

19th Annual Report
2012-2013

TWINSTAR INDUSTRIES LTD

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

Annual Report 2012-2013

BOARD OF DIRECTORS

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

AUDITORS

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

BANKERS

Union Bank of India
Axis Bank
State Bank of India

SHARE TRANSFER AGENT

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

REGISTERED OFFICE

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

BOOK CLOSURE

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

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

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NOTICE

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

ORDINARY BUSINESS:

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

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

SPECIAL BUSINESS:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For and on behalf of the Board

D. S. Mehta
Managing Director

Place: Mumbai
Date: 07.08.2013

NOTES:

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

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

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

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

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

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

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

EXPLANATORY STATEMENT

Item No: 4

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

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

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

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

Item No. 5

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

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

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

For and on behalf of the Board

D. S. Mehta
Managing Director

Place: Mumbai
Date: 07.08.2013

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DIRECTORS REPORT

To,
The Members
Twinstar Industries Limited

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

FINANCIAL RESULTS:

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

(Rs. in Lacs)

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

OPERATIONS AND OVERALL PERFORMANCES:

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

DIVIDEND:

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

DEPOSITS:

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

TWINSTAR SOFTWARE INC.:

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

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

CORPORATE GOVERNANCE

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

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

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DIRECTORS

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

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

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

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

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

AUDITORS

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

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

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

Foreign Exchange Earnings and Outgo:

Foreign Exchange Earnings : Nil

Foreign Exchange Outgo : Nil

PARTICULARS OF EMPLOYEES

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

DIRECTOR'S RESPONSIBILITY STATEMENT

The Directors Confirms:

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

ACKNOWLEDGMENTS

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

for, Twinstar Industries Limited

D. S. Mehta
Managing Director

Place: Mumbai
Date: 07.08.2013

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MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Industry Structure and Development:

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

Industry Outlook:

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

Opportunity and Threats:

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

The overseas labour union resistance may pose threat to profitability.

Future Outlook:

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

Operational and Financial Performance:

The summarized performance of Twinstar Industries was as under:

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

Human Resources and Industrial Relations:

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

Internal Control System:

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

For Twinstar Industries Limited

D.S. Mehta
Managing Director

Place : Mumbai.
Date : 07.08.2013

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REPORT ON CORPORATE GOVERNANCE**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

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

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

2. BOARD OF DIRECTORS**CATEGORY OF DIRECTORS****Composition**

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

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

* Directorship includes Only Public Limited Companies

Attendance:

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

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

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

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

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

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

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