The fixed assets are physically verified by the management according to a phased program designed to cover all the items over a period, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, a portion of the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such physical verification. However no written report is available.
  - (c) During the year, the company has not disposed off the plant and machinery.
2.
  - (a) The inventory has been physical verified by management during the year. In our opinion, the frequency of verification is reasonable.
  - (b) In our opinion, 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) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3.
  - (a) The 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 ₹ 7,68,11,613/- and the year-end balance is ₹ 4,38,38,613/-.
  - (b) In our opinion, the terms and conditions of loans given by the company except for the charging of interest, are prima facie, not prejudicial, to the interest of the company.
  - (c) In our opinion, the company is regular in receipt of principal amount as stipulated.
  - (d) In our opinion, reasonable steps have been taken by the company for recovery of principal amount but not for the interest.
  - (e) The Company has not taken any loan from party covered in the register maintained under section 301 of the Companies Act, 1956. Hence provisions of sub clause (e), (f) and (g) of Clause (iii) of paragraph 4 of the Order are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5.
  - (a) According to the information and 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 entered in the register maintained under section 301 of the companies Act, 1956 exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

## **Annual Report 2013-2014**

6. The company has not accepted any deposits from the public of the nature which attracts the provisions of sections 58A and 58AA of the Companies Act, 1956 and the rules made there under. Therefore, the provisions of clause (vi) of paragraph 4 of the Order are not applicable to the Company.
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. As per the information and explanations given to us, in respect of the class of industry in which the Company falls, the maintenance of cost records has not been prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956. Therefore, the provisions of clause (vii) of paragraph 4 of the Order are not applicable to the Company.
9. (a) The company is regular in depositing with appropriate authority undisputed statutory dues including provident fund, income tax, sales tax, service tax, and other statutory dues applicable to it except in certain cases where there were minor delays in payment of TDS. Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.  
(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 ₹ 22,82,930 as at 31st March, 2014 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 and there are no accumulated losses at the end of the financial year. The company has not incurred cash losses during the financial year under review and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to bank / financial institutions.
12. The company has not granted any advances in the nature of loans on the basis of Security by way of pledge of shares or other securities. Therefore, the provisions of clause (xii) of paragraph 4 of the Order are not applicable to the Company.
13. The Company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, provisions of sub clause (a), (b), (c) and (d) of clause (xiii) of paragraph 4 of the order are not applicable to the Company.
14. As per information & explanations given to us, proper records have been maintained of the transactions & contracts and other investments. All shares instruments and other investments have been held by the company in its own name.
15. In our opinion and according to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions. Therefore, the provisions of clause (xv) paragraph 4 of the Order are not applicable to the Company.
16. According to the information & explanation given to us, the term loan taken by the company have been applied for the purpose for which they have been obtained.
17. According to the information 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.
18. The company has not made preferential allotment of shares to parties and companies covered in the registered maintained under section 301 of the companies Act, 1956. Therefore, the provisions of clause (xviii) of paragraph 4 of the order are not applicable to Company.
19. The company has not issued any debentures during the year. Therefore, the provisions of clause (xix) of paragraph 4 of the order are not applicable to the Company.
20. The company has not raised any money through a public issue during the year. Therefore, the provisions of clause (xx) of paragraph 4 of the order are not applicable to the company.
21. To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

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

PLACE: MUMBAI  
DATED: 28.05.2014

**(N.K. JALAN)**  
*PROPRIETOR*  
Membership No. 011878



**TWINSTAR INDUSTRIES LTD**

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

**Balance Sheet as at 31st March, 2014**

Particulars	Note No.	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2	224,602,360	224,602,360
(b) Reserves and surplus	3	3,377,619	864,271
<b>2 Non-current liabilities</b>			
(a) Long term Borrowings	4	1,493,609	-
(b) Deferred tax liability(Net)	12	557,302	-
(c) Other Non Current Laibilities	5	18,500,000	-
<b>3 Current liabilities</b>			
(a) Trade payables	6	56,504,665	12,351,168
(b) Short term Borrowings	7	37,818,663	7,597,071
(c) Other current liabilities	8	3,054,434	3,331,354
(d) Short term Provisions	9	2,133,500	1,125,000
<b>TOTAL</b>		<u>348,042,152</u>	<u>249,871,223</u>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10	75,319,474	31,546,364
(b) Non - Current Investments	11	68,694,500	91,094,500
(c) Deferred tax assets (net)	12	-	1,148,745
(d) Long-term loans and advances	13	46,888,613	76,436,613
(e) Other Non Current Assets	14	699,696	699,696
<b>Current assets</b>			
(a) Trade receivables	15	142,408,113	48,200,662
(b) Cash and cash equivalents	16	3,407,804	556,926
(c) Short-term loans and advances	17	10,623,952	187,718
Notes To Balance Sheet and Statement Of Profit and Loss 1 to 23			
<b>TOTAL</b>		<u>348,042,152</u>	<u>249,871,223</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. 011878

Place : Mumbai  
 Date : 28.05.2014

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

**D.S. Mehta**  
 Director  
 DIN:0157366

**K.S. Mehta**  
 Director  
 DIN:01741399

## Annual Report 2013-2014

### Statement of Profit & Loss For the year ended 31st March, 2014

Particulars	Note No.	For the year ended 31 March, 2014 ₹	For the year ended 31 March, 2013 ₹
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from operations (gross)	18	714,240,478	518,163,602
Less: Excise duty		-	-
Revenue from operations (net)		714,240,478	518,163,602
2 Other income	19	562,588	1,940,691
<b>3 Total revenue (1+2)</b>		<b>714,803,066</b>	<b>520,104,293</b>
<b>4 Expenses</b>			
(a) Purchases of stock-in-trade	20	696,173,087	507,245,139
(b) Employee benefits expense	21	2,341,451	912,177
(c) Depreciation and amortisation expense	10	4,334,771	2,890,970
(d) Financial expenses	22	3,881,079	976,746
(e) Other expenses	23	2,853,282	1,237,301
<b>Total expenses</b>		<b>709,583,670</b>	<b>513,262,333</b>
<b>5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		<b>5,219,396</b>	<b>6,841,960</b>
<b>6 Tax expense:</b>			
(a) Current tax expense for current year		1,000,000	1,125,000
(b) Tax Adjustment relating to prior years		-	-
(c) Net current tax expense		-	-
(d) Deferred tax Asset / (Liability)		-1,706,047	4,594,110
7 Profit / (Loss) from continuing operations		2,513,349	1,122,850
8 Profit / (Loss) for the year		2,513,349	1,122,850
9.i Earnings per share (of ₹ 10/- each):			
(a) Basic			
(i) Continuing operations		0.19	0.30
(ii) Total operations		0.19	0.30
(b) Diluted			
(i) Continuing operations		0.19	0.30
(ii) Total operations		0.19	0.30
9.ii Earnings per share (excluding extraordinary items) (of ₹ 10/- each):			
(a) Basic			
(i) Continuing operations		0.19	0.30
(ii) Total operations		0.19	0.30
(b) Diluted			
(i) Continuing operations		0.19	0.30
(ii) Total operations		0.19	0.30

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

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

**CAN K JALAN**  
 PROPRIETOR  
 Mem. No. 011878

**D.S. Mehta**  
 Director  
 DIN:0157366

**K.S. Mehta**  
 Director  
 DIN:01741399

Place : Mumbai  
 Date : 28.05.2014

## TWINSTAR INDUSTRIES LTD

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

### 2. Share capital

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares	₹	Number of shares	₹
<b>(a) Authorised</b>				
Equity shares of ₹ 10 each	22,500,000	225,000,000	22,500,000	225,000,000
<b>(b) Issued #</b>				
Equity shares of ₹ 10 each	22,460,236	224,602,360	22,460,236	224,602,360
<b>(c) Subscribed and fully paid up</b>				
Equity shares of ₹ 10 each	22,460,236	224,602,360	22,460,236	224,602,360
<b>Total</b>	<b>22,460,236</b>	<b>224,602,360</b>	<b>22,460,236</b>	<b>224,602,360</b>

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

Class of shares / Name of shareholder	As at 31 March, 2014		As at 31 March, 2013	
	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 S. 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 Rs. 10/- each holder of equity shares is entitled to one vote per share.

### 3. Reserves and surplus

Particulars	As at	As at
	31 March, 2014	31 March, 2013
	₹	₹
(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	-18,972,729	-20,095,579
Add: Profit / (Loss) for the year	2,513,349	1,122,850
Amounts transferred from:		
General reserve	-	-
Other reserves (give details)	-	-
Closing balance	-16,459,381	-18,972,729
<b>Total</b>	<b>3,377,619</b>	<b>864,271</b>

## Annual Report 2013-2014

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
<b>4. Long term Borrowings</b>		
Secured :		
Car Loan (Secured against the Car)	1,493,609	-
<b>Total</b>	<b>1,493,609</b>	<b>-</b>
<b>5. Other Non Current Liabilities</b>		
Factory Deposit	18,500,000	-
<b>Total</b>	<b>18,500,000</b>	<b>-</b>
<b>6. Trade payables</b>		
Trade payables	56,504,665	12,351,168
<b>Total</b>	<b>56,504,665</b>	<b>12,351,168</b>
Balance of Creditors are subject to confirmation and/or Reconciliation/consequential adjustments if any.		
<b>7. Short Term Borrowings</b>		
Secured :		
Bank O/d	37,539,723	-
Car Loan (Secured against Car)	278,940	598,228
Bank CC Ilmit	-	6,998,843
<b>Total</b>	<b>37,818,663</b>	<b>7,597,071</b>
Loan from Bank is secured against :		
1) Hypothecation of Stock & Debtors		
2) Personal Guarantee of Mr. Daulat Mehta and Mr. Kailash Mehta, directors of company		
3) Mortgage of Property situated at 178, Electronic Road, MIDC Industrial Area, Navi Mumbai - 400 701.		
<b>8. Other current liabilities</b>		
Sales Tax & Withholding Taxes Payable	2,684,810	2,495,753
Liability for expenses	369,624	835,601
<b>Total</b>	<b>3,054,434</b>	<b>3,331,354</b>
There is no contingent liability outstanding as on 31st march 2014		
<b>9. Short Term Provisions</b>		
Provision for Tax	2,125,000	1,125,000
Provision for electricity expenses	8,500	-
<b>Total</b>	<b>2,133,500</b>	<b>1,125,000</b>

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

**10. Fixed assets**

Tangible assets	Gross block				Accumulated depreciation and impairment				Net block		
	Balance as at 1 April, 2013	Additions	Disposals	Other adjustments	Balance as at 31 March, 2014	Balance as at 1 April, 2013	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2014	Balance as at 31 March, 2014	Balance as at 31 March, 2013
(a) Land Leasehold	5,013,214	-	-	-	5,013,214	-	-	-	-	5,013,214	5,013,214
(b) Buildings Ownuse	24,041,752	14,741,689	-	-	38,783,441	7,799,397	1,018,747	-	8,818,144	29,965,297	16,242,355
(c) Furniture & Fixtures Owned	6,919,291	2,610,000	-	-	9,529,291	6,300,803	552,637	-	6,853,440	2,675,851	618,488
(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	100,300	-	-	640,619	379,372	28,538	-	407,910	232,709	160,947
(g) Diesel Generating Set Owned	376,578	-	-	376,578	286,584	17,887	-	304,471	72,107	89,994	-
(h) UPS System Owned	1,019,340	500,000	-	-	1,519,340	672,659	48,809	-	721,468	797,872	346,681
(i) Air Conditioner Owned	1,134,568	86,639	-	-	1,221,207	666,271	54,951	-	721,222	499,985	468,297
(j) Electric Installation Owned	2,219,205	881,935	-	-	3,101,140	1,197,024	130,113	-	1,327,137	1,774,003	1,022,181
(k) Computer & Hardware Owned	8,969,128	27,546,834	-	-	36,515,962	2,177,282	2,242,272	-	4,419,554	32,096,408	6,791,846
(l) LCD TV Owned	34,990	-	-	34,990	-	34,990	-	34,990	-	34,990	-
(m) Motor Cars Owned	800,275	1,640,485	-	-	2,440,760	42,904	205,827	248,731	2,192,029	757,371	-
<b>Total</b>	<b>160,806,643</b>	<b>48,107,882</b>	<b>-</b>	<b>-</b>	<b>206,473,765</b>	<b>129,217,355</b>	<b>4,334,771</b>	<b>-</b>	<b>133,955,000</b>	<b>75,319,474</b>	<b>31,546,364</b>
Previous year	143,979,022	-	-	-	143,979,022	123,347,855	1,510,726	-	124,858,581	31,546,364	20,631,167

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

**11. Non Current investments**

Particulars	As at 31 March, 2014			As at 31 March, 2013		
	Quoted ₹	Unquoted ₹	Total ₹	Quoted ₹	Unquoted ₹	Total ₹
Investment in equity instruments (give details separately for fully / partly paid up instruments)						
(i) of subsidiaries	-	3,994,500	3,994,500	-	3,994,500	3,994,500
(ii) of associates	-	-	-	-	-	-
Originate technologies Limited (2,00,0000 equity shares of Rs. 20/- each, fully paid)	-	-	-	-	40,000,000	40,000,000
(iii) of joint venture companies	-	-	-	-	-	-
(iv) of controlled special purpose entities	-	-	-	-	-	-
(v) of other entities (give details)	-	-	-	-	-	-
N.M.Gems Gold Pvt. Ltd. (40,000 equity shares of Rs. 250 each, fully paid)	-	10,200,000	10,200,000	-	-	-
R Vision India Pvt Ltd.	-	7,400,000	7,400,000	-	-	-
Wing Infrastructure Engineers Pvt. Ltd. (94,200 (94,200)equity shares of Rs. 500 each, fully paid)	-	47,100,000	47,100,000	-	47,100,000	47,100,000
<b>TOTAL</b>	<b>-</b>	<b>68,694,500</b>	<b>68,694,500</b>	<b>-</b>	<b>91,094,500</b>	<b>91,094,500</b>

## Annual Report 2013-2014

### 12. 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, 2014 ₹	As at 31 March, 2013 ₹
(A)		
(a) WDV As Per Companies Act	75,319,474	31,546,364
(b) WDV As Per Income Tax Act	52,061,463	17,090,743
Difference	23,258,011	14,455,621
Deferred Tax Laibility @ 30.9%	7,186,725	4,466,787
(B)		
Total Closing Business Loss	50,012,643	41,452,987
Deferred Tax Asset @ 11.845% (Difference Between IT Rate & MAT)	5,923,998	4,910,106
(C)		
Sec 43B Timing difference (Property Tax)	2,282,930	2,282,930
Deferred Tax Asset @ 30.9%	705,425	705,425
Net Deferred Tax Asset/(Liability)	-557,302	1,148,745
Less: Opening Deferred tax Assets Recognized in Balance Sheet	1,148,745	5,742,855
Recognized in Profit & Loss Account	-557,302	1,148,745
	1,706,047	4,594,110
<b>13. Long Term Loans &amp; Advances</b>		
Other Loans & Advances	46,888,613	76,436,613
<b>Total</b>	<b>46,888,613</b>	<b>76,436,613</b>
<b>14. Other Non Current Assets</b>		
Bank Guarantee	161,442	161,442
Deposits	538,254	538,254
<b>Total</b>	<b>699,696</b>	<b>699,696</b>

**TWINSTAR INDUSTRIES LTD**

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
<b>15. Trade Receivable</b>		
Debts outstanding for a period exceeding six months Unsecured, considered good	17,916,358	
Other Trade receivables Unsecured, considered good	124,491,755	48,200,662
Less: Provision for doubtful trade receivables	-	-
<b>Total</b>	<b>142,408,113</b>	<b>48,200,662</b>
Balance of Debtors are subject to confirmation and/or Reconciliation/consequential adjustments if any.		
<b>16. Cash and cash equivalents</b>		
(a) Cash on hand	553,670	463,240
(b) Balances with banks		
(i) In current accounts		
Axis Bank	1,851,998	74,480
Oriental Bank of Commerce	-	
Union Bank Of India	1,002,136	19,205
<b>Total</b>	<b>3,407,804</b>	<b>556,926</b>
<b>17. Short-term loans and advances</b>		
(A) Advance recoverable in cash or in kind or for value to be received	92,000	130,192
(B) Payment of Taxes	686,033	57,526
(C) Other Loan and Advances	9,845,919	
Less: Provision for other doubtful loans and advances	-	
<b>Total</b>	<b>10,623,952</b>	<b>187,718</b>
Balance of Loans and Advances are subject to confirmation and/or Reconciliation/consequential adjustments if any.		

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Particulars	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
<b>18. Revenue from operations</b>		
Sale of products @ (Refer Note (i) below)	714,240,478	518,163,602
Less:		
Excise duty		
<b>Total</b>	<b>714,240,478</b>	<b>518,163,602</b>
Note (i)		
Traded goods		
Steel, Cotton , Cotton Coated Fabrics & Chemicals (Taxable)	681,437,898	355,548,388
Cotton & Cotton Coated Fabrics (Non Taxable)	26,081,429	157,105,588
IT Product Sales ( Export Sales)	6,721,151	5,509,625
<b>Total - Sale of Traded Goods</b>	<b>714,240,478</b>	<b>518,163,602</b>
<b>19. Other income</b>		
Interest Income	536,146	590,691
Profit on Sale of Investments	-	1,350,000
Sundry Balance written off	26,442	
	<b>562,588</b>	<b>1,940,691</b>
<b>20. Purchase of traded goods</b>		
Purchase	696,173,087	507,245,139
<b>Total</b>	<b>696,173,087</b>	<b>507,245,139</b>
<b>21. Employee benefit expense</b>		
Salaries and wages	1,684,053	549,499
Director's Remuneration	618,000	300,000
Staff Welfare Expenses	20,098	32,038
Staff Travelling Expenses	19,300	30,640
<b>Total</b>	<b>2,341,451</b>	<b>912,177</b>



**TWINSTAR INDUSTRIES LTD**

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

Particulars	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
<b>22. Finance Charges</b>		
Interest On CC Limit	3,418,432	-
Loan Processing Charges	268,200	944,850
Interest on Car Loan	194,447	31,896
<b>Total</b>	<b>3,881,079</b>	<b>976,746</b>
<b>23. Other expenses</b>		
Accounting Charges	51,000	
Audit Fees	101,124	89,888
Bank Charges	72,179	65,356
Courier Charges	2,580	
Electricity Expenses	352,911	77,361
Entertainment Expenses	181,138	72,530
Listing Fees	125,460	-
Internat Charges	12,640	-
Service Tax	8,709	-
Insurance Charges	35,134	
Miscellaneous Expenses	53,337	4,563
Foreign exchange loss	109,961	
Motor Car Driver Salary	-	120,000
Motor Car Petrol Expenses	16,149	49,149
Repair & Maintance	25,870	77,085
Office Expenses	60,129	9,923
Office Rent	155,000	115,000
Transport Charges	351,355	
Printing and stationery	28,054	
Profession Fees	465,610	151,007
Professional Tax	2,500	-
Register & Transfer Charges	84,816	79,104
Software development Charges	28,130	-
ROC Expenses	29,819	5,000
Security Charges	76,000	150,000
Telephone Expenses	8,958	27,804
Travelling Charges	477,748	50,405
Water Charges	18,605	11,491
<b>Total</b>	<b>2,853,282</b>	<b>1,237,301</b>
Notes:		
(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	33,708	22,472
<b>Total</b>	<b>101,124</b>	<b>89,888</b>

## Annual Report 2013-2014

### 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 various sectors like I.T business and services, dealing and trading in cotton, steel, yarn, chemicals and electronic items according to the market scenario of the various products

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

Sd/-  
**(N.K.JALAN)**  
PROPRIETOR

Place: Mumbai.  
Dated: 6th September 2014

FOR AND ON BEHALF OF THE BOARD

Sd/-  
**Kailash .S.Mehta**  
Director  
DIN: 01741399

Sd/-  
**Daulat Mehta**  
Managing Director  
DIN: 01575366

**TWINSTAR INDUSTRIES LTD**

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

Cash Flow Statement for the year ended 31st March, 2014

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	5,219,396	6,841,958
Adjustments to reconcile profit before tax to cash provided by operating activities		
Depreciation and amortisation expense	4,334,771	2,890,970
Interest & Dividend Income	-536,146	-590,691
Operating Profit before Working Capital changes	9,018,021	9,142,237
Changes in assets and liabilities		
Trade receivables	-94,207,451	-4,431,025
Current Investments	-	25,000,000
Loans and advances and other assets	19,111,766	814,335
Liabilities	43,885,077	-25,883,993
Income taxes paid	-	-
<b>NET CASH GENERATED BY OPERATING ACTIVITIES</b>	<b>-22,192,588</b>	<b>3,641,556</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment towards capital expenditure	-48,107,882	-16,827,621
Sale of Investment	22,400,000	-
Interest and dividend received	536,146	590,691
CASH FLOWS FROM INVESTING ACTIVITIES BEFORE EXCEPTIONAL ITEM	-25,171,736	-16,236,930
<b>NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES</b>	<b>-25,171,736</b>	<b>-16,236,930</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of share capital	-	-
Increase in Short Term Borrowings	30,221,592	-
Increase in Long Term Borrowings	1,493,609	-
Increase in Other Non Current Liabilities	18,500,000	-
Share Issue Expenses	-	-
<b>NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES</b>	<b>50,215,201</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2,850,877</b>	<b>-12,595,374</b>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	556,926	13,152,295
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>3,407,804</b>	<b>556,921</b>

As per our report Of Even Date

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

Firm Reg No : 104019 W

Chartered Accountants

**CA N K JALAN**  
*PROPRIETOR*  
 Mem. No. 011878

Place : Mumbai  
 Date : 28.05.2014

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

**D.S. Mehta**  
*Director*  
 DIN:0157366

**K.S. Mehta**  
*Director*  
 DIN:01741399

# TWINSTAR INDUSTRIES LIMITED

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

## Twentieth Annual General Meeting

I/We, being the member (s) Twinstar Industries Limited hold \_\_\_\_\_ shares of the above named company, hereby appoint

1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature \_\_\_\_\_, or failing him

2. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature \_\_\_\_\_.

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual General Meeting of the company, to be held on the 30th day of September, 2014 at the registered Office of the Company at Plot No. EL – 178, TTC MIDC Indl, Area Mahape, Navi Mumbai – 400701 at 09.00 a.m. and any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution	For	Against
1.	To consider and adopt Audited Financials as on 31st March 2014.		
2.	Appointment of Auditors and Fixation of their remuneration		
3.	To Appoint Mr. Kailash Mehta as a Director who retires by rotation and being eligible for reappointment.		
4.	To Appoint Mr. Rishabh Jain as a Non Executive Independent Director of the Company.		
5.	To Appoint Mr. Virendra Kumar Bhandari as Non Executive Independent Director of the Company.		
6.	To Appoint Mr. Nirmal Jain as Non Executive Independent Director of the Company.		
7.	To Appoint Mrs. Kala Mehta as Non Executive Women Director of the Company.		
8.	To alter the Articles of Association of the Company.		

Signed this..... day of..... 20.....

Member's Signature

Signature of 01st proxy

Signature of 02nd proxy

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

# TWINSTAR INDUSTRIES LIMITED

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

## ATTENDANCE SLIP

**PLEASE COMPLETE THIS ATTENDENCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.**

Name of the attending Member \_\_\_\_\_

Member's Folio Number \_\_\_\_\_

DPID \_\_\_\_\_

Client ID \_\_\_\_\_

Name of the Proxy (In Block Letters) \_\_\_\_\_

(To be filled in if the Proxy attends instead of the Member)

(No. of Shares held: \_\_\_\_\_)

I hereby record my presence at the 20th Annual General Meeting of the company at the registered Office of the Company at Plot No. EL – 178, TTC MIDC Indl, Area Mahape, Navi Mumbai – 400701 to be held on \_\_\_\_\_ or at any adjournment thereof.

Member's / Proxy Signature

**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**

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)  
CIN: L30007MH1994PLC079084