

Annual Report 2013-2014

BOARD OF DIRECTORS

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

AUDITORS

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

BANKERS

Union Bank of India
Axis Bank
State Bank of India

SHARE TRANSFER AGENT

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

REGISTERED OFFICE

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

BOOK CLOSURE

24-9-2014 to 30-9-2014
(both days inclusive)

Contents	Page No.
Notice	2
Directors Report	10
Management Discussion and Analysis Report	12
Report of Corporate Governance	13
Auditor's Report	21
Balance Sheet	24
Profit & Loss Statement	25
Schedules	26
Accounting Policies & Notes on Account	33

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 20th Annual General Meeting of **TWINSTAR INDUSTRIES LIMITED** will be held on, Tuesday 30th day of September, 2014 at 09:00 a.m. at the Registered Office of the Company at Plot No. EL-178, TTC MIDC Indl. Area, Mahape, Navi Mumbai - 400 701, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2014 and the Profit and Loss Account for the year ended as on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kailash Mehta (DIN: 01741399), who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provision of Section 139 and other applicable provisions if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, M/s. N.K. Jalan & Co., Chartered Accountants [Firm Registration No. 104019W], be and is hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as shall be fixed by the Board of Directors.”

SPECIAL BUSINESS:

4. Appointment of Mr. Nirmal Jain as a Non Executive Independent Director

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

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

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

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

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

Annual Report 2013-2014

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

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

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

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

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

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

8. Adoption of new set of Articles of Association:

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

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

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

For and on behalf of the Board

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

Place: Mumbai

Date: 6th September 2014

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

- NOTES:**
1. A Member entitled to attend and vote at the Annual General Meeting (the meeting) is entitled to appoint a proxy to attend and vote instead of herself/himself and a proxy need not be a Member of the Company.
 2. The proxy form should be deposited at the Registered Office of the Company not less than 48 (Forty Eight) hours before the commencement of the meeting.
 3. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the meeting.
 4. For the convenience of the Members, an Attendance Slip is annexed to the Proxy Form. Members are requested to affix their signature at the space provided and fill up the particulars and hand over the attendance slip at the place of the Meeting.
 5. In case of joint holders attending the meeting, only such joint holder who is higher in order of names will be entitled to vote.
 6. The members who hold shares in electronic form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number, in attendance slip for attending meeting.
 7. The Register of Members and Share Transfer Books of the Company will remain closed from, Wednesday, September 24th, 2014 to Tuesday, September 30th, 2014 (both days inclusive).
 8. Green Initiatives:

Recently, The Ministry of Corporate Affairs (MCA), Government of India, had issued the following circulars in Green Initiative i.e. Circular Nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively, allowing companies to send official documents to their Shareholders electronically as part of its Green Initiatives in Corporate Governance.

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

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

Shareholders who have not updated their email ID till date are requested to kindly update your email address with your depository participant for Demat holding of shares and with

Mr. Daulat Mehta from 'Twinstar Industries Limited' on the email id admin@twinstar.in for physical holding of shares and co-operate with the Company to implement the Green Initiative of the Government in the following format.
- | 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 |
|--------------------|------------------------------|-----------------------------|--------------------|--|----------------|
| | | | | | |
9. Share holders are requested to dematerialize their shares. The Company has appointed M/s. SHAREX DYNAMIC (INDIA) PVT. LTD. for handling share transfer job and also for maintaining electronic connectivity with NSDL AND CDSL who have allotted ISIN ACTIVATION NUMBER AS – ISIN No.- INE070B01013.
 10. Members desirous of making nomination in terms of Section 72 of the Companies Act, 2013 in respect of their shareholding may approach the Registrar for assistance, Shareholders holding shares in electronic form may approach their DP with whom they maintain their account for nomination.

Annual Report 2013-2014

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

In case of members receiving e-mail:

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

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

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

TWINSTAR INDUSTRIES LTD

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

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

In case of members receiving the physical copy:

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

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

Annual Report 2013-2014

13. Members are requested to notify immediately any change in their address :

- * to their Depository Participants (DPs) in respect of their electronic share accounts; and
- * to Registrar and Share Transfer Agent of the Company in respect of their physical shares folios along with Bank particulars.

14. Members desiring any information on the Accounts are requested to write to the Company at least one week before the meeting so as to enable the Management to keep the information ready & replies will be provided at the meeting.

15. All the documents referred to in accompanying Notice are open for inspection at the registered office of the Company on all the working days, except Saturdays. Sundays, and holidays between 11.00 a.m. and 1.00 p.m. upto the date of Annual general Meeting.

16. Disclosures as per Clause 49 of the Listing Agreement for appointment /reappointment of Directors. Brief particulars of Directors being appointed/re-appointed as under:

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

TWINSTAR INDUSTRIES LTD

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

EXPLANATORY STATEMENT

Item No: 4, 5 & 6

Appointment of Non Executive Independent Directors

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

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

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

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

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

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

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

Item No. 7

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

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

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

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

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

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

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

Item No. 8

Adoption of new set of Articles of Association

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

Annual Report 2013-2014

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

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

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

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

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

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

For and on behalf of the Board

Sd/-

D. S. Mehta

Managing Director

DIN: 01575366

Place: Mumbai

Date: 6th September 2014

TWINSTAR INDUSTRIES LTD

(FORMERLY KNOWN AS TWINSTAR SOFTWARE EXPORTS LTD)

DIRECTORS REPORT

To,
The Members
Twinstar Industries Limited

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

FINANCIAL RESULTS:

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

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

OPERATIONS AND OVERALL PERFORMANCES:

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

DIVIDEND:

Due to inadequate profit during the year under review and with purpose to retain profit for strengthening capital base of the company, the Board of Directors do not recommend declaration of any dividend for the year ended 31.03.2014.

DEPOSITS:

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

TWINSTAR SOFTWARE INC.:

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

CORPORATE GOVERNANCE

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

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

DIRECTORS

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

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