

TSI
Twinstar Industries Ltd.
INSPIRE

To,
Listing Department
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

Sub: Submission of 22nd Annual Report for the year 2015 -2016

Dear Sir,

In terms of Regulation 34(1) of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, we hereby submit 22nd Annual Report for the year 2015-2016.

Kindly acknowledge the same

Encl: 22nd Annual Report

Thanking you.

For Twinstar Industries Limited


Daulat Mehta
DIN: 01575366
Managing Director & Compliance Officer



Corporate Off.: 702, Acme Plaza, Near Chakala,
Andheri - Kurla Road, Andheri (East), Mumbai - 400 059,
Telefax.: 91 22 2826 3462 Toll Free 180030004044
Email : sales@twinstarind.com Website : www.twinstar.in

Regd. Off.: EL-178, Electronic Zone, TTC MIDC Industrial Area,
Navi Mumbai - 400 701, Telefax.: 91 22 2763 1777
Email : admin@twinstarind.com Website : www.twinstar.in
CIN No. L30007MH1994PLC079084

22nd Annual Report
2015-2016

TWINSTAR INDUSTRIES LTD

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

Annual Report 2015-2016

BOARD OF DIRECTORS

| | |
|---------------------------|-------------------|
| Mr. Daulat Mehta | Managing Director |
| Mr. Kailash Mehta | Director |
| Mrs. Kala Daulat Mehta | Director |
| Mr. Harsh Daulatmal Mehta | Director |

COMPLIANCE OFFICER

Mr. Daulat Mehta

AUDITORS

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

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

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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)

NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the Members of **Twinstar Industries Limited** will be held on, Thursday, 29th day of September, 2016 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, 2016 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 Mrs. Kala Daulat Mehta (DIN: 00308065), who retires by rotation and being eligible offers herself for reappointment.
3. To re-appoint M/s. N. K. Jalan & Co., Chartered Accountants, Mumbai as the Statutory Auditors to hold office from the conclusion of the forthcoming Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

4. **To appoint Mr. Harsh Mehta (DIN: 01719123) as Whole Time Director of the Company for 5 years w.e.f. 29th September, 2016 and approve his remuneration.**

To consider and if thought fit to pass the following resolution as Special resolution.

“RESOLVED THAT pursuant to provisions of Section 196, 197, 203 and any other relevant provisions of Companies Act, 2013 read with Schedule V of Companies Act 2013, Companies (Appointment and Remuneration) Rules 2014, and all amendments, enactments made thereto from time to time and pursuant to the recommendation of Nomination and Remuneration Committee and Board of Directors of the Company, the shareholders hereby appoint Mr. Harsh Mehta (DIN: 01719123) as Whole Time Director of the Company for a term of 5 years with effect from 29th September, 2016 upto 28th September, 2021.

RESOLVED FURTHER THAT the terms and conditions with regards to his remuneration to be paid if any shall be as follows:

| | |
|--------------------------------|------------------------------|
| Salary | : Upto Rs. 96000/- per month |
| HRA | : Upto Rs. 48000/- per month |
| Medical Expenses Reimbursement | : Upto Rs. 4000/- per month |
| Conveyance Allowance | : Upto Rs. 3000/- per month |

RESOLVED FURTHER THAT in case of no profit/ loss or insufficient/ inadequate profits the remuneration shall be paid as prescribed under schedule V of the Companies Act, 2013 for a period not exceeding 3 years

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, take necessary actions, issue appointment letter, furnish certified true copy of this resolution, file necessary returns with Registrar of Companies, intimation to the Stock Exchange and take steps from time to time to give effect to this resolution.

For and on behalf of the Board

Sd/-

D. S. Mehta
Managing Director
DIN: 01575366

Place: Mumbai
Date: 12th August, 2016

Register Office:

Plot No EI-178TTC MIDC INDL Area, Mahape, Navi Mumbai- 400701

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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. Green Initiatives:

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.

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

8. Shareholders 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.
9. 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.

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

- In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide the facility of voting through electronic means to its members. Members of the Company can transact all the items of the businesses with the facility of voting through electronic means as contained in the notice of the meeting through e-Voting Services provided by Central Depository (Services) India Limited (CDSL).
- The facility for voting, either through electronic voting system or ballot or polling paper shall be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- The Company has appointed M/s. Priti J Sheth & Associates, Practicing Company Secretary, who in the opinion of the Company is a duly qualified person, as a Scrutinizer who will collate the electronic voting process in a fair and transparent manner.
- The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated scrutinizer's report of the votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and shall declare the result of the voting forthwith.
- A member whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e voting as well as voting in the general meeting.
- The instructions for shareholders voting electronically are as under:
 1. The voting period begins at 09:00 A.M. on 26th Day of September 2016 and will end at 05:00 P.M. on 28th Day of September, 2016. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd day of September 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 3. The shareholders should log on to the e-voting website www.evotingindia.com.
 4. Click on Shareholders.
 5. 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.
 6. Next enter the Image Verification as displayed and Click on Login.
 7. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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8. If you are a first time user follow the steps given below:

| | |
|--|--|
| | <ul style="list-style-type: none"> ● For Members holding shares in Demat Form and Physical Form |
| <ul style="list-style-type: none"> ● PAN* | <ul style="list-style-type: none"> ● Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) ● 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. ● 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 sequence number 1 then enter RA00000001 in the PAN field. |
| <ul style="list-style-type: none"> ● Dividend Bk Details ● OR ● Date of Birth (DOB) | <ul style="list-style-type: none"> ● Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. ● If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

9. After entering these details appropriately, click on "SUBMIT" tab.
10. 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.
11. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
12. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
13. 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.
14. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
15. 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.
16. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
17. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
18. 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.

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19. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
20. **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - 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.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
11. 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.
12. 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.
13. 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.

For and on behalf of the Board

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

Place: Mumbai

Date: 12th August, 2016

Register Office:

Plot No EL-178 TTC MIDC INDL Area

Mahape, Navi Mumbai- 400701

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ANNEXURE TO NOTICE

(Explanatory Statement pursuant to Section 102 of the Companies Act, 2013)

Item No: 4

To approve appointment of Mr. Harsh Mehta (DIN: 01719123) as Whole Time Director of the Company for 5 years w.e.f. 29th September, 2016 and approve his remuneration

The Nomination and Remuneration Committee, in its meeting held on 12th August, 2016 recommended and the Board of Directors, in its meeting held on 12th August, 2016, decided to recommend to the Shareholders to appoint Mr. Harsh Mehta (DIN: 01719123) as Whole Time Director of the Company for a term of 5 years with effect from 29th September, 2016 to 28th September, 2021.

Mr. Harsh Mehta is the Promoter of the Company. The appointment as well as payment of remuneration recommended by the Board is based on industry standards and responsibilities handled by the Director of the Company.

The details of Mr. Harsh Mehta in pursuance of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) 2015 and Secretarial Standard-2 are mentioned in Annexure.

Approval of the shareholders is sought for appointment of Mr. Harsh Mehta as whole time director and payment of remuneration from 29th September, 2016 to Mr. Harsh Mehta as Whole Time Director of the Company. The Board of Director recommends the relevant resolution for your consideration and approval as Special Resolution.

None of the Directors except Mr. Harsh Mehta himself and Mr. Daulat Mehta, Mrs. Kala Mehta and Mr. Kailash Mehta as a relative of Mr. Harsh Mehta, are concerned or interested in the resolution. No other Directors, Key Managerial Personnel or their relatives are concerned or interested in the resolution.

Disclosures required for payment of remuneration as per Schedule V of Companies Act, 2013

I. General Information about the Company

Nature of Industry: (i) Information Technology (ii) Trading in Commodities

Date of Commencement of Commercial Production: The Company is already in Operation.

Financial Performance of Company: The financial data as per the latest Audited Balance Sheet and Profit and Loss Account for the F.Y. ended 31st March 2016

| Particulars | Amount in (INR) |
|--|-----------------|
| Net Profit before Depreciation and Tax | 1,58,52,925 |
| Depreciation | (1,25,35,077) |
| Net Profit before tax | 21,00,734 |
| Current Tax | 700,000 |
| Deferred Tax | (517,113) |
| Net Profit (loss) after Tax | 5,95,66,971 |
| Paid Up Equity Share Capital | 224,602,360 |
| Reserves and Surplus | 11,654,176 |

Foreign Investments or collaborations: The Company doesn't have any foreign investors and has not made any investments in foreign collaborations or body corporate.

II. Information about the appointee

Mr. Harsh Mehta is a Commerce Graduate and has degree in Masters of Business Administration from University of Southampton Solent (UK)

Mr. Harsh Mehta has an overall experience of more than 7 Years in Project Management, Marketing and Finance.

Recognition or awards: Mr. Harsh Mehta has not received any Recognition and Award.

Job Profile and his suitability: Mr. Harsh Mehta has been on the Board of the Company since 9th February, 2015 and since then he has been actively involved in the Management and has been guiding the company. Considering his overall Experience and Expertise the Management is of the view that expanding his role as a Whole Time Director will help the Company in Long run.

Remuneration proposed: Remuneration proposed to be paid to Mr. Harsh Mehta by way of salary, perquisites, allowances, commission & incentives with a ceiling limit as mentioned in the Resolution appended in the Notice of 22nd Annual General Meeting.

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Comparative remuneration in the industry: We are unable to give any comparative figures as the financial performances and individual cases differ, though in the same industry.

Pecuniary relationship: Apart from receiving proposed managerial remuneration Mr. Harsh Mehta does not have any pecuniary relationship with the Company.

Further, Mr. Harsh Mehta, is son of Mr. Daulat Mehta & Mrs. Kala Mehta who are Promoter Directors of the Company.

III. Other Information

Reasons of loss or inadequate profits: The Company during previous F.Y 2015-16 has earned profits. Further as the proposed remuneration is for next three years and keeping in view the fluctuating and changing nature of IT industry there is a chance that the Company may incur losses/ have Inadequate profit in future.

Steps taken or proposed to be taken for improvement: Company is taking steps to increase profitability by undertaking new projects and expanding the current business activities.

Expected increase in productivity and profits: The company expects its turnover and profitability to improve over a period of next 2-3 years.

Disclosures as per Regulation 36 (3) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 for appointment /reappointment of Directors at the 22nd Annual General Meeting:

| Name of Director | Mrs. Kala Daulat Mehta | Mr. Harsh Mehta |
|---|--|---|
| Date of Birth | 22/01/1964 | 03/09/1987 |
| Age | 52 | 29 |
| Qualification | Bachelor of Arts | B Com, MBA from University of Southampton Solent (UK) |
| Experience | 22 Years of Industry Experience | 7 Years of experience in Project Management, Marketing and Finance |
| Terms & Condition of reappointment/ regularisation | NA | To be appointed as Whole Time Director of the Company for period of 5 Years |
| Date of First Appointment on Board | 30/09/2014 | 09/02/2015 |
| Directorships held in other companies (excluding section 8 and foreign companies) as on 31st March, 2016 | 2 | 2 |
| Memberships of committees across companies (includes only Audit & Shareholders'/Investors' Grievance Committee) | NIL | NIL |
| Shares held in the Company | 1481800 | 3500 |
| Relationship between directors inter-se | Spouse of Mr. Daulat Mehta (Managing Director) & Mother of Mr. Harsh Mehta(Director) | Son of Mr. Daulat Mehta & Mrs. Kala Mehta-Promoter Directors of the Company |
| Number of Board Meetings attended | 8 | 8 |

For and on behalf of the Board

Sd/-

D.S. Mehta
Managing Director
DIN: 01575366

Place: Mumbai
Date: 12th August, 2016

Register Office:

Plot No EL-178 TTC MIDC INDL Area
Mahape, Navi Mumbai- 400701

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DIRECTORS REPORT

Dear Members,

Your Directors' have pleasure in presenting their 22nd Annual Report together with the Audited Statement of Accounts for the year ended March 31st, 2016.

Financial Results

The financial results of the Company for the year ended March 31st, 2016 compared to the previous year are summarized below:

| Particulars | Financial Year 2015-16 | Financial Year 2014-15 |
|--|------------------------|------------------------|
| Gross Profit (+) Loss (-) After Interest But Before Depreciation & Taxation | 1,58,52,925 | 1,95,15,152 |
| Depreciation | 1,25,35,077 | 1,58,09,577 |
| Profit Before Income Tax After Depreciation | 33,17,848 | 37,05,575 |
| Short Provision of Earlier Years | — | — |
| Prior Period Expenses | — | — |
| Current Tax | 700,000 | 7,75,000 |
| Deferred Tax | (517,113) | 28,50,987 |
| Net Profit after Tax | 21,00,734 | 57,81,562 |

Performance and Future Prospects

Twinstar Industries Limited, the company has been involved into IT businesses since its inception, At Twinstar our constant endeavor is to grow. In some recent developments the company has been appointed by UIDAI as an Enrollment Agency (EA). The company has started its operations and is progressing. The company expects good growth from the project. With a wider objective and trying to cater to a wider audience the company is also looking into various fields of work with the Government of India and a few other companies as well. With the recent changing and constant increasing competition, the company plans to take the challenge to them and perform better than its peers. With the new Mantra of "Inspire" the company would look into projects which are new and different.

Company has become Corporate Business Correspondence with BOB and will set up many centers and will also involve in various Government (both State & Central) Projects.

Dividend & Reserves

The Directors did not recommend any dividend for the Financial Year ended 31st March, 2016.

During the year under review, no transfers were made to General Reserves.

Transfer of Unclaimed Dividend to Investor Education and Protection Fund

The Company was not required to transfer any amount to Investor Education and Protection Fund.

Change in the Nature of Business

There are no major changes in the nature of business during the Financial Year 2015-16 and from the end of Financial Year 31st March 2016 till the date of this report.

The Company has entered into additional Business of providing AUA/KUA (authentication user agency / KYC user agency) services with Unique Identification Authority of India (UIDAI) for providing Aadhaar based solutions, biometric authentication and KYC services and procuring and setting-up AUA servers and to act as Business correspondent (BC's) to All Commercial Banks (including RRBs and LABs)

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Internal Financial Control

The Company has effective internal financial control and risk mitigation system which are constantly assessed and strengthened. The Internal Auditors periodically reviews the effectiveness of the Internal Financial control. Further, same is reviewed by the Audit committee and suggestions are made for improvement.

Subsidiary/Joint Ventures and Associates

The Company has no joint ventures with any other entities, nor has any associates.

Twinstar Software Exports Inc" (USA) is a Subsidiary Company. Since there has been no operations financial performance has not been included in this report.

Industrial Relations

The Company has always considered its workforce as its valuable asset and continues to invest in their excellence and development programs. The Company has taken several initiatives for enhancing employee engagement and satisfaction.

Deposits

The Company has not accepted any deposits under the provisions of section 73 of the Companies Act 2013 during the any of the previous Financial Years as well as Financial Year 2015-16.

Auditors' Report

The Statements made by the Auditors in their report are self-explanatory and doesn't require any comments by the Board of Directors.

Statutory Auditor

The Statutory Auditors M/s. N.K. Jalan & Co, Chartered Accountants hold office until the conclusion of the 22nd Annual General Meeting, the Board of Directors recommend their re-appointment in the 22nd Annual General Meeting to hold the office till the conclusion of the 23rd Annual General Meeting of the Company. The Company has received a Certificate from the Auditors to the effect that their re-appointment if made, would be within limits prescribed under Section 139 of the Companies Act, 2013 and are eligible to be re-appointed.

Share Capital

During the Financial Year 2015-2016, the Company has not issued any further Equity Shares

- A) Issue of Equity Shares with Differential Rights: The Company has not issued any equity shares with differential rights during the Financial Year 2015-2016.
- B) Issue of Sweat Equity Shares: The Company has not issued any Sweat Equity Shares during the Financial Year 2015-2016.
- C) Issue of Employee Stock Options: The Company has not issued any Employee Stock Options during the Financial Year 2015-2016.

Extract of Annual Return

The details forming the part of the extract of the Annual Return in Form MGT 9, as required under Section 92 of the Companies Act 2013, is included in this Report as "Annexure – A" and forms an integral part of this Report.

Conservation of Energy and Technology Absorption

The information relating to conservation of energy and technology absorption by the Companies annexed to the report as "Annexure B".

Foreign Exchange Earning and Outgo

During the year under review there were no earnings in foreign exchange and there was no foreign exchange out go.

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Corporate Social Responsibility

The provisions of the Companies Act, 2013, relating to CSR expenditure are not applicable to the Company.

Directors

A) Changes in Directors and Key Managerial Personnel

Mr. Virendra Kumar Bhandari (DIN: 01741546) and Mr. Nirmal Jain (DIN: 01506352) have resigned from the Board with effect from 10th June, 2016 and 9th June, 2016 respectively due to their pre-occupation. The company appreciates for their valuable contribution during their tenure.

Mr. Harsh Mehta (DIN: 01719123) was appointed as promoter Executive Director in the 21st Annual General Meeting of the Company held on 30th September, 2015

Mr. Daulat Mehta (DIN: 01575366) retired by rotation and was reappointed in the 21st Annual General Meeting of the Company held on 30th September, 2015

In accordance with the provisions of Section 152 of the Companies Act 2013 and the Company's Articles of Association, Mrs. Kala Daulat Mehta, (DIN: 00308065) Director retires by rotation at the forthcoming Annual General Meeting and being eligible offers herself for re-appointment.

The Board of Directors have recommended to appoint Mr. Harsh Mehta, Director as Whole Time Director in the forthcoming Annual General Meeting from 29th September, 2016 for the term of 5 years.

B) Declaration by Independent Directors:

The Company has Received necessary declaration from the Independent Directors under Section 149(7) of the Companies Act 2013 that they meet the criteria for Independence as laid down under Section 149(6) of the Companies Act 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

C) Board Evaluation :

Pursuant to the provisions of the Companies Act, 2013, for the purpose of evaluating the performance of the Board as a whole, a structured questionnaire was prepared covering various aspects of the Board's functioning, composition of the Board and its committee, execution and performance of specific duties, obligations and the same was circulated amongst the Board of Directors for their feedback.

Further the separate performance evaluation of the Independent Directors, and Non – Independent Directors was carried out. The Board of Directors expressed their satisfaction with the evaluation process.

Number of Meetings of Board of Directors

During the year Board duly met 8 (Eight) Times. The details of the number of meetings of the Board held during the Financial Year 2015-2016 along with attendance of directors, forms a part of the Corporate Governance Report.

Audit Committee

The composition of the Audit Committee and the number of Audit Committee meetings held during the Financial Year 2015-2016 forms a part of the Corporate Governance Report.

Vigil Mechanism for Directors and Employees

The Company has a Vigil Mechanism policy to report genuine concerns or grievances. The detail forms a part of the Corporate Governance Report.

Nomination and Remuneration Committee

The company has policies framed for remuneration and appointment of Directors, Key managerial personnel and senior management of the company. The composition of Committee and details of policy forms a part of the Corporate Governance Report.

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Particulars of Loans, Guarantees or Investments u/s 186 of the Companies Act 2013

The Company has not given any loan, guarantee or security in connection with any loan to any other body corporate or person exceeding the specified limits mentioned under section 186(2) of the Companies Act 2013.

Details of Loans and Investments made by the Company as on 31st March 2016, forms the part of Notes to accounts.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act 2013 and the rules made there under the Company has appointed M/s. Priti J Sheth & Associates, a firm of Company Secretaries in Practice (C.P. No 5518) to undertake the Secretarial Audit of the Company for the F.Y. 2015-2016.

The Secretarial Audit Report is included as "Annexure C" and forms an integral part of this report.

Directors Comments on the Secretarial Audit Report:

The Company is in process of Appointing Key Managerial Personnel. The Company is in process of reactivating its website. The Company is in process of restructuring the Composition of Board to align the same as per the provisions of Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Subsidiary Company Twinstar Software Exports Inc" (USA) has not started its operations and hence accounts were not consolidated.

Related Party Transaction

The transactions entered into by the Company with Related Parties are at Arm's Length Price and in ordinary course of business. Particulars of transactions entered into with related party are included as "Annexure D" in form AOC - 2.

Corporate Governance

As per Regulation 27 of SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Statutory Auditor's confirming compliances, forms an integral part of this Report.

Risk Management Policy

The Company has a Risk Management framework to identify, evaluate business risks and opportunities. The framework helps in identifying risks, exposure and potential impact analysis for the Company level. The details forms a part of the Corporate Governance Report.

Directors' Responsibility Statement

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act 2013:

1. That in preparation of the Annual Accounts for the year ended 31st March 2016, the applicable accounting standards have been followed along with the proper explanation relating to material departures, if any;
2. 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 as at March 31, 2016 and of the profit of the company for the year ended on that date;
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, 2013 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.
5. That the directors had laid down Internal Financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
6. That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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Disclosure as per rule 5 of the Companies (Appointment and Remuneration) Rules 2014 (as amended) are as follows:

| Sr. No | Particulars | |
|--------|--|---|
| 1. | the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year | 50:21 |
| 2. | the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year | - |
| 3. | the percentage increase in the median remuneration of employees in the financial year | - |
| 4. | the number of permanent employees on the rolls of company | 10 |
| 5. | average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration | - |
| 6. | affirmation that the remuneration is as per the remuneration policy of the company | Remuneration is as per the Companies policy |

Particulars of top ten employees in terms of remuneration drawn:

| Sr No | Particulars | Mr. Amit Kumar Gaur | Mr. Jagmohan Sharma | Mr. Shivkumar Aasopa |
|-------|---|---------------------------|---------------------|-------------------------|
| 1 | Designation of the employee | State Head- Gujarat (UID) | Operations Head-UID | Sr. Accountant |
| 2 | Remuneration received | 240000 | 720000 | 510000 |
| 3 | Nature of employment, whether contractual or otherwise | Permanent | Permanent | Permanent |
| 4 | Qualifications and experience | Graduate | MBA | B. com |
| 5 | Date of commencement of employment | 01/03/2016 | 01/03/2016 | 15/01/2013 |
| 6 | Age | 27 | 36 | 32 |
| 7 | The last employment held before joining the company | NA | Swati Aadhaar Card | Snowcem Paints Pvt Ltd. |
| 8 | The percentage of equity shares held in the company | NA | NA | 0.062% |
| 9 | Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager | NA | NA | NA |

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| Sr No | Particulars | Mr. Chandrakant Kendre | Ms. Shweta Jakhoria | Mr. Aniket Gomale |
|-------|---|-------------------------------------|---|-------------------------------------|
| 1 | Designation of the employee | Sr. Engineer - IT | Accounts Executive | Sr. Engineer - IT |
| 2 | Remuneration received | 312000 | 300000 | 264000 |
| 3 | Nature of employment, whether contractual or otherwise | Permanent | Permanent | Permanent |
| 4 | Qualifications and experience | GNiIT (Software Engineer) and B.com | CA Inter and M.com, 3 years of Internship | T.Y B.com and 4 years of Experience |
| 5 | Date of commencement of employment | 05/06/2015 | 01/08/2016 | 16/08/2016 |
| 6 | Age | 33 | 23 | 25 |
| 7 | The last employment held before joining the company | Vakrangee Software Ltd | N.K Jalan & Co. Chartered Accountants | Vakrangee Software Ltd |
| 8 | The percentage of equity shares held in the company | NA | NA | NA |
| 9 | Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager | NA | NA | NA |

| Sr No | Particulars | Mr. Ravikumar B. Bhatiya | Mr. Rohit Mehta | Mr. Vianyak Thite | Ms. Priyanka Murudkar |
|-------|---|---------------------------|-----------------|-------------------|--------------------------------|
| 1 | Designation of the employee | State Head- Gujarat (UID) | Marketing Head | IT - Executive | MIS Executive |
| 2 | Remuneration received | 240000 | 180000 | 156000 | 156000 |
| 3 | Nature of employment, whether contractual or otherwise | Permanent | Permanent | Permanent | Permanent |
| 4 | Qualifications and experience | Graduate | B. com | B. com | TYBA and 3 years of Experience |
| 5 | Date of commencement of employment | 01/03/2016 | 19/08/2013 | 25/10/2015 | 09/08/2016 |
| 6 | Age | 28 | 32 | 21 | 26 |
| 7 | The last employment held before joining the company | Birla Sunlife Insurance | NA | NA | Maxgrow Overseas Pvt Ltd |
| 8 | The percentage of equity shares held in the company | NA | NA | NA | NA |
| 9 | Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager | NA | NA | NA | NA |

Acknowledgements

The Board of Directors of the Company acknowledges the continued the support and co-operation extended by the Statutory Authorities, Government Authorities, Bankers, Stock Exchange, Stake holders and employees of the Company.

For Twinstar Industries Limited

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

Sd/-
Kailash Mehta
Director
DIN: 01741399

Place: Mumbai
Date: 12th August, 2016

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Disclosures required under Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015

A. RELATED PARTY DISCLOSURE

1. Relationship:

1a. Key Managerial Personnel (KMP's) & Directors

| | |
|-------------------|-------------------|
| Mr. Daulat Mehta | Managing Director |
| Mrs. Kala Mehta | Director |
| Mr. Harsh Mehta | Director |
| Mr. Kailash Mehta | Director |

1b. Other Related Party (Enterprise Owned or significantly influenced by Key Management Personnel)

1. Originet Technologies Limited
2. Boostmetric Solutions Limited (Formerly known as Boostmetric Solutions Pvt Ltd)
3. Kala Exports
4. Rediant Comtrade Pvt Ltd (Formerly known as Radiant Finvest Pvt Ltd)
5. Twinstar Holding & Finance Limited
6. Earls General Trading Pvt Ltd (Formerly known as Earls Jewels Pvt Ltd)
7. Stuti Comtrade Pvt Ltd (Formerly known as Stuti Finlease Pvt Ltd)
8. Vintage Comtrade Pvt Ltd (Formerly known as Vintage Finstock Pvt Ltd)
9. Namita Stocktrade Pvt Ltd

Amount involved for parties referred in 1 (a) and 1(b)

| Nature of Transactions | Referred in 1(a) | | Referred in 1(b) | |
|--|---------------------|------------|---------------------|--------------|
| | 31-03-2016 | 31-03-2015 | 31-03-2016 | 31-03-2015 |
| Salary | 6,00,000 | 12,36,000 | - | - |
| Professional Fees | 6,00,000 | | | |
| Rent | - | - | 1,56,000 | 1,56,000 |
| Advance against purchase | - | - | - | 5,17,00,000 |
| Receipt against Advance given for purchase | - | - | 39,00,000 | - |
| Purchases | - | - | 44,14,26,822 | 37,81,84,871 |
| Sales | - | - | 1,53,57,561 | 4,40,00,672 |
| Receipt against loans given | - | - | 31,95,000 | 34,40,000 |

No transactions relating to Loans/advances/ investments occurred with any Related Party during the year.

TWINSTAR INDUSTRIES LTD

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Annexure 'A' to the Board's Report**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN****As on financial year ended on 31.03.2016**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

| | | | |
|---|--|---|--|
| 1 | CIN | : | L30007MH1994PLC079084 |
| 2 | Registration Date | : | 20-06-1994 |
| 3 | Name of the Company | : | Twinstar Industries Limited |
| 4 | Category/Sub-category of the Company | : | Company Limited By Shares Indian Non Government company |
| 5 | Address of the Registered office & contact details | : | Plot No EL-178TTC MIDC Indl Area, Mahape, Navi Mumbai-400701 Email: dsmehta@hotmail.com |
| 6 | Whether listed company | : | Yes |
| 7 | Details of the Stock Exchanges where shares are listed | : | Bombay Stock Exchange Limited Ahmedabad Stock Exchange |
| 8 | Name, Address & contact details of the Registrar & Transfer Agent, if any. | : | Sharex Dynamic (India) Pvt. Ltd Unit No. 1, Luthra Ind. Premises, Andheri - Kurla Road, Safed Pool, Andheri (e), Mumbai - 400 072 Contact No: 022-2851606/ 022-28515644 |

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

| Sr. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1 | Trading in Commodities | 47190 | 85% |
| 2 | Information Technology & E- Governance | 62099 | 15% |

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

| SR. NO. | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING SUBSIDIARY/ ASSOCIATE | % OF SHARES HELD | APPLICABLE SECTION |
|---------|--------------------------------------|---------|-------------------------------------|---------------------|-----------------------|
| 1 | Twinstar Software Exports Inc" (USA) | NA | Subsidiary | 53% | 2 (87) |

(Equity share capital breakup as percentage of total equity)

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IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

(i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|--|---|------------------|-------------------|-------------------|---|------------------|-------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 2,205,700 | 1,418,100 | 3,623,800 | 16.11% | 1,194,449 | 2,429,351 | 3,623,800 | 16.11% | None |
| b) Central Govt | - | - | - | 0.00% | - | - | - | 0.00% | None |
| c) State Govt(s) | - | - | - | 0.00% | - | - | - | 0.00% | None |
| d) Bodies Corp. | 1,900,000 | 1,700 | 1,901,700 | 8.45% | 1,901,700 | - | 1,901,700 | 8.45% | None |
| e) Banks / FI | - | - | - | 0.00% | - | - | - | 0.00% | None |
| f) Any other | - | - | - | 0.00% | - | - | - | 0.00% | None |
| Sub Total (A)(1) | 4,105,700 | 1,419,800 | 5,525,500 | 24.56% | 3,096,149 | 2,429,351 | 5,525,500 | 24.56% | None |
| (2) Foreign | | | | | | | | | |
| a) NRI Individuals | - | - | - | 0.00% | - | - | - | 0.00% | None |
| b) Other Individuals | - | - | - | 0.00% | - | - | - | 0.00% | None |
| c) Bodies Corp. | - | - | - | 0.00% | - | - | - | 0.00% | None |
| d) Any other | - | - | - | 0.00% | - | - | - | 0.00% | None |
| Sub Total (A)(2) | - | - | - | - | - | - | - | - | None |
| TOTAL (A) | 4,105,700 | 1,419,800 | 5,525,500 | 24.56% | 3,096,149 | 2,429,351 | 5,525,500 | 24.56% | None |
| B. Public Shareholding | | | | | | | | | |
| 1 Institutions | | | | | | | | | |
| a) Mutual Funds | 14,300 | - | 14,300 | 0.06% | 11,300 | - | 11,300 | 0.05% | 0.01% |
| b) Banks / FI | 200,000 | - | 200,000 | 0.89% | - | - | - | 0.00% | 0.89% |
| c) Central Govt | 17,750 | 21,400 | 39,150 | 0.17% | 39,150 | - | 39,150 | 0.17% | None |
| d) State Govt(s) | - | - | - | 0.00% | - | - | - | 0.00% | None |
| e) Venture Capital Funds | - | - | - | 0.00% | - | - | - | 0.00% | None |
| f) Insurance Companies | - | - | - | 0.00% | - | - | - | 0.00% | None |
| g) FIs | - | 16,800 | 16,800 | 0.07% | - | - | - | 0.00% | 0.07% |
| h) Foreign Venture Capital Funds | - | - | - | 0.00% | - | - | - | 0.00% | None |
| i) Others (specify) | - | - | - | 0.00% | 16,800 | - | 16,800 | 0.07% | None |
| Stressed Assets Stabilisation Fund | 250000 | - | 250000 | 1.11% | - | - | - | 0.00% | 1.11% |
| Sub-total (B)(1):- | 482,050 | 38,200 | 520,250 | 2.30% | 67,250 | - | 67,250 | 0.29% | 20.1% |
| 2 Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 7175945 | 21170 | 7197115 | 31.99% | 0 | 0 | 0 | 0.00% | 31.99% |
| ii) Overseas | - | - | - | 0.00% | - | - | - | 0.00% | None |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 3,490,103 | 63,165 | 3,553,268 | 15.79% | 4,663,358 | - | 4,663,358 | 20.72% | 4.93% |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 5,093,757 | 14,350 | 5,108,107 | 22.70% | 9,243,226 | - | 9,243,226 | 41.08% | 18.38% |
| c) Others | - | - | - | 0.00% | 2,319,966 | 680,700 | 3,000,666 | 13.34% | 13.34% |
| Non Resident Indians | - | - | - | 0.00% | - | - | - | 0.00% | None |
| Overseas Corporate Bodies | - | - | - | 0.00% | - | - | - | 0.00% | None |
| Foreign Nationals | - | - | - | 0.00% | - | - | - | 0.00% | None |
| Clearing Members | 17,513 | 14,578 | 32,091 | 0.14% | - | - | - | 0.00% | 0.14% |
| Trusts | - | - | - | 0.00% | - | - | - | 0.00% | None |
| Foreign Bodies - D R | - | - | - | 0.00% | - | - | - | 0.00% | None |
| NRI/OCBs | 516,032 | 47,637 | 563,669 | 2.51% | 0 | 0 | 0 | 0.00% | 2.51% |
| Sub-total (B)(2):- | 16,293,350 | 160,900 | 16,454,250 | 73.13% | 16,226,550 | 680,700 | 16,907,250 | 75.14% | 20.1% |
| Total Public (B) | 16,775,400 | 199,100 | 16,974,500 | 75.43% | 16,293,800 | 680,700 | 16,974,500 | 75.43% | 0.00% |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | 0.00% | - | - | - | 0.00% | None |
| Grand Total (A+B+C) | 20,881,100 | 1,618,900 | 22,500,000 | 100.00% | 19,389,949 | 3,110,051 | 22,500,000 | 100.00% | None |

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(ii) Shareholding of Promoter

| Sl No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|--------|------------------------------------|---|----------------------------------|---|-------------------------------------|----------------------------------|---|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | |
| 1 | Kala D Mehta | 1,481,800 | 6.59% | 0 | 1,481,800 | 6.59% | 0 | 0.00% |
| 2 | Daulat S. Mehta | 1,161,900 | 5.16% | 0 | 1,161,900 | 5.16% | 0 | 0.00% |
| 3 | Kailash S. Mehta | 980,100 | 4.36% | 0 | 980,100 | 4.36% | 0 | 0.00% |
| 4 | Kapila Consultants Pvt. Ltd. | 1,700 | 0.01% | 0 | 1,700 | 0.01% | 0 | 0.00% |
| 5 | Twinstar Holdings and Finance Ltd. | 1,900,000 | 8.44% | 0 | 1,900,000 | 8.44% | 0 | 0.00% |
| | TOTAL | 5,525,500 | 24.56% | 0 | 5,525,500 | 24.56% | 0 | 0.00% |

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

| SN | Particulars | Date | Reason | Shareholding at the beginning of the Year | | Cumulative Shareholding during the year | |
|---|-------------|------|--------|---|----------------------------------|---|----------------------------------|
| | | | | No. of Shares | % of total shares of the company | No of shares | % of total shares of the company |
| No Changes took place in shareholding of promoters during the Financial Year under review | | | | | | | |

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

| SN. | For each of the Top 10 shareholders | Date | Reason | Shareholding at the beginning of the Year | | Cumulative Shareholding during the year | |
|-----|-------------------------------------|------|--------|---|-------------------|---|-------------------|
| | | | | No. of Shares | % of total shares | No of shares | % of total shares |
| 1 | Clip Securities & Finance P Ltd | | | 158200 | 0.7 | 158200 | 0.7 |
| 2 | Stuti Finlease P Ltd | | | 108300 | 0.48 | 108300 | 0.48 |
| 3 | Namita Stocktrade Pvt Ltd | | | 67000 | 0.3 | 67000 | 0.3 |
| 4 | Ashok Rupam | | | 30000 | 0.13 | 30000 | 0.13 |
| 5 | Unit Trust of India | | | 21200 | 0.09 | 21200 | 0.09 |
| 6 | Kishan Agrawal | | | 20000 | 0.09 | 20000 | 0.09 |
| 7 | Man Raj Nahata | | | 20000 | 0.09 | 20000 | 0.09 |
| 8 | Fledgeling Nominees Intl. Ltd. | | | 15700 | 0.07 | 15700 | 0.07 |
| 9 | Jacob Daniel | | | 15000 | 0.07 | 15000 | 0.07 |
| 10 | B B Patel | | | 13300 | 0.05 | 13300 | 0.05 |

(v) Shareholding of Directors and Key Managerial Personnel:

| SN. | Shareholding of each Directors and each Key Managerial Personnel | Date | Reason | Shareholding at the beginning of the Year | | Cumulative Shareholding during the year | |
|-----|--|------|--------|---|-------------------|---|-------------------|
| | | | | No. of Shares | % of total shares | No of shares | % of total shares |
| 1 | Kala D Mehta | | | 1481800 | 6.59 | 1481800 | 6.59 |
| 2 | Daulat S. Mehta | | | 1161900 | 5.16 | 1161900 | 5.16 |
| 3 | Kailash S. Mehta | | | 980100 | 4.36 | 980100 | 4.36 |
| 4 | Harsh D Mehta | | | 7533 | 0.0000335 | 3500 | 0.0000156 |

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V. INDEBTEDNESS - INR. 95,932,157

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. Rs.)

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 57,133,150.00 | - | - | 57,133,150.00 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 57,133,150.00 | - | - | 57,133,150.00 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 1,077,219,607.00 | - | - | 1,077,219,607.00 |
| * Reduction | 1,038,420,600.00 | - | - | 1,038,420,600.00 |
| Net Change | 38,799,007.00 | - | - | 38,799,007.00 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 95,932,157.00 | - | - | 95,932,157.00 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 95,932,157.00 | - | - | 95,932,157.00 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL: 6,00,000

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| SN. | Particulars of Remuneration Name Designation | Name of the MD/WTD/ Executive Director/ Manager | | Total Amount |
|-----|---|--|--|--------------|
| | | Mr. Daulat S. Mehta Managing Director | | |
| 1 | Gross salary | | | |
| (a) | Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 6,00,000 | | 600,000 |
| (b) | Value of perquisites u/s 17(2) Income-tax Act, 1961 | NIL | | NIL |
| (c) | Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | NIL | | NIL |
| 2 | Stock Option | NIL | | NIL |
| 3 | Sweat Equity | NIL | | NIL |
| 4 | Commission - as % of profit - others, specify | NIL | | NIL |
| 5 | Others, please specify | | | |
| | Total (A) | 600,000.00 | | 600,000.00 |
| | Ceiling as per the Act | As approved by the shareholders | | |

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B. Remuneration to other Directors: NIL

(Rs/Lac)

| SI.No | Particulars of Remuneration | Name of the Directors | Total Amount |
|-------|--|-----------------------|--------------|
| 1 | Independent Directors (a) Fee for attending board committee meetings (b) Commission (c) Others, please specify | | |
| | Total (1) | | |
| 2 | Other Non Executive Directors (a) Fee for attending board committee meetings (b) Commission (c) Others, please specify. | NIL | |
| | Total (2) | | |
| | Total (B)=(1+2) | | |
| | Total Managerial Remuneration | | |
| | Overall Ceiling as per the Act. | | |

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD- NIL

(Rs/Lac)

| SI. No. | Particulars of Remuneration | Name of Key Managerial Personnel | Total Amount |
|---------|---|----------------------------------|--------------|
| 1 | Gross Salary | CFO | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | NIL | |
| 2 | Stock Option | | |
| 3 | Sweat Equity | | |
| 4 | Commission as % of profit | | |
| 5 | Others, please specify | | |
| | Total | | |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority RD/NCLT/ (Court) | Appeal made if any (give details) |
|---|------------------------------|-------------------|--|----------------------------|-----------------------------------|
| A. COMPANY Penalty Punishment Compounding | | | | | |
| B. DIRECTORS Penalty Punishment Compounding | | | NIL | | |
| C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding | | | | | |

For, Twinstar Industries Limited

Sd/-
Daulat S. Mehta
Managing Director
(DIN:01719123)Sd/-
Kailash S. Mehta
Director
(DIN: 01741399)Date: 12th August 2016
Place: Mumbai

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“Annexure B” to the Board’s Report

The information relating to conservation of energy and technology absorption by the Company

(A) Conservation of Energy

- i. the steps taken or impact on conservation of energy: As the Company is not engaged in any manufacturing activity the conservation of energy is relatively low.
- ii. the steps taken by the company for utilizing alternates source of energy: NIL
- iii. the Capital Investment on energy conservation equipments: NIL

(B) Technology Absorption

- i. the efforts made towards technology absorption: NIL
- ii. the benefits derived like product improvement, cost reduction, product development or import substitution: NIL
- iii. in case of imported technology (imported during last three years reckoned from beginning of financial year)
 - (a) Details of technology imported: NIL
 - (b) Year of Import: NIL
 - (c) Whether technology has been fully absorbed: NIL
 - (d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof: NIL
- iv. The expenditure incurred on Research and Development: NIL

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"Annexure C"

Secretarial Audit Report

(For the Financial Year Ended 31st March 2016)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014] March 2016

To,
The Members,
Twinstar Industries Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Twinstar Industries Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Twinstar Industries Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial year ended on 31st March 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Twinstar Industries Limited** ("**The Company**") for the period ended on 31st March 2016 according to the provisions of:
 - I. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
 - II. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made thereunder; (**Not applicable to the Company during Audit period**)
 - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (**Not applicable to the Company during Audit period**)
 - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (**Not applicable to the Company during Audit period**)
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (**Not applicable to the Company during Audit period**)
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (**Not applicable to the Company during Audit period**)

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- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during Audit period)**
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not applicable to the Company during Audit period)**
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during Audit period)**
- VI. Other laws applicable specifically to the Company, namely:
- a) Information Technology Act, 2000 and the rules made thereunder;
 - b) The Indian Copy Rights Act, 1957;
 - c) The Patents Act, 1970; and
 - d) The Trade Marks Act, 1999

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review and as per representations and clarifications provided by the management, I confirm that the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards etc. mentioned above except to the extent as mentioned below:-

1. Company does not have Key Managerial Personnel except Managing Director as required u/s 203 of the Companies Act 2013; 2. Company website is not updated with disclosures required under provisions of Regulation 46 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 3. The Composition of Board of Directors and its Committees is not as prescribed under Provisions of Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 4. The Company have not published Notices of Board Meeting, General Meeting, Financial Results in the newspaper as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 5. The company have foreign subsidiary "Twinstar Software Exports Inc" (USA) having no operation and hence consolidated accounts as required under section 129 of Companies Act 2013 are not included.

I further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

2. I further report that:

- Due to Changes in the Directors, the Composition of the Board and its committees is not as per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act 2013; However Company is in process of restructuring the Board and its committees as per the requirements. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

-All decisions at Board Meeting were carried out unanimously.

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3. **I further report that** based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
4. **I further report that** during the audit period there were no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For Priti J. Sheth & Associates
Company Secretaries

Sd/-
Priti Sheth
CP No.: 5518
FCS.: 6833

Place: Mumbai

Date: 2nd August, 2016

Annexure to Secretarial Audit Report dated 2nd August 2016

To,
The Members,
Twinstar Industries Limited

Our Secretarial Audit Report dated 2nd August 2016 is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to make a report based on the secretarial records produced for our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our report.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as it is taken care in the statutory audit.
4. We have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
5. Compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. This Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Priti J. Sheth & Associates
Company Secretaries

Sd/-
Priti Sheth
CP No.: 5518
FCS.: 6833

Place: Mumbai

Date: 2nd August, 2016

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“Annexure D” to the Board’s Report

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

- I. Details of contracts or arrangements or transactions not at arm’s length basis
- a) Name(s) of the related party and nature of relationship Nil
 - b) Nature of contracts/arrangements/transactions
 - c) Duration of the contracts / arrangements /transactions
 - d) Salient terms of the contracts or arrangements or transactions including the value, if any
 - e) Justification for entering into such contracts or arrangements or transactions
 - f) Date(s) of approval by the Board
 - g) Amount paid as advances, if any
 - h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188
- II. Details of material contracts or arrangement or transactions at arm’s length basis
- a) Name(s) of the related party and nature of relationship Harsh Mehta
Director
 - b) Nature of contracts/arrangements/transactions Payment of Professional Fees amounting to Rs. 600,000/-
 - c) Duration of the contracts / arrangements/transactions For the F.Y. 2015-16
 - d) Salient terms of the contracts or arrangements or transactions including the value, if any Payment of professional fees for advisory in Marketing and Project Management
 - e) Date(s) of approval by the Board, if any 30th May, 2015
 - f) Amount paid as advances, if any Nil

For and on behalf of the Board of Directors,

Sd/-
Daulat Mehta
Managing Director
DIN: 01575366

Sd/-
Kailash Mehta
Director
DIN: 01741399

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B. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Industry Structure and Development:

With the IT expertise the company also focuses in various other fields of trade, commerce, commodity trades. The company is also very keen to work with the government of India on various other IT projects. With the "Make in India" initiative the company is very keen in working with various top players in the country on various projects which are well under its scope of Interest and expertise.

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.

Management aims to achieve success with its endeavor to work with the Government of India and try and pick a few other projects too from various other departments of the Indian government. Management is already successful in its first step by becoming an EA with the UIDAI.

Segment Wise/ Product Wise Performance:

There has been a very good performance in the trading division as well as in I.T.

Since the company has started government business the performance of I.T. division will be many folds in the years to come.

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.

Risk/ Concerns and Mitigation:

The Company has a dynamic Risk Management framework to identify, evaluate business risks and opportunities. The framework helps in identifying risks, exposure and potential impact analysis for the Company level.

Internal Control System and their adequacy:

The Company has an in-house internal audit department which examines and ensures adequate internal checks and control procedures. It also ensures proper accounting, records authorization, control of operations and compliance with law.

Further, the Internal Auditors and Audit committee periodically reviews the effectiveness of the Internal Financial control and makes suggestions for constant improvements.

The company also believes in the importance of technology and systems in improving controls at various levels and strives to enhance them on a continuous basis. Further the Company is continuously working to improve and strengthen internal check and control system to align with the expected growth in operations.

Discussion on Financial Performance with respect to Operational performance:

Twinstar Industries Limited, the company has been involved into IT businesses since its inception. At Twinstar our constant endeavor is to grow. In some recent developments the company has been appointed by UIDAI as an Enrollment Agency (EA). The company has started its operations and is progressing. The company expects good growth from the project. With a wider objective and trying to cater to a wider audience the company is also looking into various fields of work with the Government of India and a few other companies as well. With the recent changing and constant increasing competition, the company plans to

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take the challenge to them and perform better than its peers. With the new Mantra of “Inspire” the company would look into projects which are new and different. Company would also increase its scope of work in the field of IT and soon would show significant progress there too.

Human Resources and Industrial Relations:

The Company considers human resource as a valuable ingredient of the Company. 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.

Disclosure of Accounting Treatment

In Preparation of Financial Statements, a treatment as prescribed in Accounting Standard has been followed and hence no disclosures required with respect to the same.

For Twinstar Industries Limited

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

Sd/-
Kailash Mehta
Director
DIN: 01741399

Place: Mumbai

Date: 12th August, 2016

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REPORT ON COPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2016.

COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY

Twinstar Industries Limited believes that "Corporate Governance" refers to the processes and structure by which the business and affairs of the Company are directed and managed, in order to enhance long term shareholder value through enhancing corporate performance and accountability, whilst taking into account the interests of all stakeholders. Good corporate governance, therefore, embodies both enterprise (performance) and accountability (conformance).

THE BOARD OF DIRECTORS

Composition of the Board:

At present the composition of the Board is not in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 due to resignation of Independent Directors. The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors and is in process of appointing Independent Directors to align the Board with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

The Board of Directors as on 31st March 2016 comprised of 6 members.

None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees as per Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, across all the Companies in which he/she is Director. The composition of the Board in detail is as follows as on 31st March 2016:

| Sr. No. | Name of the Directors | Category | No. of Directorships in other Public Limited Companies | Number of Committee positions held in other Public Limited Companies. |
|---------|--|-------------------------------------|--|---|
| 1. | Mr. Daulat Mehta | Managing Director | 2 | Nil |
| 2. | Mr. Kailash Mehta | Non Executive Director | 1 | Nil |
| 3. | Mrs. Kala Mehta | Non Executive Director | 1 | Nil |
| 4. | Mr. Harsh Mehta | Executive Director | 1 | Nil |
| 5. | Mr. Nirmal Jain ³ | Independent, Non Executive Director | Nil | Nil |
| 6. | Mr. Virendra Kumar Bhandari ⁴ | Independent, Non Executive Director | Nil | Nil |

Notes:

1. Mr. Harsh Mehta was appointed as an Executive Director at the Annual General Meeting of the Company held on 30th September 2015.
2. Mr. Nirmal Jain, has resigned as a Director with effect from 09th June, 2016.
3. Mr. Virendra Kumar Bhandari, has resigned as a Director with effect from 10th June, 2016.

Meetings of the Board and Attendance of Directors:

The Meetings of the Board of Directors are generally held at its registered office of the company at Plot No EL-178TTC MIDC INDL Area, Mahape, Navi Mumbai- 400701. The Board met Eight times on 30th May, 2015; 20th June, 2015; 14th Aug, 2015; 17th Oct, 2015; 07th Nov, 2015; 14th Nov, 2015; 05th Feb, 2016; 12th Feb, 2016 during the year with clearly defined agenda, circulated well in advance before each meeting.

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The Attendance of the members of the Board at the meeting held during the year and at the last Annual general Meeting (AGM) and also the number of other Directorship & Membership /Chairmanship of Committees as on March 31, 2016 are as follows:

| Sr. No. | Name of the Directors | Meetings held during the tenure of the Director | No of Meetings attended | Attendance at the last AGM |
|---------|--|---|-------------------------|----------------------------|
| 1. | Mr. Nirmal Jain ² | 8 | 1 | Yes |
| 2. | Mr. Kailash Mehta | 8 | 8 | No |
| 3. | Mr. Daulat Samirmal Mehta | 8 | 8 | Yes |
| 4. | Mr. Virendra Kumar Bhandari ³ | 8 | 1 | No |
| 5. | Mrs. Kala Daulat Mehta | 8 | 8 | No |
| 6. | Mr. Harsh Daulatmal Mehta | 8 | 8 | Yes |

Notes:

1. Mr. Nirmal Jain, has resigned as a Director with effect from 09th June, 2016.
2. Mr. Virendra Kumar Bhandari, has resigned as a Director with effect from 10th June, 2016.

Disclosure of relationship between directors Inter - se:

The Details of Nature of Directorship, Relationship with other Directors as follows:

| Name of Director(s) | Nature of Directorship | Relationship with other Director(s) |
|---------------------------|------------------------|--|
| Mr. Daulat Samirmal Mehta | Managing Director | Father of Mr. Harsh Mehta Spouse of Mrs. Kala Mehta Brother of Mr. Kailash Mehta |
| Mrs. Kala Mehta | Non Executive Director | Spouse of Mr. Daulat Mehta Mother of Mr. Harsh Mehta |
| Mr. Harsh Mehta | Executive Director | Son of Mr. Daulat Mehta & Mrs. Kala Mehta |
| Mr. Kailash Mehta | Non Executive Director | Brother of Mr. Daulat Mehta |

Number of shares and convertible instruments held by Non Executive Directors:

| Sr. No. | Name of Director(s) | Numbers of Shares held |
|---------|-----------------------------|------------------------|
| 1. | Mr. Nirmal Jain | 6000 |
| 2. | Mr. Kailash Mehta | 980100 |
| 3. | Mr. Virendra Kumar Bhandari | Nil |
| 4. | Mrs. Kala Daulat Mehta | 1481800 |

Web link where details of familiarization programmes imparted to independent directors is disclosed:

The Company is in process of updating the details on its website i.e. <http://www.twinstar.in>

Independent Directors Meeting:

During the year under review, the Independent Directors met on March 25, 2016, inter alia, to discuss:

1. Evaluation of performance of Non Independent Directors and the Board of Directors as a whole;
2. Evaluation of the quality, content and timelines of flow of information between the Management and the board that is necessary for the Board to effectively and reasonably perform its duties.

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Board Committees

The Board has constituted the following committees:

- Audit Committee
- Stakeholders Relationship Committee
- Nomination and Remuneration Committee
- Risk Management Committee

1. Audit Committee:

(a) Brief description of Audit Committee of the Company

The Audit Committee of the Board of Directors of the Company inter-alia provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

As required under Section 177 of the Companies Act, 2013 read with the provisions of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has constituted an Audit Committee (the "Committee"). The Committee acts as a link between the Statutory Auditors and the Board of Directors. It addresses itself to matters pertaining to adequacy of internal controls, reliability of financial statements and other management information and adequacy of provisions of liabilities. The primary objective of the "Committee" is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and the transparency, integrity and quality of financial reporting.

The terms of reference of the Audit Committee are as outlined in Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the companies Act, 2013.

(b) Composition & Meetings of Audit Committee

Our Audit Committee Comprised Three Directors as Members of the Committee as on 31st March, 2016.

- * Mr. Virendra Kumar Bhandari
- * Mr. Nirmal Jain
- * Mr. Kailash Mehta

The Audit Committee is responsible for the areas specified by Regulation 18, Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of Section 177 of the Companies Act 2013, 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.

In the financial year 2015-16, the Audit Committee duly met 4 times on 30th May, 2015, 10th Aug, 2015, 10th Nov, 2015 and 12th Feb, 2016. 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. Virendra Kumar Bhandari | Independent, Non Executive Director | 4 | 4 |
| Mr. Nirmal Jain | Independent, Non Executive Director | 4 | 4 |
| Mr. Kailash Mehta | Non Executive Director | 4 | 4 |

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2. Stakeholders Relationship Committee :

(a) Brief description of Stakeholders Relationship Committee of the Company

The terms of reference of the Stakeholders Relationship Committee are as per the provisions of the Section 178 of the Companies Act, 2013 and Regulation 20, Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(b) Composition & Meeting(s) of Stakeholders Relationship Committee

In the financial year 2015-16, the Stakeholders Relationship Committee duly met once on 12th Aug, 2015. The Composition of the Stakeholders Relationship Committee as on 31st March, 2016 and details of Meetings attended by the Members of the Committee are given below:

| Name | Category | No. of Meetings during the year | |
|-----------------------------|-------------------------------------|---------------------------------|----------|
| | | Held | Attended |
| Mr. Nirmal Jain | Independent, Non Executive Director | 1 | 1 |
| Mr. Virendra Kumar Bhandari | Independent, Non Executive Director | 1 | 1 |
| Mr. Kailash Mehta | Non Executive Director | 1 | 1 |

The Committee has been delegated authority by the Board to approve transfers/transmission of shares, issue of share certificates etc. The Committee meets as and when there transfers/transmission of shares, or any complaints/ queries of the shareholders need to be attended.

The committee also reviews the queries and complaints received from the shareholders and the steps taken for their redressal. There were no complaints pending as on 31st March 2016.

There were no transfers/transmission of shares, issue of share certificates or investor complaints during the financial year.

Half-yearly Transfer Audit and Quarterly Secretarial Audit is regularly carried out by an Independent Practicing Company Secretary.

3. Nomination and Remuneration Committee :

(a) Brief description of Nomination and Remuneration Committee of the Company

The terms of reference of the Nomination and Remuneration committee are as per the provisions of the Section 178 of the Companies Act, 2013 and Regulation 19, Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Nomination and Remuneration Committee is empowered with the following terms of reference and responsibilities in accordance with the provisions of law and the Nomination and Remuneration Policy:

1. Formulate criteria for determining qualifications, positive attributes and independence of a director;
2. Recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
3. Devise a policy on Board Diversity;
4. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
5. Carry out the evaluation of every director's performance and formulate criteria for evaluation of

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Independent Directors, Board/Committees of Board and review the term of appointment of Independent Directors on the basis of the report of performance evaluation of Independent Directors;

6. Reviewing and recommending to the Board, the remuneration, payable to Directors of your Company; and
7. Undertake any other matters as the Board may decide from time to time.

(b) Composition & Meeting(s) of Nomination and Remuneration Committee

Nomination & Remuneration Committee as on 31st March 2016 comprised of 3 Members

- * Mr. Virendra Kumar Bhandari
- * Mr. Nirmal Jain
- * Mr. Kailash Mehta

In the financial year 2015-16, the Nomination and Remuneration Committee duly met 1 time on 07th Aug, 2015. The Composition of the Nomination and Remuneration 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. Virendra Kumar Bhandari | Independent, Non Executive Director | 1 | 1 |
| Mr. Nirmal Jain | Independent, Non Executive Director | 1 | 1 |
| Mr. Kailash Mehta | Non Executive Director | 1 | 1 |

Nomination and Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Key managerial personnel and Senior Management and their remuneration.

The Nomination and Remuneration Policy provides for appropriate composition of Executive, Non-Executive and Independent Directors on the Board of Directors of your Company along with criteria for appointment and remuneration including determination of qualifications, positive attributes, independence of Directors and other matters as provided under sub-section (3) of Section 178 of the Companies Act, 2013. The remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy of your Company. The said policy is available 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.

4. Remuneration of Directors:

All pecuniary relationship or transactions of the Non executive Directors vis –a- vis listed entity.

There is no pecuniary relationship or transactions of the Non executive Directors vis – a - vis company.

Criteria of making payments to Non executive Directors.

Remuneration payable to all the NEDs will be recommended by the NRC to the Board based on Company's performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.

Non- Executive Directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits. Quantum of sitting fees may be subject to review on a periodic basis, as required.

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Disclosure with respect to remuneration

1. Remuneration package of individual directors

| | |
|---|-------------------------|
| Name of the Director | Mr. Daulat Mehta |
| Designation | Managing Director |
| Salary (Basic + HRA + Medclaim +Conveyance) | 600,000 |
| Bonus | Nil |
| Stock Options | Nil |
| Pension | Nil |

2. The Company does not offer any fixed component and performance incentives to any director.
3. No Service contracts executed between the Company and Directors.
4. No Stock options were granted to any director and employees.

Additional disclosure as required under Schedule V for appointment of Mr. Harsh Mehta as Whole Time Director and approval of his remuneration.

Remuneration Package:

| | |
|--------------------------------|------------------------------|
| Salary | : Upto Rs. 96000/- per month |
| HRA | : Upto Rs. 48000/- per month |
| Medical Expenses Reimbursement | : Upto Rs. 4000/- per month |
| Conveyance Allowance | : Upto Rs. 3000/- per month |

Fixed component and performance linked incentives: Same as Remuneration Package

Service Contract, Notice period & Severance Fees: NIL

Stock option: The Company has not issued any Stock option during the Financial Year 2015-2016.

5. Risk Management Committee:

Business Risk Evaluation and Management is an ongoing process within the organization. The Company has risk management framework to identify, monitor risks as also identify business opportunities. The Company has constituted a Risk Management Committee, however the same was dissolved w.e.f. 12th Feb, 2016.

General Body Meetings (Held in last 3 Years)

| Year | Date | Time | Venue | Details of Special Resolutions Passed |
|-----------|--------------------|-----------|--|--|
| 2014-2015 | September 30, 2015 | 09.00 a.m | Plot No EL-178TTC MIDC INDL Area, Mahape, Navi Mumbai-400701. | No Special Resolution |
| 2013-2014 | September 30, 2014 | 09.00 a.m | Plot No EL-178TTC MIDC INDL Area, Mahape, Navi Mumbai,-400701. | Adoption of new set of Articles of Association |
| 2012-2013 | September 30, 2013 | 09.00 a.m | Plot No EL-178TTC MIDC INDL Area, Mahape, Navi Mumbai,-400701. | No Special Resolution |

No resolution/s were passed through Postal Ballot

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Means of Communication

a. Quarterly Results :

The unaudited quarterly/half yearly results are announced within 45 days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the Financial year as per the requirements of the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the stock exchanges.

b. Website Details :

The Company has its website however the same is under updation

c. All financial and other vital information is promptly communicated to the stock exchanges on which company's shares are listed.

d. No presentations were made to institutional investors or to any analysts.

Share Holders Information

1. Annual General Meeting

The 22nd Annual General Meeting of the Company for the year ended March 31, 2016 will be held at its Registered Office situated at Plot No EL-178TTC MIDC INDL Area, Mahape, Navi Mumbai,- 400701 on Thursday, 29th Day of September 2016 at 09.00 a.m.

2. Financial Year: 1st April, 2015 to 31st March, 2016

3. Dividend Payment Date:

No dividend was declared/paid during the year.

4. Name & Address of Stock Exchange, Payment of Listing fees, Stock Code

The equity shares issued by the Company are listed on the following Stock Exchanges and the Company is regular in payment of listing fees.

| Sr. No. | Name & Address of Stock Exchange | Stock Code |
|---------|---|------------|
| 1. | Bombay Stock Exchange Phiroze Jeejeebhoy Towers, Dalal Street Mumbai 400 001 | 531917 |
| 2. | Ahmedabad Stock Exchange Limited A-2, Kamdhenu Complex, Opposite Sahajanand College, 120 Feet Ring Road, Panjara Pol, Ambawadi, Ahmedabad, Gujarat 380015 | 61860 |

Note: The Company was listed on Bangalore Stock Exchange however SEBI has granted exit to the exchange vide its order dated 26th December, 2014.

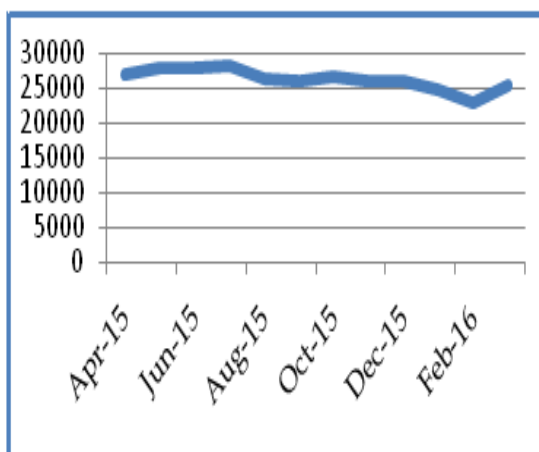
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5. Stock Market Data

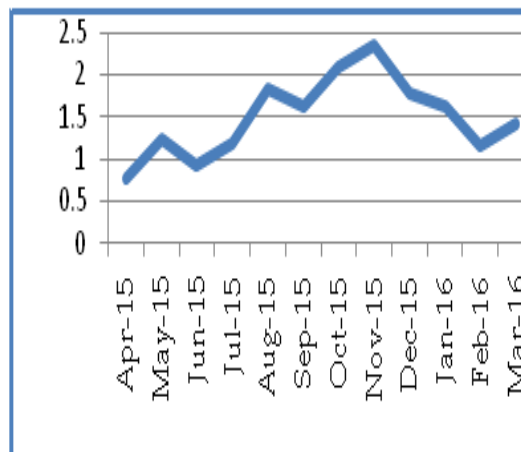
Stock Market Price Data for the year 2015-16:

| Month | BSE Prices | |
|-----------------|------------|-----------|
| | High (Rs.) | Low (Rs.) |
| April, 2015 | 0.81 | 0.72 |
| May, 2015 | 1.23 | 0.75 |
| June, 2015 | 1.36 | 0.93 |
| July, 2015 | 1.20 | 0.88 |
| August, 2015 | 1.89 | 1.14 |
| September, 2015 | 1.80 | 1.63 |
| October, 2015 | 2.11 | 1.36 |
| November, 2015 | 2.58 | 1.90 |
| December, 2015 | 2.47 | 1.78 |
| January, 2016 | 2.07 | 1.64 |
| February, 2016 | 1.72 | 1.12 |
| March, 2016 | 1.42 | 1.17 |

6. Performance in comparison to broad based BSE Sensex Indices



S & P BSE Sensex



Twinstar

7. No securities are suspended from trading.

8. Registrar to an issue and share transfer agents

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 Stakeholders Relationship 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.

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(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

9. Share Transfer System

The transfer of shares in physical form is processed and completed by the registrar and transfer agent within a period of 7 days from the date of receipt thereof provided that all the documents are in order. In case of shares in electronic form the transfers are processed by NSDL/CDSL through respective depository participants. In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a practicing company secretary carries out audit of the system of transfers and the certificate to that effect is issued.

10. Distribution of Shareholding of the Company as on March 31, 2016 is as follows

| Share Holding of Nominal Value of | Folios | | Shares | |
|-----------------------------------|--------------|----------------|------------------|------------|
| | Numbers | % | In Rs. | % |
| Up to 5000 | 6815 | 67.48 | 14726120 | 6.54 |
| 5001 – 10000 | 1365 | 13.51 | 11787990 | 5.24 |
| 10001 – 20000 | 759 | 7.51 | 13395050 | 5.95 |
| 20001 – 30000 | 287 | 2.84 | 7513830 | 3.34 |
| 30001 – 40000 | 143 | 1.42 | 5239870 | 2.33 |
| 40001 – 50000 | 205 | 2.03 | 9981520 | 4.44 |
| 50001 – 100000 | 270 | 2.67 | 20716510 | 9.21 |
| 100001 and Above | 256 | 2.53 | 141639110 | 62.95 |
| Total | 10100 | 100.00% | 225000000 | 100 |

11. Dematerialization of Shares

The Equity Shares of the Company are to be traded compulsorily in Dematerialised form. About 92.83% of paid-up Equity Capital has been dematerialised as on 31st March, 2016.

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

12. Company has not issued any Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments.
13. Company does not undertake commodity trading or hedging activities.
14. Company does not have any plants.
15. Address for Correspondence - Investor Services

For any complaints relating to non-receipt of shares after transfer, transmission, change of address, mandate etc., dematerialization of shares, non-receipt of Annual Report, non-receipt of dividend etc., the complaint should be forwarded to M/s. Sharex Dynamic (India) Pvt. Ltd, at the following address:

Unit-1, Luthra Ind. Premises,
1st Floor, 44-E, M Vasanti Marg,
Andheri-Kurla road, Safed pool,
Andheri (E), Mumbai-400072
Maharashtra

OR

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

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Other Disclosures:

1. There were no significant related party transactions having potential conflict with the interest of listed entity at large.
2. The Company has generally complied with mandatory requirements except to the extent of following non-compliances: Composition of Board is not in conformity with requirements, Non Publication of Notices of meetings & Financial Results of the Company, Non Appointment of Company secretary, Non appointment of CFO, Non functioning of Website, the company has a foreign subsidiary Twinstar Software Exports Inc” (USA) having no operations and hence the accounts are not consolidated however no penalties or strictures were 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.
3. Pursuant to Section 177(9) & (10) of the Companies Act 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the company has formulated the Whistle Blower Policy for Vigil mechanism for Directors and employees to report to the management about the unethical behavior, fraud or violation of Companies Code of Conduct. The mechanism provides for adequate safeguards against the victimization of the employees and directors who use such mechanism and makes provisions for direct access to the chairperson of the audit committee in exceptional cases. None of the personnel of the company has been denied access to the audit committee.
4. The Company has complied with most of the mandatory requirements except to those mentioned above and as mentioned in the Secretarial Audit Report.
Further the company has not adopted any non mandatory requirements.
5. The Company has formulated a material subsidiary policy. Further, due to non functioning of the website same was not disclosed on the website of the company.
6. The Website of the Company is under updation and hence no disclosures were published on the website. All the documents/ information required to be disclosed on the website are available for inspection at the registered office of the Company.
7. Company does not undertake commodity trading or hedging activities.

The Company has not adopted any of the discretionary requirements specified in Part E of Schedule II.

Disclosure of the Compliance with Corporate Governance Requirements specified in Regulation 17 to 27

| Sr | Particulars | Regulation Number | Compliance status (Yes/No/NA) |
|----|--|-------------------|-------------------------------|
| 1 | Board composition | 17(1) | No |
| 2 | Meeting of Board of directors | 17(2) | Yes |
| 3 | Review of Compliance Reports | 17(3) | Yes |
| 4 | Plans for orderly succession for appointments* | 17(4) | NA |
| 5 | Code of Conduct | 17(5) | Yes |
| 6 | Fees/compensation* | 17(6) | NA |
| 7 | Minimum Information | 17(7) | Yes |
| 8 | Compliance Certificate | 17(8) | Yes |
| 9 | Risk Assessment & Management | 17(9) | Yes |
| 10 | Performance Evaluation of Independent Directors | 17(10) | Yes |
| 11 | Composition of Audit Committee | 18(1) | Yes |
| 12 | Meeting of Audit Committee | 18(2) | Yes |
| 13 | Composition of nomination & remuneration committee | 19(1) & (2) | Yes |
| 14 | Composition of Stakeholder Relationship Committee | 20(1) & (2) | Yes |
| 15 | Composition and role of risk management committee | 21(1),(2),(3),(4) | NA |

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(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

| | | | |
|----|---|-------------------------|-----|
| 16 | Vigil Mechanism | 22 | Yes |
| 17 | Policy for related party Transaction | 23(1),(5),(6),(7) & (8) | Yes |
| 18 | Prior or Omnibus approval of Audit Committee for all related party transactions | 23(2), (3) | NA |
| 19 | Approval for material related party transactions | 23(4) | NA |
| 20 | Composition of Board of Directors of unlisted material Subsidiary | 24(1) | NA |
| 21 | Other Corporate Governance requirements with respect to subsidiary of listed entity | 24(2),(3),(4),(5) & (6) | NA |
| 22 | Maximum Directorship & Tenure | 25(1) & (2) | Yes |
| 23 | Meeting of independent directors | 25(3) & (4) | Yes |
| 24 | Familiarization of independent directors | 25(7) | Yes |
| 25 | Memberships in Committees | 26(1) | Yes |
| 26 | Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel | 26(3) | Yes |
| 27 | Disclosure of Shareholding by Non-Executive Directors | 26(4) | Yes |
| 28 | Policy with respect to Obligations of directors and senior management | 26(2) & 26(5) | Yes |

* Plans for orderly succession for appointments: No such plans made

* Fees/compensation : no such Fees/compensation is paid

Disclosures of the compliance with corporate governance requirements specified in clauses (b) to (i) of sub-regulation (2) of regulation 46

Company has its website however the same is under updation. Hence the disclosure required under clause (b) to (i) of sub-regulation (2) of regulation 46 were not disseminated on its website.

All the documents/ information required to be disclosed on the website are available for inspection at the registered office of the Company.

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Declaration of Compliance with the Code of Conduct

[As per the Provision of the Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015]

I, Daulat Mehta, Managing Director of the Company do hereby declare that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management.

For Twinstar Industries Limited

Sd/-
Daulat Mehta
(Managing Director)
DIN: 01575366

Directors Certification

[As per the Provision of the Part B of Schedule II and Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015]

To,
The Board of Directors
TWINSTAR INDUSTRIES LIMITED
Mumbai

I, Daulat Samirmal Mehta, Managing Director of the Company do hereby certify to the Board that:

- a. I, have reviewed the Financial Statements read with the Cash Flow Statement of Twinstar Industries Limited for the year ended March 31, 2016 and to the best of my knowledge and belief ;
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal control for financial reporting. I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and steps I have taken or proposed to be taken for rectifying these deficiencies.
- d. I have indicated to the Auditors and the Audit Committee:
 1. Significant changes in internal control over financial reporting during the year;
 2. Significant changes accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statement; and
 3. There have been no instances if significant fraud of which I have become aware and the involvement therein if any of the management or an employee having a significant role in the company's internal control system over financial reporting.

By Order of the Board
For Twinstar Industries Limited

Sd/-
Daulat Mehta
(Managing Director)
DIN: 01575366

TWINSTAR INDUSTRIES LTD

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

AUDITOR'S CERTIFICATE

To,
The Members,
Twinstar Industries Ltd.

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into, by the Company, with the Stock Exchanges of India, for the Financial Year ended on 31st March 2016.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. 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 the financial statement of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review, and the information and explanations given to us by the Company.

Based on such a review and to the best of our information and according to the explanations given to us, we certify that the Company has substantially complied with the conditions of Corporate Governance as stipulated in the Regulation 27 and Schedule V of the above mentioned SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there are certain non compliances like:(1) The Company has not appointed Company Secretary and CEO (2) The Company's website is under updation (3) The Board composition does not appear to be in compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (4) The Company has not published the Notices and Quarterly Results in newspapers as required by Regulation 47 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We state that no investor grievance is pending as at 31st March, 2016, 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

Sd/-
(N.K. JALAN)
Proprietor

Place: Mumbai
Date: 12th August, 2016

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N. K. JALAN & CO.
Chartered Accountants.

2-A, Mayur Apartments,
Dadabhai Cross Road No.3,
Vile Parle (West),
Mumbai - 400 056.
Tele: 26210903/26210904.
Mobile: 932411410
E-mail: nkjalan@vsnl.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TWINSTAR INDUSTRIES LTD

Report on the Financial Statements

We have audited the accompanying financial statements of **TWINSTAR INDUSTRIES LTD** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 mis-statement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

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, of the state of affairs of the Company as at 31st March, 2016 and its profit and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 and on the basis of such checks of the books and records of the Company as we considered appropriate and

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(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

according to the information and explanation given to us, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 & 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

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

PLACE: MUMBAI
DATED: 28/05/2016

Sd/-
(N.K. JALAN)
PROPRIETOR
Membership No.0 11878

Annexure 1 to the Independent Auditors' Report

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

- (i) In respect of its fixed assets:
 - (a) The company has maintained proper records showing full particulars, including quantitative details and situation of the 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) The title deeds of immovable properties recorded in the books of account of the Company are held in the name of the Company.
- (ii) The inventory has been physically verified by management during the year. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore provisions of sub clause (a), (b) and (c) of clause (iii) of paragraph 3 of the Order are not applicable to the Company.

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- (iv) As per the information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under. Therefore, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.
- (vi) 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 sub-section (1) of section 148 of the Companies Act, 2013. Therefore, the provisions of clause (vi) of paragraph 3 of the Order are not applicable to the Company.

(vii) In respect of statutory dues:

- (a) The company is not regular in depositing with appropriate authority undisputed statutory dues viz. Profession Tax, Property Tax, TDS, Service Tax, Vat, FBT and Income Tax. According to the information and explanations given to us, below undisputed amounts payable were in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.

| Nature of dues | Amount (₹) (excluding interest, if any) |
|--------------------------|--|
| Profession Tax | 33,175 |
| Property Tax | 22,82,930 |
| TDS on Professional fees | 1,58,038 |
| Service Tax | 2,13,452 |
| Vat | 2,92,851 |
| FBT | 24,110 |
| Income Tax | 9,03,106 |

- (b) According to the information and explanations given to us, there are no dues of sales tax, custom duty, income tax, excise duty or cess, which have not been deposited on account of any dispute.
- (viii) According to the information and explanation given to us, the company has not defaulted in repayment of dues to bank / financial institutions. The Company has not taken loan from government or has no dues to debenture holders.
- (ix) The Company has neither raised money by way of public issue offer nor has obtained any term loans. Therefore, the provisions of clause (ix) of paragraph 3 of the Order are not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) As per the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.
- (xiii) As per the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, the provisions of clause (xv) of paragraph 3 of the Order are not applicable to the Company.
- (xvi) As per the information and explanation given to us the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

PLACE: MUMBAI
DATED: 28/05/2016

Sd/-
(N.K. JALAN)
PROPRIETOR
Membership No.0 11878

TWINSTAR INDUSTRIES LTD

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

Annexure 2 to the Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of TWINSTAR INDUSTRIES LTD ("the Company") as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed 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. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations

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of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

PLACE: MUMBAI
DATED: 28/05/2016

Sd/-
(N.K. JALAN)
PROPRIETOR
Membership No.0 11878

TWINSTAR INDUSTRIES LTD

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

Balance Sheet as at 31st March, 2016

| Particulars | Note No. | As at | |
|-----------------------------------|----------|---------------------|---------------------|
| | | 31 March, 2016 ₹ | 31 March, 2015 ₹ |
| A EQUITY AND LIABILITIES | | | |
| 1 Shareholders' funds | | | |
| (a) Share capital | 2 | 224,602,360 | 224,602,360 |
| (b) Reserves and surplus | 3 | 11,654,176 | 9,159,181 |
| 2 Non-current liabilities | | | |
| (a) Long term Borrowings | 4 | 4,696,338 | 1,630,750 |
| (b) Deferred tax liability (Net) | 12 | - | - |
| (c) Other Non Current Laibilities | 5 | - | 18,500,000 |
| 3 Current liabilities | | | |
| (a) Trade payables | 6 | 80,433,116 | 51,518,797 |
| (b) Short term Borrowings | 7 | 91,235,819 | 55,502,400 |
| (c) Other current liabilities | 8 | 6,609,686 | 58,328,028 |
| (d) Short term Provisions | 9 | 2,475,000 | 2,900,000 |
| TOTAL | | 421,706,495 | 422,141,515 |
| B ASSETS | | | |
| 1 Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 10 | 52,234,666 | 59,535,497 |
| (b) Non – Current Investment | 11 | 11,394,500 | 56,049,500 |
| (c) Deferred tax assets (Net) | 12 | 1,776,572 | 2,293,685 |
| (d) Long-term loans and advances | 13 | 5,202,500 | 5,202,500 |
| (e) Other Non Current Assets | 14 | 2,310,696 | 1,099,696 |
| 2 Current assets | | | |
| (a) Inventories | 15 | 4,761,982 | 4,761,982 |
| (b) Trade receivables | 16 | 211,962,482 | 144,885,121 |
| (c) Current Investments | - | - | - |
| (d) Cash and cash equivalents | 17 | 27,272,083 | 38,062,408 |
| (e) Short-term loans and advances | 18 | 104,791,015 | 108,985,645 |
| (f) Other Current Assets | 19 | - | 1,265,482 |
| TOTAL | | 421,706,495 | 422,141,515 |

Notes To Balance Sheet and Statement Of Profit and Loss 1 to 31

As per our report Of Even Date

For N. K. JALAN & CO.

Chartered Accountants

Firm Reg No : 104019 W

CANK JALAN
 PROPRIETOR
 Mem. No. 011878

Place : Mumbai
 Date : 28.05.2016

FOR TWINSTAR INDUSTRIES LTD

Daulat Mehta
 Managing Director
 (DIN : 01575366)

Kailash Mehta
 Director
 (DIN : 01741399)

Annual Report 2015-2016

Statement of Profit & Loss for the year ended 31st March, 2016

| Particulars | Note No. | For the year ended 31 March, 2016 ₹ | For the year ended 31 March, 2015 ₹ |
|---|----------|--|--|
| A CONTINUING OPERATIONS | | | |
| 1 Revenue from operations (gross) | 20 | 1,039,041,863 | 1,001,773,631 |
| Less: Excise duty | | - | - |
| Revenue from operations (net) | | 1,039,041,863 | 1,001,773,631 |
| 2 Other income | 21 | 624,041 | 489,242 |
| 3 Total revenue (1+2) | | 1,039,665,904 | 1,002,262,873 |
| 4 Expenses | | | |
| (a) Purchases of stock-in-trade | 22 | 1,004,233,205 | 975,131,587 |
| (b) Change in inventories of stock-in-trade | 23 | - | (4,761,982) |
| (c) Employee benefits expense | 24 | 3,119,562 | 3,221,837 |
| (d) Depreciation and amortisation expense | 10 | 12,535,077 | 15,809,577 |
| (e) Financial expenses | 25 | 9,549,127 | 6,561,792 |
| (f) Other expenses | 26 | 6,911,085 | 2,594,488 |
| Total expenses | | 1,036,348,057 | 998,557,298 |
| 5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4) | | 3,317,848 | 3,705,575 |
| 6 Exceptional and Extraordinary items | | - | - |
| 7 Profit before tax (5-6) | | 3,317,848 | 3,705,575 |
| 8 Tax expense: | | | |
| (a) Current tax | | 700,000 | 775,000 |
| (b) Deferred tax Asset / (Liability) | | (517,113) | 2,850,987 |
| 9 Profit / (Loss) from continuing operations | | 2,100,734 | 5,781,562 |
| 10 Profit / (Loss) from discontinuing operations | | - | - |
| 11 Profit / (Loss) for the year | | 2,100,734 | 5,781,562 |
| Notes To Balance Sheet and Statement Of Profit and Loss | | 1 to 31 | |
| 12 Earnings per share (of ₹ 10/- each): | 28 | | |
| (a) Basic | | | |
| (i) Continuing operations | | 0.09 | 0.26 |
| (ii) Total operations | | 0.09 | 0.26 |
| (b) Diluted | | | |
| (i) Continuing operations | | 0.09 | 0.26 |
| (ii) Total operations | | 0.09 | 0.26 |

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

CAN K JALAN
PROPRIETOR
Mem. No. 011878

Place : Mumbai
Date : 28.05.2016

FOR TWINSTAR INDUSTRIES LTD

Daulat Mehta
Managing Director
(DIN : 01575366)

Kailash Mehta
Director
(DIN :01741399)

2. Share capital

| Particulars | As at 31 March, 2016 | | As at 31 March, 2015 | |
|---|----------------------|--------------------|----------------------|--------------------|
| | Number of shares | ₹ | Number of shares | ₹ |
| (a) Authorised Equity shares of ₹ 10 each | 22,500,000 | 225,000,000 | 22,500,000 | 225,000,000 |
| (b) Issued Equity shares of ₹ 10 each | 22,460,236 | 224,602,360 | 22,460,236 | 224,602,360 |
| (c) Subscribed and fully paid up Equity shares of ₹ 10 each | 22,460,236 | 224,602,360 | 22,460,236 | 224,602,360 |
| Total | 22,460,236 | 224,602,360 | 22,460,236 | 224,602,360 |

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

| Class of shares / Name of shareholder | As at 31 March, 2016 | | As at 31 March, 2015 | |
|--|-----------------------|-----------------------------------|-----------------------|-----------------------------------|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Kala Mehta | 1,481,800 | 6.59 | 1,481,800 | 6.59 |
| 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. Each holder of equity shares is entitled to one vote per share.

3. Reserves and surplus

| Particulars | As at 31 March, 2016 ₹ | As at 31 March, 2015 ₹ |
|--|------------------------------|------------------------------|
| (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 | (10,677,819) | (16,459,381) |
| Add: Profit / (Loss) for the year | 2,100,734 | 5,781,562 |
| Add/(Less): Tax adjustments relating to earlier years | 394,260 | - |
| Closing balance | (8,182,824) | (10,677,819) |
| Total | 11,654,176 | 9,159,181 |

| Particulars | As at 31 March, 2016 ₹ | As at 31 March, 2015 ₹ |
|--|------------------------------|------------------------------|
| 4. Long term Borrowings | | |
| Secured : | | |
| Car Loan (Secured against the Car) | 4,696,338 | 1,630,750 |
| Total | 4,696,338 | 1,630,750 |
| 5. Other Non Current Liabilities | | |
| Deposit | - | 18,500,000 |
| Total | - | 18,500,000 |
| 6. Trade payables | | |
| Sundry Creditors for goods | 80,433,116 | 51,518,797 |
| Total | 80,433,116 | 51,518,797 |
| Balance of Creditors are subject to confirmation and/or Reconciliation/consequential adjustments if any. | | |
| 7. Short Term Borrowings | | |
| Secured : | | |
| Bank O/d | 90,876,985 | 55,502,400 |
| Car Loan (Secured against Car) | 358,834 | - |
| Total | 91,235,819 | 55,502,400 |
| Bank O/d 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. | | |
| 8. Other current liabilities | | |
| Duties & Taxes | 3,898,839 | 3,097,392 |
| Sundry creditors for expenses | 2,710,847 | 405,636 |
| Advance from customers | - | 54,825,000 |
| Total | 6,609,686 | 58,328,028 |
| There is no contingent liability outstanding as on 31st Mar'16 | | |
| 9. Short Term Provisions | | |
| Provision for Tax | 2,475,000 | 2,900,000 |
| Other provisions | - | - |
| Total | 2,475,000 | 2,900,000 |

10. Fixed Assets

| A. Tangible assets | Gross block | | | | Accumulated depreciation and impairment | | | | Net block | | |
|---------------------------------|-----------------------------|----------------|-----------|-------------------|---|-----------------------------|---|----------------------------------|------------------------------|------------------------------|------------------------------|
| | Balance as at 1 April, 2015 | Additions | Disposals | Other adjustments | Balance as at 31 March, 2016 | Balance as at 1 April, 2015 | Depreciation/ amortisation expense for the year | Eliminated on disposal of assets | Balance as at 31 March, 2016 | Balance as at 31 March, 2016 | Balance as at 31 March, 2015 |
| (a) Land Leasehold | 5,013,214 | - | - | - | 50,13,214 | - | - | - | - | 50,13,214 | 50,13,214 |
| (b) Buildings Ownuse | 3,87,83,441 | - | - | - | 3,87,83,441 | 99,63,321 | 11,45,177 | - | 1,11,08,498 | 27674943 | 28820120 |
| (c) Furniture & Fixtures Owned | 95,29,291 | - | - | - | 95,29,291 | 71,21,163 | 2,67,723 | - | 73,88,886 | 2140405 | 2408128 |
| (d) Computer Equipments Owned | 10,69,00,237 | - | - | - | 10,69,00,237 | 10,69,00,237 | - | - | 10,69,00,237 | - | - |
| (e) Office equipment Owned | 6,40,619 | - | - | - | 6,40,619 | 5,37,186 | 21,010 | - | 5,58,196 | 82423 | 103433 |
| (f) Diesel Generating Set Owned | 3,76,578 | - | - | - | 3,76,578 | 3,57,749 | - | - | 3,57,749 | 18829 | 18829 |
| (g) UPS System Owned | 15,19,340 | - | - | - | 15,19,340 | 10,63,946 | 95,183 | - | 11,59,129 | 360211 | 455394 |
| (h) Air Conditioner Owned | 12,21,207 | - | - | - | 12,21,207 | 10,46,411 | 34,134 | - | 10,80,545 | 140662 | 174796 |
| (i) Electric Installation Owned | 31,01,140 | - | - | - | 31,01,140 | 19,67,887 | 1,18,241 | - | 20,86,128 | 1015012 | 1133253 |
| (j) Computer & Hardware Owned | 3,65,41,562 | - | - | - | 3,65,41,562 | 1,70,27,887 | 1,02,64,011 | - | 2,72,91,898 | 9249664 | 19513675 |
| (k) Motor Cars Owned | 24,40,760 | 52,34,245 | - | - | 76,75,005 | 5,46,104 | 5,89,598 | - | 1,135,702 | 6,539,303 | 1,894,656 |
| Total | 206067389 | 5234245 | - | - | 211301634 | 146531891 | 12535077 | - | 159066968 | 52234666 | 59535497 |
| Previous Year | 20,89,14,525 | 25,600 | - | - | 20,89,40,125 | 13,35,95,050 | 15809577 | - | 14,94,04,627 | 5,95,35,497 | 7,53,19,474 |

11. Non Current investments

| Particulars | As at 31 March, 2016 | | | As at 31 March, 2015 | | |
|---|----------------------|--------------------|--------------------|----------------------|--------------------|--------------------|
| | Quoted ₹ | Unquoted ₹ | Total ₹ | Quoted ₹ | Unquoted ₹ | Total ₹ |
| Investment in equity instruments (give details separately for fully / partly paid up instruments) | | | | | | |
| (i) of subsidiaries | - | 39,94,500 | 39,94,500 | - | 39,94,500 | 39,94,500 |
| (ii) of associates | - | - | - | - | - | - |
| Originet Technologies Limited (22,32,750 (P.Y. NIL) equity shares of ₹ 10/- each, fully paid) | - | - | - | - | 4,46,55,000 | 4,46,55,000 |
| (iii) of joint venture companies | - | - | - | - | - | - |
| (iv) of controlled special purpose entities | - | - | - | - | - | - |
| (v) of other entities | - | - | - | - | - | - |
| R Vision India Pvt Ltd. | - | 74,00,000 | 74,00,000 | - | 74,00,000 | 74,00,000 |
| TOTAL | - | 1,13,94,500 | 1,13,94,500 | - | 5,60,49,500 | 5,60,49,500 |

| Particulars | As at 31 March, 2016 ₹ | As at 31 March, 2015 ₹ |
|---|------------------------------|------------------------------|
| 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: | | |
| (A) | | |
| (a) WDV As Per Companies Act (except Land) | 47,221,452 | 54,522,284 |
| (b) WDV As Per Income Tax Act | 33,136,662 | 35,605,334 |
| Difference | 14,084,790 | 18,916,950 |
| Deferred Tax Liability @ 11.845% | 1,668,343 | 2,240,713 |
| (B) | | |
| Total Closing Business Loss | 26,800,354 | 35,998,177 |
| Deferred Tax Asset @ 11.845% | 3,174,502 | 4,263,984 |
| (C) | | |
| Sec 43B Timing difference (Property Tax) | 2,282,930 | 2,282,930 |
| Deferred Tax Asset @ 11.845% | 270,413 | 270,413 |
| Net Deferred Tax Asset/(Liability) | 1,776,572 | 2,293,684 |
| Less: Opening Deferred tax Assets / (Liability) | 2,293,685 | -557,302 |
| Recognized in Balance Sheet | 1,776,572 | 2,293,685 |
| Recognized in Profit & Loss Account | 517,113 | -2,850,987 |
| 13. Long Term Loans & Advances | | |
| Other Loans & Advances | 5,202,500 | 5,202,500 |
| Total | 5,202,500 | 5,202,500 |
| 14. Other Non Current Assets | | |
| Bank Guarantee | 361,442 | 361,442 |
| Bank of Baroda (EMD) | 200,000 | 200,000 |
| Deposits | 1,749,254 | 538,254 |
| Total | 2,310,696 | 1,099,696 |

TWINSTAR INDUSTRIES LTD

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

| Particulars | As at 31 March, 2016 ₹ | As at 31 March, 2015 ₹ |
|---|------------------------------|------------------------------|
| 15. Inventories (At lower of cost and net realisable value) | | |
| Finished Goods | 4,761,982 | 4,761,982 |
| Total | 4,761,982 | 4,761,982 |
| (a) The closing stock has been taken and certified by the director of the company. | | |
| 16. Trade Receivable | | |
| Debts outstanding for a period exceeding six months Unsecured, considered good | 24,273,696 | 13,247,528 |
| Other Trade receivables Unsecured, considered good | 187,688,786 | 131,637,594 |
| Less: Provision for doubtful trade receivables | - | - |
| Total | 211,962,482 | 144,885,121 |
| Balance of Debtors are subject to confirmation and/or Reconciliation/consequential adjustments if any. | | |
| 17. Cash and cash equivalents | | |
| (a) Cash on hand | 3,331,328 | 3,435,098 |
| (b) Balances with banks | | |
| (i) In current accounts | | |
| Axis Bank | 22,892,076 | 34,526,713 |
| Union Bank Of India | 113 | 100,597 |
| (ii) In Fixed Deposits | 1,048,566 | - |
| Total | 27,272,083 | 38,062,408 |
| 18. Short-term loans and advances | | |
| (A) Advance recoverable in cash or in kind or for value to be received | 48,401,863 | 51,776,252 |
| (B) Payment of Taxes | 454,357 | 898,024 |
| (C) Other Loan and Advances | 55,934,795 | 56,311,369 |
| Less: Provision for other doubtful loans and advances | - | - |
| Total | 104,791,015 | 108,985,645 |
| Balance of Loans and Advances are subject to confirmation and/or Reconciliation/consequential adjustments if any. | | |
| 19. Other Current Assets | | |
| LC Margin Money | - | 1,250,000 |
| Accrued interest on above | - | 15,482 |
| Total | - | 1,265,482 |

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| Particulars | For the year ended 31st March, 2016 ₹ | For the year ended 31st March, 2015 ₹ |
|--|--|--|
| 20. Revenue from operations | | |
| Sale of products | 1,039,041,863 | 1,001,773,631 |
| Less: Excise duty | - | - |
| Total | 1,039,041,863 | 1,001,773,631 |
| 21. Other income | | |
| Interest Income | 557,315 | 424,465 |
| Discount | 61,603 | 64,777 |
| Rate Difference | 5,123 | - |
| Total | 624,041 | 489,242 |
| 22. Purchase of traded goods | | |
| Purchase of products | 1,004,233,205 | 975,131,587 |
| Total | 1,004,233,205 | 975,131,587 |
| 23. Changes in inventories of finished goods, work-in-progress and stock-in-trade | | |
| Inventories at the end of the year: | | |
| Stock-in-trade | 4,761,982 | 4,761,982 |
| | 4,761,982 | 4,761,982 |
| Inventories at the beginning of the year: | | |
| Stock-in-trade | 4,761,982 | - |
| | 4,761,982 | - |
| Net (increase) / decrease | - | (4,761,982) |
| 24. Employee benefit expense | | |
| Salaries and wages | 1,889,553 | 1,914,406 |
| Director's Remuneration | 6,00,000 | 1,236,000 |
| Professional Fees | 6,00,000 | |
| Staff Welfare Expenses | 30,009 | 41,148 |
| Staff Travelling Expenses | - | 30,283 |
| Total | 3,119,562 | 3,221,837 |

TWINSTAR INDUSTRIES LTD

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

| Particulars | For the year ended 31st March, 2016 ₹ | For the year ended 31st March, 2015 ₹ |
|---|--|--|
| 25. Finance Charges | | |
| Interest On CC Limit | 8,259,984 | 6,162,781 |
| Loan Processing Charges | 845,180 | 223,200 |
| Franking Charges | 103,000 | - |
| Interest on Loan | 16,767 | - |
| Interest on Car Loan | 324,196 | 175,811 |
| Total | 9,549,127 | 6,561,792 |
| 26. Other expenses | | |
| Audit Fees | 103,050 | 101,124 |
| Bank Charges | 373,231 | 161,539 |
| Electricity Expenses | 426,849 | 307,053 |
| Listing / Custodian Fees | 310,595 | 498,700 |
| Internet Charges | 90,124 | - |
| Business Promotion Expenses | 254,344 | - |
| Membership & Subscription | 210,059 | - |
| Insurance Charges | 98,202 | - |
| Miscellaneous Expenses | 72,858 | 2,583 |
| Motor Car Expenses | 68,147 | - |
| Repair & Maintenance | 23,085 | - |
| Office Expenses | 60,060 | 88,712 |
| Rent, Rates & Taxes | 187,474 | 156,000 |
| Transport Charges | 20,937 | - |
| Penalty Charges | - | 427,434 |
| Printing and Stationery | 22,840 | 16,013 |
| Professional Fees | 389,600 | 117,416 |
| Share Registrar Charges | 112,609 | 121,397 |
| Software Development Charges | 117,300 | 3,371 |
| ROC Expenses | 600 | 8,970 |
| Security Charges | 62,000 | 62,000 |
| Telephone Expenses | 153,277 | 86,613 |
| Tender Fees | 38,205 | - |
| Travelling Charges | 1,495,217 | 413,385 |
| Vendor Expenses | 2,189,475 | - |
| Website Expenses | 16,995 | - |
| Water Charges | 13,953 | 22,179 |
| Total | 6,911,085 | 2,594,488 |
| Notes: (i) | | |
| (i) Payments to the auditors comprises (net of service tax input credit, where applicable): | | |
| As auditors - statutory audit | 57,250 | 56,180 |
| For taxation matters | 11,450 | 11,236 |
| Other Matters | 34,350 | 33,708 |
| Total | 103,050 | 101,124 |

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27 Related Party Transactions

1 Relationships

a Key Management Personnel (KMP)

| | |
|-----------------------|-------------------|
| Kala Daulat Mehta | Director |
| Daulat Samirmal Mehta | Managing Director |
| Harsh Daulatmal Mehta | Director |
| Kailash Mehta | Director |

b Other Related Party (Enterprise Owned or significantly influenced by Key Management Personnel)

Originet Technologies Limited
 Boostmetric Solutions Limited (Formerly known as Boostmetric Solutions Pvt Ltd)
 Kala Exports
 Radiant Comtrade Pvt Ltd (Formerly known as Radiant Finvest Pvt Ltd)
 Twinstar Holding & Finance Limited
 Earls General Trading Pvt Ltd (Formerly known as Earls Jewels Pvt Ltd)
 Stuti Comtrade Pvt Ltd (Formerly known as Stuti Finlease Pvt Ltd)
 Vintage Comtrade Pvt Ltd (Formerly known as Vintage Finstock Pvt Ltd)
 Namita Stocktrade Pvt Ltd

b) Amount involved for parties referred in 1 (a) and 1 (b)

| Nature of Transactions | Referred in 1(a) | | Referred in 1(b) | |
|--|------------------|-----------|------------------|-------------|
| | 3/31/2016 | 3/31/2015 | 3/31/2016 | 3/31/2015 |
| Salary | 600,000 | 1,236,000 | - | - |
| Professional Fees | 600,000 | | | |
| Rent | - | - | 156,000 | 156,000 |
| Advance against purchase | - | - | - | 51,700,000 |
| Receipt against Advance given for purchase | - | - | 3,900,000 | - |
| Purchases | - | - | 441,426,822 | 378,184,871 |
| Sales | - | - | 15,357,561 | 44,000,672 |
| Receipt against loans given | - | - | 3,195,000 | 3,440,000 |

TWINSTAR INDUSTRIES LTD

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

28 Earning Per share :

Amount in ₹

| Particulars | 2015-16 | 2014-15 |
|---|------------|------------|
| Profit / (Loss) available after tax and adjustments | 2,100,734 | 5,781,562 |
| No. of equity shares | 22,460,236 | 22,460,236 |
| Earning Per share | 0.09 | 0.26 |

29. Expenses in foreign currency : NIL (P.Y. NIL)

Earnings in foreign currency : NIL (P.Y. NIL)

30. During the year the company was operational mainly in trading activity of various products. Hence Segment Reporting as per AS 17 is not applicable to the company.

31. Previous year's figures have been regrouped / rearranged wherever necessary, so as to make them comparable with those of the current year.

As per our report Of Even Date

For N. K. JALAN & CO.

Chartered Accountants

Firm Reg No : 104019 W

FOR TWINSTAR INDUSTRIES LTD

Sd/-

Daulat Mehta
Managing Director
(DIN : 01575366)

Sd/-

Kailash Mehta
Director
(DIN : 01741399)**CANK JALAN**
PROPRIETOR
Mem. No. 011878Place : Mumbai
Date : 28.05.2016

Annual Report 2015-2016

Accompanying notes to financial statements for the year ended 31st March 2016

Company Overview

Twinstar Industries Ltd.(Formerly Known as Twinstar Software Exports Ltd.) is a public limited company engaged in the business of trading in various products.

1. SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of Preparation of Financial Statements:-

The financial statements have been 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 notified under section 133 of Companies Act 2013 read together with Rule 7 of Companies (Accounts) Rules ,2014 , the provisions of Companies Act, 2013 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 a revision to an existing accounting standard requires a change in the accounting policy hitherto in use or different accounting policy is required by statute.

(ii) Revenue Recognition:-

Sales are recognized , net of returns and trade discounts, on dispatch of goods to Customers. Interest income is recognized on time proportion basis.

(iii) Use Of Estimates:-

The presentation of financial statements in conformity with the generally accepted accounting principal requires estimates and assumptions to be made. That affects the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known/materialized.

(iv) Fixed Assets:-

Fixed Assets are stated at cost less accumulated depreciation. Cost is inclusive of freight, duties (net of tax credits as applicable) levies and any directly attributable cost of bringing the assets to their working condition for their Intended use.

(v) Depreciation & Amortisation:-

Depreciation on fixed assets is provided on Straight Line Method (SLM) on pro – rata basis as per the useful life prescribed in the Schedule II of the Companies Act, 2013.

The carrying amount of the asset as on 01.04.2014 , after retaining the residual value, has been charged to Statement of Profit & Loss where the remaining useful life of the asset is NIL.

(vi) Investments:-

Long term investments are stated at cost. Provision for diminution in value of Long term investment is made only if such decline is other than temporary in the opinion of management. Investments other than long term investments being current investments are valued at cost or fair value whichever is lower.

(vii) Inventories:-

Stock of finished goods is valued at lesser of Cost and Net Realisable Value.

TWINSTAR INDUSTRIES LTD

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

(viii) Provision:-

A provision is recognized when an enterprise has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provision are determined based on management estimate require to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

(ix) Treatment Of Contingent Liabilities:-

Contingent liabilities are disclosed by way of notes on the balance sheet. Provision is made in the accounts for those liabilities which are likely to materialize after the year end till the finalization of accounts and having effect on the position stated in the balance sheet as at the year end.

(x) Foreign Exchange Transaction:-

Transactions entered into and concluded during the year in foreign currency are recorded at the actual exchange rates prevailing at the time of conclusion of transactions. In respect of transaction covered by forward exchange contracts, the difference between the forward rate and the exchange rate on the date of transaction is recognized as income or expenses over the life of the contracts. Outstanding assets and liabilities at the year end are converted into Indian rupees as per FEDAI rate of exchange prevalent on the said date. Exchange rate Difference arising out of subsequent settlements is dealt in the Profit & Loss Accounts.

(xi) Taxation:-

Provision for taxation has been made in accordance with the rates of Income Tax Act, 1961 prevailing for the relevant assessment year.

(xii) Deferred Taxation:-

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. Deferred Tax Assets are reviewed at each Balance Sheet date.

(xiii) Retirement and other Employee Benefit:-

There is no defined contribution scheme prevailing in the company. Provision in respect of leave encashment is recognized as an expense in Profit & Loss Account for the period in which the employee has rendered services. Expenses in respect of other short term benefit are recognized on the basis of the amount paid or payable for the year for which the services are rendered by the employee.

(xiv) Impairment Of Assets:-

The Company assess whether there is any indication that any assets may be impaired at the balance sheet date. If any indication exists, the company estimates the recoverable amount and an impairment loss is recognized in the accounts, to the extent the carrying amount exceeds the recoverable amount.

Annual Report 2015-2016

Cash Flow Statement for the year ended 31st March, 2016

| Particulars | For the year ended 31st March, 2016 ₹ | For the year ended 31st March, 2015 ₹ |
|---|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit Before Tax | 3,317,848 | 3,705,575 |
| Adjustments to reconcile profit before tax to cash provided by operating activities | | |
| Depreciation and amortization expenses | 12,535,077 | 15,809,577 |
| Finance Cost | 9,549,127 | 6,561,792 |
| Interest & Dividend Income | (479,396) | (407,261) |
| Operating Profit Before Working Capital Changes | 24,922,656 | 25,669,682 |
| Changes in Assets and Liabilities | | |
| Trade Receivables | (67,077,360) | (2,477,008) |
| Inventories | - | (4,761,982) |
| Current Investments | - | - |
| Loans, advances , Deposits and Current Assets | 3,805,445 | (58,129,071) |
| Trade Payables and Other Current Liabilities | (22,929,612) | 50,279,226 |
| Cash generated from Operations | (61,278,872) | 10,580,847 |
| Income Taxes paid | 161,483 | 211,991 |
| Net Cash Generated by Operating Activities | (61,440,355) | 10,368,856 |
| Cash Flows From Investing Activities | | |
| Payments towards Capital Expenditure | (5,234,245) | (25,600) |
| Sale/ (Purchase) of Investment | 44,655,000 | 12,645,000 |
| Interest and Dividend Received | 479,396 | 407,261 |
| Net Cash provided by/used in Investing Activities | 39,900,151 | 13,026,661 |
| Cash Flows From Financing Activities | | |
| Proceeds from issuance of Share Capital | - | - |
| Increase in Short Term Borrowings | 35,733,419 | 17,683,737 |
| Increase in Long Term Borrowings | 3,065,588 | 137,141 |
| Finance Cost | (9,549,127) | (6,561,792) |
| Increase/ (Decrease) in other Non Current Liabilities | (18,500,000) | - |
| Share Issue Expenses | - | - |
| Net Cash provided by/used in Financing Activities | 10,749,880 | 11,259,086 |
| Net Increase/(Decrease) in Cash & Cash Equivalents | (10,790,325) | 34,654,603 |
| Cash and Cash Equivalents at the beginning of the period | 38,062,408 | 3,407,804 |
| Cash and Cash Equivalents at the beginning of the period | 27,272,083 | 38,062,408 |

As per our report of even date

For NK Jalan & Co.

Chartered Accountants
Firm Reg No.104019W

Sd/-

CA NK Jalan
PROPRIETOR
Mem. No. 011878

Place : Mumbai
Date: 28.05.2016

For Twinstar Industries Ltd

Sd/-

Daulat Mehta
Managing Director
(DIN : 01575366)

Sd/-

Kailash Mehta
Director
(DIN :01741399)

TWINSTAR INDUSTRIES LIMITED

CIN: L30007MH1994PLC079084

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

ATTENDANCE SLIP

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

Name of the attending Member _____

Member's Folio Number _____

DP ID _____

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 22nd 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 29th September, 2016 or at any adjournment thereof.

Member's / Proxy Signature

FORM MGT – 11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

TWINSTAR INDUSTRIES LIMITED

CIN: L30007MH1994PLC079084

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

Twenty Second Annual General Meeting

| |
|-------------------------|
| Name of the member (s): |
| Registered address: |
| E-mail Id: |
| Folio No/ Client Id: |
| DPID: |

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 _____, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the company, to be held on the 29th day of September, 2016 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 2016. | | |
| 2. | To Appoint Mrs. Kala Daulat Mehta as a Director who retires by rotation and being eligible for reappointment. | | |
| 3. | To Reappoint Auditors and Fix their remuneration. | | |
| 4. | To appoint Mr. Harsh Mehta as Whole Time Director of the Company and fix his remuneration. | | |

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

Member's Signature

Signature of 01st proxy

Signature of 02nd proxy

Note:

1. 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.
2. It is optional to indicate your preference. If you leave for, against column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.
3. This form needs revenue stamp to be affixed.

ROUTE MAP

