

BOARD OF DIRECTORS

Mr. D. S. Mehta	<i>Managing Director</i>
Mr. Nirmal Jain	<i>Director</i>
Mr. Yogesh Wadhwana	<i>Director</i>
Mr. K. S. Mehta	<i>Director</i>

AUDITORS

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

BANKERS

Bank of Baroda
Axis Bank

SHARE TRANSFER AGENT

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

REGISTERED OFFICE

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

TWINSTAR INDUSTRIES LTD

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

NOTICE

NOTICE is hereby given that the 16th Annual General Meeting of TWINSTAR INDUSTRIES LIMITED will be held on Thursday, the 30th day of September, 2010 at 9.00 a.m. at the Registered Office at Plot No. EL-178, TTC MIDC Indl. Area, Mahape, Navi Mumbai - 400 701, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the year ended as on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Yogesh Wadhvana, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

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

By Order of the Board
For Tinstar Industries Limited

D. S. Mehta
Managing Director

Place: Mumbai

Date: 11.08.2010

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. A form of proxy is attached to this notice. Any member appointing a proxy must do so by sending the duly executed instrument of proxy and deliver it to the Registered Office of the Company not less than 48 hours before the date and time of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2010 to 30th September, 2010 (both days inclusive).
4. Members are requested to notify immediately any change in their address to the company quoting folio no.
5. Members are requested to bring their copy of Annual Report to the meeting, since additional copies will not be available.
6. Members are requested to send their queries at least 7 days before the meeting to the Registered Office of the Company so that information required by the Members may be made available at the Meeting.
7. As required under the listing agreement, the particulars of Directors who are proposed to be appointed are as follows:

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

Annual Report 2009-2010

DIRECTORS REPORT

Dear Shareholders,

Your Directors present herewith their Sixteenth Annual Report and Audited Accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS:

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

	(Rs. in Lacs)	
Particulars	2009-10	2008-09
Sales and Services	2054.34	906.82
Other Income	0	0.26
Profit/(Loss) before interest and depreciation	29.55	27.36
Less: Financial Expenses	0	0
Less: Depreciation	16.59	18.00
Net Profit/ (Loss) before Tax	12.96	9.36
Net Profit/ (Loss) after Tax	12.96	9.36
Add/Less: Profit / (Loss) of Previous Year	-321.81	-333.21
Less: Sundry Balances w/off.	-2.02	2.03
Balance of Profit carried to Balance Sheet	-310.87	-321.82

OPERATIONS AND OVERALL PERFORMANCES:

During the year the profits of the Company was 12.96 Lacs against profits of Rs. 9.36 Lacs in the previous year. However your Directors are hopeful that the strategies and Business Plans made by the Management will reap more positive yields in the time to come.

DIVIDEND:

Due to inadequate profits during the year under review and with purpose to retain profit for strengthening capital base of the Company, the Board of Directors do not recommend declaration of any dividend for the financial year ended 31.03.2010.

DEPOSITS:

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

TWINSTAR SOFTWARE INC.:

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

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

CORPORATE GOVERNANCE

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

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

DIRECTORS

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

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

AUDITORS

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

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

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

Foreign Exchange Earnings and Outgo:

Foreign Exchange earnings : Nil

Foreign Exchange outgo : Nil

PARTICULARS OF EMPLOYEES

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

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirms:

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

ACKNOWLEDGMENTS

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

For, Twinstar Industries Limited

D. S. Mehta
Managing Director

Place: Mumbai

Date: 11.08.2010

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Industry Structure and Development:

The Company is diversifying into activities other than I.T business. The Company will be focusing on commodity exports, jewellery exports and trading. This is being done to encash the contacts and connections built in the international market over a period of time. The I.T business will remain with the company as one of its division.

Industry Outlook:

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

Opportunity and Threats:

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

The overseas labour union resistance may pose threat to profitability.

Future Outlook:

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

Operational and Financial Performance:

The summarized performance of Twinstar Industries Limited was as under:

	(Rs. in Lacs)	
	2009-10	2008-09
Sales	2054.34	906.82
Others	0	0.26
EBIDT	29.55	27.36

Human Resources and Industrial Relations:

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

Internal Control System:

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

For, Twinstar Industries Limited

D. S. Mehta
Managing Director

Place: Mumbai
Date: 11.08.2010

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REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

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

BOARD OF DIRECTORS:

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

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

30th April 2009, 13th June 2009, 31st July 2009, 26th August 2009, 03rd September 2009, 30th October 2009, 02nd December 2009, 20th January 2010 & 19th February 2010.

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

Name of the Director	Category	Designation	Financial Year 2009-10		No. of other Directorships *
			Attendance at Board Meetings	Last AGM	
Mr. D.S. Mehta	Promoter, Executive Director	Managing Director	9	Yes	—
Mr. Kailash Mehta	Promoter, Non Executive Director	Director	9	Yes	1
Mr. Yogesh Wadhvana	Independent, Non Executive Director	Director	—	No\	1
Mr. Nirmal Jain	Independent, Non Executive Director	Director	9	Yes	1

* Includes Directorship of Private Limited Companies

Changes in Directors:

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

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

Responsibilities of the Board:

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

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Role of Independent Directors:

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

During the Financial year 2009 - 2010, no commission was paid to any director of the Company.

BOARD COMMITTEES:

A) AUDIT COMMITTEE:

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

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

The Committee has met 5 times during the financial year ended 31st March 2010 on 28th April 2009, 29th July 2009, 01st September 2009, 28th October 2009 & 18th January 2010.

Role of Audit Committee:

The role of the audit committee shall include the following:

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

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- 5A. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- 12A. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

B) SHARE TRANSFER & INVESTORS GRIEVANCE COMMITTEE:

The Company has constituted Investor Grievance Committee comprising of

The Company has constituted Investor Grievance Committee comprising of

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

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

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

No complaints were received during the financial year 2009-10.

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C) REMUNERATION COMMITTEE

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

Name	Category	No. of Meetings during the year	
		Held	Attended
Nirmal Jain, Chairman	Independent, Non Executive Director	1	1
Yogesh Wadwana	Independent, Non Executive Director	1	1

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

REMUNERATION POLICY:

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

Remuneration to Directors:

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

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

GENERAL BODY MEETING:

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

Financial Year	Date	Time	Location
2008-09	30.09.2009	09.00 a.m.	Registered Office: Plot No. EL-178, Mahape, Navi Mumbai.
2007-08	30.09.2008	09.00 a.m.	Registered Office: Plot No. EL-178, Mahape, Navi Mumbai.
2006-07	29.06.2007	09.00 a.m.	Registered Office: Plot No. EL-178, Mahape, Navi Mumbai.

No Special Resolution was passed during last three AGMs held.

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

DISCLOSURES

- * The disclosure of related party transactions has been made in Point No. 13 of Schedule 12 of the Notes to Accounts annexed to the Balance sheet as on 31st March 2010.
- * There has not been any non-compliance, penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to any of capital market, during the last three years.
- * The person heading the finance of the companies have certified the specified matters to the Board, as required under Clause 49 V.

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7. MEANS OF COMMUNICATION

The main source of the information to the Shareholder is the Annual Reports, which include, inter alia, the Director's Report, the Report of Board of Directors on Corporate Governance, Management Discussion and Analysis Report and the Auditor's Financial results. The unaudited quarterly/Audited results, notices of General Meetings are published for the information of the Shareholders in Leading National and Regional Daily Newspapers and intimation to the Stock Exchanges as required under the Listing Agreements.

8. MANAGEMENT DISCUSSION ANALYSIS REPORT

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

9. CODE OF CONDUCT

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

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

In accordance with Clause 49 (1) (D) of the Listing Agreement all the Directors and Senior Management Personnel have affirmed Compliance with the Code of Conduct for the year ended on 31st March 2010.

D.S. Mehta
MANAGING DIRECTOR

10. SHAREHOLDERS INFORMATION

- | | |
|--|--|
| 1. Annual General Meeting Date
Day and Time, Venue | 30th September 2010, Thursday at 9.00 a.m. at Plot No. EL-178, TTC MIDC Indl. Area, Mahape, Navi Mumbai - 400 701. |
| 2. Financial Calendar (Tentative) for 2010-2011. | |
| a) Financial reporting for the quarter
Ending June 30, 2010, Quarter and
Half year ended Sept. 30, 2010
Quarter ending December 31, 2010 and
Quarter ended 31st March 2011 | Within 45 days from the end of the quarter as stipulated under the Listing Agreement. |
| b) Financial reporting for the year ending
March 31, 2011 (audited) | Within three months from the end of the last quarter as stipulated under the Listing Agreement or before 31st August 2011. |
| 3. Date of Book Closure | 24th September 2010 to 30th September 2010 |
| 4. Unclaimed/unpaid Dividend for the Previous years | NIL |
| 5. Listing of Equity Shares | Bombay Stock Exchange
Ahmedabad Stock Exchange
Bangalore Stock Exchange |
| 6. Stock Code No. – | BSE - 531917
ASE - 61860
BGSE - TSEL |
| 7. Registered Office | Plot No. EL-178, TTC MIDC Indl. Area, Mahape, Navi Mumbai - 400 701. |

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

Market Price Data:

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

Month	High	Low
April 2009	4.81	2.11
May 2009	2.68	1.65
June 2009	2.94	1.94
July 2009	2.94	1.78
August 2009	3.31	2.56
September 2009	4.26	2.68
October 2009	4.14	2.56
November 2009	3.25	2.50
December 2009	4.07	2.74
January 2010	6.99	3.56
February 2010	4.73	3.67
March 2010	4.64	3.40

Source: www.bseindia.com

Registrar and Transfer Agent:

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

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

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

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

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

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Distribution of Shareholding:

Distribution of Shareholding as on 31st March 2010 was as under;

No. of Shares held value	No. of Shareholders		Share Amount	
	Total	% of Total	Total	% of Total
Up to - 5000	7296	72.43	16328120	9.33
5001 - 10000	1334	13.24	11765360	6.72
10001 - 20000	613	6.09	10194300	5.83
20001 - 30000	208	2.06	5387670	3.08
30001 - 40000	97	0.96	3559870	2.03
40001 - 50000	141	1.40	6844530	3.91
50001 - 100000	189	1.88	14714870	8.41
100001 and Above	195	1.94	106205280	60.69
Total	10073	100.00	175000000	100.00

Shareholding Pattern as on 31st March 2010

CATEGORY	Nos. of Equity Shares	Total %
(A) Shareholding of Promoter Promoter Group		
(1) Indian		
Individuals / Hindu Undivided Family	3613800	20.65
Bodies Corporate	801700	4.58
Sub Total	4415500	25.23
(2) Foreign		
Total shareholding of Promoter and Promoter Group (A)	4415500	25.23
(B) Public Shareholding		
(1) Institutions	520250	2.97
(2) Non-Institutions		
Bodies Corporate	3909684	22.34
Individuals		
Individual shareholders holding nominal share capital up to Rs. 1 lakh	3033672	17.34
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	5017893	28.67
Any Others (Specify)		
Non Resident Indians	588231	3.36
Clearing Members	14770	0.08
Sub Total	12564250	71.80
Total Public shareholding (B)	13084500	74.77
Total (A)+(B)	17500000	100.00
(C) Shares held by Custodians and against which Depository Receipts have been issued	-	-
Total (A)+(B)+(C)	17500000	100.00

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Dematerialisation of Shares:

The Equity Shares of the Company are to be traded compulsorily in Dematerialised form. About 63.36% of paid-up Equity Capital has been dematerialised as on 31/03/2010.

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

ISIN number for NSDL & CDSL: INE070B01013.

Investor Correspondence:

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

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

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

For, Twinstar Industries Limited

D. S. Mehta
Managing Director

Place: Mumbai
Date: 11.08.2010

AUDITOR'S CERTIFICATE

To,
The Members,
Twinstar Industries Ltd.

We have examined the compliance of conditions of Corporate Governance by Twinstar Industries Ltd. for the year ended 31st March 2010 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement. We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Investors Grievance Committee.

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

FOR N. K. JALAN & CO.
CHARTERED ACCOUNTANTS

(N.K. JALAN)
Proprietor

Place: Mumbai
Date: 11.08.2010

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AUDITORS' REPORT

TO,
THE MEMBERS OF
TWINSTAR INDUSTRIES LTD.,

We have audited the attached Balance Sheet of **Twinstar Industries Ltd.** for the year ended 31st March, 2010 and also the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these statements on our audit.

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

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub section 4A of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matter specified in paragraphs 4 & 5 of the said order.

Further to our comments in the annexure referred to in paragraph 1 above, we report that:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit ;
- ii) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books ;
- iii) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account;
- iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956; to the extent applicable.
- v) On the basis of written representations received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified, as on 31st March, 2010 from being appointed as a director in terms of clause (g) of Sub-section (1) of section 274 of the Companies Act, 1956 ;
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act 1956 in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010, and
 - b) in the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date.

N.K. JALAN & CO.
Chartered Accountants

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

Mumbai
Dated: 11.08.2010

ANNEXURE TO THE AUDITORS REPORT

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

1. (a) The Company has maintained proper records showing full particular including quantitative details and situation of fixed assets.
 - (b) All the assets have not been physically verified by us during the year, but there is a regular program of verification by the management, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) During the year, the company has not disposed off the plant and machinery.
2. There is no inventory and hence clause 2(a)(b)(c) is not applicable.
3. (a) The company had not taken loan from any party covered in the register maintained under section 301 of the companies Act, 1956. The company has not granted any loans.

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- (b) As there is no such loan taken or granted the provision of clause iii(b)(c)(d)(e)(f)(g) does not apply.
4. According to the information and explanation given to us, there are adequate internal Control procedures commensurate with the size of company and nature of business.
 5. (a) According to the information and the explanation given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion and according to the information and explanations given to us transactions made in pursuance of contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market price at the relevant time.
 6. The Company has not accepted any public deposits; hence provision of this clause is not applicable.
 7. There is no internal audit done by external auditor. However the company is maintaining internal control commensurate with its size & nature of its business.
 8. The Company is not required to maintain cost records u/s 209(1)(d) of the companies Act, 1956. Accordingly, the provision of clause 4(viii) of the order 2003 is not applicable to this company.
 9. (a) The company is regular in depositing with appropriate authority undisputed statutory dues including provident fund, employees state insurance, wealth tax, custom duty, excise duty and other statutory dues applicable to it except Sales Tax and property tax.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of wealth tax, customs duty, excise duty were in arrears except property tax of Rs. 34,81,978/- , profession tax of Rs. 5240/- as at 31st March, 2010 for a period of more than 6 months from the date they became payable.
 10. The company is registered for a period of more than 5 years. It has not accumulated losses of more than 50% of the net worth. The company has not incurred cash losses in the financial year and in financial year immediately preceding the financial year.
 11. In our opinion and according to the information and explanations given to us, there is no term loan outstanding as on the year ended 31st March, 2010.
 12. The company has not granted any advances in the nature to loans on the basis of security by way of pledge of shares or other securities.
 13. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xii) of the companies (Auditor's Report) Orders, 2003 is not applicable to this company.
 14. In our opinion, the company is not dealing in or trading in share, securities, debentures and other investments; hence, the clause (xiv) of the order is not applicable.
 15. In our opinion, the company has not given any guarantees for loans taken by others from banks or financial institutions. Hence, the clause (xv) of the order is not applicable.
 16. The company has not raised any term loans during the year.
 17. According to the informations and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long term investment. However, long term funds have been used to meet short term working capital requirement.
 18. The company has not made any preferential allotment of shares during the year.
 19. During the period covered by our audit, the company has not issued any debentures. Hence, the clause (xix) of the Order is not applicable.
 20. The company has not raised any money by public issue during the period covered by our audit. Accordingly, the provisions of clause 4 (xx) of the Order, 2004 is not applicable to this company.
 21. Accordingly to the information and explanations given to us, no fraud on or by the company has been noticed during the course of our audit.

N.K. JALAN & CO.
Chartered Accountants

(N. K. Jalan)
Proprietor

Membership No. 11878

Mumbai
Dated: 11.08.2010

TWINSTAR INDUSTRIES LTD

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

Balance Sheet As on 31st March, 2010

Particulars	Sch.	As on 31/03/2010		As on 31/03/2009	
		Rs.	Rs.	Rs.	Rs.
Sources of Funds					
Capital	1		174,602,360		174,602,360
Reserve & Surplus	2		19,837,000		19,837,000
Secured Loans	3	0	0	73,420	73,420
Total			194,439,360		194,512,780
Application of Funds					
Fixed Assets	4				
a. Gross Block		143,979,022		143,979,022	
b. Less: Depreciation		123,347,855		121,689,114	
c. Net Block		20,631,167		22,289,908	
d. Capital Work-In-Progress		0	20,631,167	0	22,289,908
Investments	5		53,194,500		3,994,500
<u>Current Assets , Loans & Advances</u>					
Sundry Debtors	6	124,673,702		95,451,169	
Cash & Bank Balances		6,205,658		716,845	
Loans & Advances		61,051,495		63,542,450	
		191,930,855		159,710,464	
<u>Less : Current Liabilities & Provisions</u>					
Current Liabilities	7	102,404,610		23,651,741	
Provisions		0		12,000	
		102,404,610	89,526,245	23,663,741	136,046,723
Profit & Loss A/c			31,087,448		32,181,649
Notes To Accounts	12				
Total			194,439,360		194,512,780

As per our Report of Even Date

For N. K. JALAN & CO.

Firm Reg No: 104019 W

CHARTERED ACCOUNTANTS

CAN K JALAN

PROPRIETOR

Mem. No. 11878

Place : MUMBAI

Date : 11/08/2010

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

DIRECTOR

K. S. MEHTA

DIRECTOR

Place : MUMBAI

Date : 11/08/2010

Annual Report 2009-2010

Trading, Profit & Loss Account for the year ended 31st March, 2010

Particulars	Sch.	For the year ended 31/03/2010		For the year ended 31/03/2009	
		Rs.	Rs.	Rs.	Rs.
Income					
Sales 8		205,434,372		90,682,146	
Other Income	9	0	205,434,372	26,070	90,708,216
Expenditure					
Cost of Materials	10	199,737,081		85,364,588	
Administrative & Other Expenses	11	2,742,312		2,608,138	
Depreciation		1,658,741	204,138,134	1,799,592	89,772,318
Net Profit Before Tax			1,296,238		935,898
Add/Less : Profit / Loss of Previous Year			-32,181,649		-33,320,916
			-30,885,411		-32,385,018
Sundry Balances w/off			-202,037		203,369
Net Profit after tax transferred to Balance Sheet			-31,087,448		-32,181,649

As per our Report of Even Date

For N. K. JALAN & CO.

Firm Reg No : 104019 W

CHARTERED ACCOUNTANTS

CAN K JALAN

PROPRIETOR

Mem. No. 11878

Place : MUMBAI

Date : 11/08/2010

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

D. S. MEHTA

DIRECTOR

K. S. MEHTA

DIRECTOR

Place : MUMBAI

Date : 11/08/2010

TWINSTAR INDUSTRIES LTD

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

Schedules Annexed to and forming part of Balance Sheet as on 31/03/2010

Schedule 1 : Share Capital

Particulars	Rs.	
	31/03/2010	31/03/2009
<u>Authorised Share Capital</u>		
17500000 Shares of Rs.10 Each/-	175,000,000	175,000,000
175,000,000	175,000,000	
<u>Issued Subscribed and paid up Capital</u>		
17460236 Equity Share of Rs. 10 each.(P.Y.17460236 equity shares of Rs.10/-)	174,602,360	174,602,360
	174,602,360	174,602,360
Total Share Capital	174,602,360	174,602,360

Schedule 2 : Reserves & Surplus

Particulars	Rs.	
	31/03/2010	31/03/2009
<u>General Reserve</u>		
	19,837,000	19,837,000
	19,837,000	19,837,000

Schedule 3 : Secured Loans

Particulars	Rs.	
	31/03/2010	31/03/2009
Secured Loans - From Others		
Car loan from finance companies	0	73,420
	0	73,420

Note :

Secured by hypothecation of car and personal guarantee of directors.

Schedule 4 : Fixed Assets

Particulars	Rate of Depn.	Op. as on 01/04/2009	GROSS BLOCK			DEPRECIATION			NET BLOCK		
			Additions	Deduction	Cost as on 31/03/2010	Op. as on 01/04/2009	for the year	Deductions	Cl. as on 31/03/2010	As on 31/03/2010	As on 31/03/2009
LEASEHOLD LAND	0.00	5013214	0	0	5013214	0	0	0	0	5013214	5013214
BUILDING	3.34	15461464	0	0	15461464	5008597	516413	0	5525010	9936454	10452867
FURNITURE & FIXTURES	6.33	6781296	0	0	6781296	4333784	429256	0	4763040	2018256	2447512
VEHICLES	9.50	2837746	0	0	2837746	2750824	86922	0	2837746	0	86922
COMPUTER EQUIPMENTS	16.21	106900237	0	0	106900237	106839144	61093	0	106900237	0	61093
OFFICE EQUIPMENT	4.75	540319	0	0	540319	276712	25665	0	302377	237942	263607
DIESEL GENERATING SET	4.75	376578	0	0	376578	215036	17887	0	232923	143655	161542
U.P.S SYSTEM	4.75	1019340	0	0	1019340	478986	48418	0	527404	491936	540354
AIR CONDITIONER	4.75	1060418	0	0	1060418	460513	50370	0	510883	549535	599905
ELECTRIC INSTALLATION	4.75	1903420	0	0	1903420	827058	90412	0	917470	985950	1076362
COMPUTER & HARDWARE	16.21	2050000	0	0	2050000	498460	332305	0	830765	1219235	1551540
LCD TV	0.00	34990	0	0	34990	0	0	0	0	34990	34990
Total		143979022	0	0	143979022	121689114	1658741	0	123347855	20631167	22289908
Previous year Total		143944032	34990	0	143979022	119889522	1799592.37	0	121689114.	22289907.6	24054510

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Schedules Annexed to and forming part of Balance Sheet as on 31/03/2010

Schedule 5 : Investments	Rs.	
Particulars	31/03/2010	31/03/2009
Current Investments (Non-Trade)		
<u>Shares</u>		
AB & Co Global Pvt. Ltd.	2,500,000	0
AB and Company Corporate Services	4,000,000	0
Enrich Properties	8,000,000	0
H.K. Multitrade Pvt. Ltd.	32,500,000	0
Mehta Infocomm Pvt. Ltd.	2,200,000	0
	49,200,000	0
Investment in Subsidiary Companies		
Investment in Twinstar software Inc.	3,994,500	3,994,500
	3,994,500	3,994,500
<u>Total Investments</u>	53,194,500	3,994,500
Aggregate book value of unquoted investments	49,200,000	0
 Schedule 6 : Current Assets, Loans & Advances		
	Rs.	
Particulars	31/03/2010	31/03/2009
Current Assets		
Cash & Bank Balances		
Cash balance on hand	385,650	697,030
	385,650	697,030
Bank Balance with Scheduled Banks		
- On Current Accounts	4,902	19,815
	4,902	19,815
<u>Bank Balance with Other Banks</u>		
- On Current Accounts	5,815,106	0
	5,815,106	0
	6,205,658	716,845
Sundry Debtors		
<u>Unsecured considered good</u>		
O/S for more than six months	24,661,902	95,451,169
Other Debtors	100,011,800	0
	124,673,702	95,451,169
Total Current Assets	130,879,360	96,168,014
Loans & Advances		
<u>Unsecured Considered Good</u>		
Advance recoverable in cash or in kind or for value to be received	6,314,106	58,141,568
Deposits	299,696	299,696
Other Loans and Advances	54,318,250	4,981,743
Payments of Taxes	119,443	119,443
	61,051,495	63,542,450

TWINSTAR INDUSTRIES LTD

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

Schedules Annexed to and forming part of Balance Sheet as on 31/03/2010**Schedule 7 : Current Liabilities & Provisions****Rs.**

Particulars	31/03/2010	31/03/2009
<u>Current Liabilities</u>		
Sundry Creditors - Others	96,679,126	18,349,426
Other Liabilities	5,725,484	5,302,315
	102,404,610	23,651,741
<u>Provisions</u>		
Other Provisions	0	12,000
	0	12,000
	102,404,610	23,663,741

Schedule 8 : Sales**Rs.**

Particulars	31/03/2010	31/03/2009
Sales & Services	205,434,372	15,000,000
Sales & Services (Bangalore)	0	75,682,146
	205,434,372	90,682,146

Schedule 9 : Other Income**Rs.**

Particulars	31/03/2010	31/03/2009
Income Tax Refund 98-99	0	26,070
	0	26,070

Schedule 10 : Cost of Materials**Rs.**

Particulars	31/03/2010	31/03/2009
Cost of Goods Sold		
Purchases		
Purchases	199,737,081	83,835,838
	199,737,081	83,835,838
Software Development Charges		
Purchases	0	1,528,750
	0	1,528,750
Total Cost of Goods Sold	199,737,081	85,364,588

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Schedules Annexed to and forming part of Balance Sheet as on 31/03/2010

Schedule 11 : Administrative & Other Expenditure

Rs.

Particulars	31/03/2010	31/03/2009
<u>Payments to Employees</u>		
Salary & Allowances	463,110	554,108
	463,110	554,108
<u>Administrative Expenses</u>		
Accounting Charges	39,667	0
Advertisement & Publicity	0	50,170
Audit Fees	38,605	39,284
Bank Charges	29,570	9,931
Car Expenses	0	18,725
Conveyance	6,886	0
Courier Charges	149	3,200
Credit Card Expenses	53,180	0
Electrical Charges (Navi Mumbai)	24,864	34,370
Electricity Charges	1,976	18,019
Entertainment Expenses	187,843	0
Internet Fees	0	3,500
Listing Fees	154,603	33,251
Miscellaneous Exp.	7,736	222,536
Office Expenses	0	18,755
Office Rent	80,000	0
Printing & Stationery	53,272	7,972
Profession Fees	35,259	67,500
Property Tax	604,810	604,810
Registrar & Transfer Charges	79,189	19,825
Registration Fees	0	35,543
Repairs & Maintenance	0	2,600
ROC Expenses	0	11,236
Security Charges	144,000	91,790
Staff Welfare	4,166	0
Stipend (Navi Mumbai)	48,619	222,000
Sundry Exp.	0	406,279
Tax Audit Fees	11,030	0
Telephone Exp.	74,829	109,234
Traning Expenses	545,000	0
Vat Audit Fees	11,030	0
water charges	42,919	23,500
	2,279,202	2,054,030
	2,742,312	2,608,138

TWINSTAR INDUSTRIES LTD

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

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

1. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Accounting :

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

ii) Fixed Assets :

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

iii) Depreciation :

Depreciation on Fixed Assets is provided on Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Two of the assets whose written down value was less than 5% have been charged full depreciation.

iv) Investments :

Long Term investments are stated at cost.

v) Revenue Recognition :

Revenue from Software Development is recognized based on Software developed and billed to the clients. Revenue from the sale of Software products is recognized when the sale has been completed.

vi) Miscellaneous Expenditure :

Preliminary and Public Issue Expenses have been amortized over a period of ten years.

vii) Employee Benefits :

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

viii) Taxation

Income Tax expenses is accrued in accordance with AS22 'Accounting for Taxes on income' which includes current taxes and deferred taxes. A deferred income tax reflects the impact of current year timing difference between taxable income and accounting income for the year. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available.

2. a) In the opinion of the Board of Directors, the Investments, Current Assets, Loans and Advances have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet.
- b) Balance of Sundry Debtors, Sundry Creditors and Loans & Advances including capital advances are subject to confirmation, reconciliation and adjustments if any.

	Current Year	Previous Year
4. Remuneration paid to Managing Director:		
Salary	3, 00,000/- =====	- =====
5. Auditors' Remuneration :		
Audit Fees	Rs. 38,605	Rs. 32034
Tax Audit Fees	Rs. 11,030	Rs. 7,250
Total	Rs. 49,635 =====	Rs. 39,284 =====

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6. Expenditure in Foreign Currency:
- | | | |
|-------------------|---------|---------|
| Foreign Traveling | Rs. NIL | Rs. NIL |
|-------------------|---------|---------|
7. Earnings in Foreign Currency:
- | | | |
|----------------------|---------|---------|
| FOB value of Exports | Rs. NIL | Rs. NIL |
|----------------------|---------|---------|
8. The Company being a software development unit and providing services on specific orders from clients, thus raw material and finished goods, etc. are not quantifiable. There are no openings or closing stock of goods.
9. There is no quantitative information which is required to be given under paragraphs 3 & 4 of Part II of Schedule VI of the Companies Act, 1956.
10. Disclosure of Segment Reporting under Accounting Standard 17 : The Company has No Segments.
11. Calculation of Earning Per Share (Face Value Rs, 10/- per Share) Fig in Lacs

Year Ended 31.03.2010 Year Ended 31.03.2010

A. Net Profit/ (Loss) after Tax	12, 96,238	9, 35,898
B. Weighted average number of Equity Shares		
Basic and Diluted	1,74,60,236	1,74,60,236
C. Nominal Value of Equity Shares	10/-	10/-

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

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

(a) WDV As Per Companies Act	2, 06,31,167
(b) WDV As Per Income Tax Act	77, 14,001
Difference	1, 29,17,166
Net Deferred Tax Asset	43, 90,545

Recognized in Balance Sheet NIL

13. According to the information and the explanation given to us, there are no related party's transactions.
14. There is no outstanding payable to any Small Scale Industries by the Company as on 31st March, 2010.
15. Previous year's figure have been regrouped and/or rearranged wherever necessary.
16. Balance Sheet Abstract and Company's General Business Profile required as per Schedule VI to the Companies Act, 1956 is annexed herewith.

For and on behalf of the Board,
For Twinstar Industries Ltd.

Place: Mumbai
Dated: 11.08.2010

(D.S. Mehta)
Chairman And Director

(K.S. Mehta)
Managing Director

TWINSTAR INDUSTRIES LTD

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

AUDITORS' REPORT

TO
THE MEMBERS OF
TWINSTAR INDUSTRIES LIMITED,

We have examined the attached consolidate Balance Sheet of Twinstar Industries Limited and its subsidiary Company for the years ended 31st March, 2010 and also the Consolidate Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these statements on our audit.

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

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

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

- a) The Consolidated Balance Sheet Give a true and fair view of the consolidated state of affairs Twinstar Industries Limited and its Subsidiary as at 31st March ,2010, and
- b) The Consolidated Profit & Loss Account give a true and fair view of the consolidated state of affairs of Twinstar Industries Limited and its subsidiary as a t 31st March , 2010, and

N.K.JALAN & CO
Chartered Accountants

(N.K. Jalan)
Proprietor

Mumbai,
Dated :18 August , 2010.

Annual Report 2009-2010

CONSOLIDATED BALANCE SHEETAS ON 31 ST MARCH 2010

(Rs. In Lakhs)

	Current Year	Previous Year
SOURCES OF FUNDS		
1. Shareholder's Funds:		
Share Capital	1,746.02	1746.02
Reserves & Surplus	198.37	198.37
2. Loan Funds:		
Secured Loans	0.00	0.73
Unsecured Loans	0.00	0.00
TOTAL	1944.39	1945.12
APPLICATIONS OF FUNDS		
1. Fixed Assets :		
Gross Block	1439.79	1439.79
Less Depreciation	1233.47	1216.89
Net Block	222.89	222.89
2. Investments	531.94	39.94
3. Currents Assets , loans & Advances :		
Sundry Debtors	1246.73	954.51
Cash & Bank Balances	62.06	7.16
Loans & Advances	610.51	635.42
	1919.30	1597.01
Less :		
Current Liabilities & Provisions:	1024.04	236.63
Current liabilities & Provision		
Net Current Assets	895.26	1360.46
4. Deffered Tax Liability ((refer Not '13' of Schedule '15'))	0.00	0.00
5. Miscellenous Expenditure (to the extent not written off or adjusted)	0.00	0.00
6. Profit & Loss Account	310.87	321.81
TOTAL	1944.39	1945.13

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

As per our Report of even date

FOR N.K. JALAN & CO.

(N.K. JALAN)
Proprietor

PLACE : MUMBAI
DATED : 18 August , 2010.

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

Managing Director

TWINSTAR INDUSTRIES LTD

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST MARCH 2010

	31-Mar-2010	31-Mar-2009
Cash Flow from Operating Activities		
Net Profit / Loss Before Tax	1296238	935898
Adjustment for		
Balances w/offers	(202037)	203369
Prior Period Items	(12000)	0
Depreciation	1658741	1799592
	-----	-----
Operating profit before Working Capital Changes	2740942	2938859
Decrease / (Increase)in Sundry Debtors	(29222533)	66603998
Decrease / (Increase) in Loans & Advances)	2490955	2178852
Increase / (Decrease) in Current Liabilities	78752869	(71301977)
	-----	-----
Net Changes in Working Capital	54762233	419732
FBT Paid	0	0
	-----	-----
Cash Flow from / (Outflow) from Investing Activities A	54762233	419732
Cash Flow From Investing Activities		
Purchase of Fixed Asset		(34990)
Net Cash Inflow/ (Outflow) From Investing Activities	(49200000)	
	-----	-----
B	(49200000)	(34990)
Cash Flow From Financial Activities		
Proceeds from Issue of share Capital	0	0
Increase / (Decrease) in Secured Loan	(73420)	(38910)
	-----	-----
Net Cash Inflow/ (Outflow) From Financial Activities C	(73420)	(38910)
Net Increase / (Decrease) in Cash and equivalents A+B+C	5488813	345832
Cash and cash equivalents (Opening Balance)	716845	371013
	-----	-----
Cash and cash equivalents (Closing Balance)	6205658	716845
	-----	-----

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BALANCE SHEET AS ON 31ST DECEMBER 2010

PARTICULAR	AMOUNT (In Rupees)
ASSETS :	
CURRENT ASSETS	
Sundry Debtors	12,865,973
Cash and Cash Equivalents	8,637
Total Current Assets	12,874,610
OTHER ASSETS	
Sundry Advance	1,925,094
Total Advances	1,925,094
MISCELLANEOUS EXPENDITURE	
Deffered Revenue Expenditure	79,726
Total Assets	14,879,430
LIABILITIES & STOCK HOLDER'S EQUITY	
CURRENT LIABILITIES	
Sundry Creditors	11,518,794
CA Corporate Tax Payable	173,600
Total Current Liabilities	11,692,394
STOCKHOLDER'S EQUITY	
Common Stock 10,000,000Shares, par Value \$ 0.10 authorised 1,000,000 shares issued and outstanding	3,995,000 (807,964)
Retaining Earnings	
Total Stockholder's Equity	3,187,036
Total Liabilities & Stockholder's	14,879,430

INCOME STATEMENT FOR THE YEAR ENDED 31 ST DECEMBER 2009

PARTICULARS	AMOUNT (In Rupees)
REVEUNE	
Sales	
Interest on Bank Deposits	---
Total Revenue	---
EXPENSES	
Cost of Goods Sold	---
Bank Charges	---
Legal Expenses	---
Office Rent	---
Depreciation	---
Total Expenses	
Income before Taxes	34,720
Less : California Corporation Tax	(34,720)
Net Income / Loss	
Add: Exchange Rate Difference	(773,244)
Balance carried toward from last year	---
Balance transferred to Balance Sheet	(807,964)

TWINSTAR INDUSTRIES LTD

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

FORM NO. 3CA

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

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

I / we report that the statutory audit of

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

M/S TWINSTAR INDUSTRIES LTD.

PLOT NO. EL - 178, TTC MIDC INDL. AREA, MAHAPE,
NAVI MUMBAI - 400 701.

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

Was conducted by M/s. N. K. JALAN & CO. in pursuance of the provisions of the COMPANIES ACT, 1956 and we annex hereto a copy of our audit report dated 13.08.2010 along with a copy each of -

1. (a) the audited profit and loss account / income and expenditure account for the year ended on 31st March, 2010
(b) the audited balance sheet as at 31st March, 2010 and ;
(c) documents declared by the said Act to be part of, or annexed to, the profit and loss account / income and expenditure account and balance sheet.
2. The statement of particulars required to be furnished under section 44AB is annexed herewith in Form No. 3CD.
3. In our opinion and to the best of our information and according to explanations given to us, the particulars given in the said Form No. 3CD are true and correct.

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

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

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

Place : Mumbai
Date : 11.08.2010.

Annual Report 2009-2010

TWINSTAR SOFTWARE EXPORTS LIMITED

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

Fifteenth Annual General Meeting

ATTENDANCE SLIP

I certify that I am registered shareholder/Proxy for the Registered Shareholder of the Company. I hereby record my presence at the 16th Annual General Meeting of TWINSTAR SOFTWARE EXPORT LIMITED held on Tuesday 30th September, 2010 at Regd.Office: Plot No. EL- 178, TTC MIDC Indl, Area Mahape Navi Mumbai-400701 . at 9.00 a.m.

Full Name of the Member:_____

(as Registered with the Company)

Full name of the Proxy:_____

Regd. Folio No. : _____

Signature of the Shareholder/ Member/Proxy:_____

Notes :

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

TWINSTAR SOFTWARE EXPORTS LIMITED

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

PROXY FORM

Regd. Folio No:_____ No of Share:_____

I/We_____

Of_____ being a member of TWINSTAR SOFTWARE EXPORTS

LIMITED hereby appoint _____ of

_____ or failing him _____ of

_____ or failing him _____ of

_____ as my/our proxy to vote for me /us and on my /our behalf at the 16th Annual General meeting of the Company to be held on Tuesday 30th September, 2010 at Regd. Office: Plot No. EL- 178, TTC MIDC Indl, Area Mahape Navi Mumbai-400701 . at 9.00 a.m. and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____, 2010

Signed by the said _____

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

Book-Post

TWINSTAR INDUSTRIES LTD

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

Plot No. EL-178,

TTC MIDC Indl. Area,

Mahape,

Navi Mumbai - 400 701.

16th Annual Report

TWINSTAR INDUSTRIES LTD

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)