

**6th ANNUAL REPORT  
2013-2014**

**TAMBOLI CAPITAL LIMITED**

**TAMBOLI CAPITAL LIMITED  
(TCAP)**

**BOARD OF DIRECTORS** : Shri Bipin F. Tamboli Chairman & Managing Director  
Shri Bharat K. Shah Director  
Shri Tushar B. Dalal Director  
Shri P.A. Subramanian Director

**BANKERS** : Bank of Baroda  
Lokhand Bazar, Main Branch,  
Bhavnagar, Gujarat

**AUDITORS** : Sanghavi & Company  
Chartered Accountants  
Bhavnagar

**REGISTERED OFFICE** : Mahavir Palace, 8-A  
Kalubha Road,  
Bhavnagar  
Gujarat 364 002.  
Telephone (91) (278) 654 1222 / 252 0065  
Fax (91) (278) 252 0064  
E-Mail direct1@tambolicapital.in  
Website www.tambolicapital.in

**ISIN** : INE864J01012

**BSE Scrip Code** : 533170

**REGISTRAR & TRANSFER  
AGENT** : MCS Limited  
101, Shatdal Complex,  
Opp. Bata Show Room, Ashram Road  
Ahmedabad 380 009  
Telephone (91) (079) 2658 2878 / 79 / 80  
Fax (91) (079) 2658 1296  
E-Mail mcsahmd@gmail.com

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## NOTICE

NOTICE IS HEREBY GIVEN THAT THE SIXTH ANNUAL GENERAL MEETING OF TAMBOLI CAPITAL LIMITED WILL BE HELD ON ELEVENTH DAY OF AUGUST 2014 AT HOTEL NILAMBAG PALACE, BHAVNAGAR AT 1630 HOURS, to transact the following business:

### ORDINARY BUSINESS :

1. To consider and adopt the Balance Sheet as at March 31, 2014 and Profit & Loss statement for the period ending on that date and the report of the Board of Directors and Auditors thereon, and to consider and adopt Compliance Certificate received from Practicing Company Secretary in pursuance of provision of section 383A (1) of the Companies Act, 1956, as amended.
2. To declare dividend for the Financial Year 2013-2014.
3. To appoint a Director in place of Mr. Bipin F. Tamboli who retires by rotation at this Annual General Meeting and being eligible himself for re-appointment.
4. To re-appoint the Auditors and to fix their remuneration and in this regard to pass with or without modification(s) the following resolutions as an Ordinary Resolution.

“RESOLVED that pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s. Sanghavi & Co., Chartered Accountants (Firm Registration No. 109099W, be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 9<sup>th</sup> AGM of the Company to be held in the year 2017 (subject to re-appointment of their appointment at every AGM) at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

### SPECIAL BUSINESS :

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

“RESOLVED THAT Mr. P.A. Subramanian who was appointed as an additional director of the Company pursuant to Sec 260 of the Companies Act, 1956 and holds the office up to date of this Annual General Meeting and in respect of whom the Company has received a notice under section 160 of the Companies Act, 2013 in writing, proposing his candidature for the office of director, be and is hereby appointed as director of the Company subject to retirement by rotation under the Articles of Association of the Company.”

6. To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:

“RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Mr. Tushar B. Dalal (DIN 00205589), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 11th August 2014 to 10th August 2019.”

7. To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:

“RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Mr. Bharat K. Shah (DIN 00251416), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 11th August 2014 to 10th August 2019.”

Registered Office:  
Mahavir Palace, 8-A, Kalubha Road,  
Bhavnagar  
Gujarat 364 002  
Dated: May 13, 2014

BY ORDER OF THE BOARD OF DIRECTORS  
**B. F. Tamboli**  
CHAIRMAN AND MANAGING DIRECTOR  
DIN: 00145948

**Notes:**

1. A member entitled to attend and vote at the above meeting is also entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
2. Register of Members shall remain closed from 02.08.2014 to 08.08.2014 (both days inclusive).
3. Members are requested to notify change of address, if any.
4. Members desiring any information pursuant to an item on the Agenda are requested to write sufficiently early so as to reach the Company at least 7 days prior to the AGM, to enable the Management to keep the information available at the meeting.
5. Members holding shares in demat form are requested to bring their Client ID and DPID numbers and photo identity for easy identification of attendance at the meeting.
6. Under the provisions of Section 205-C of the Companies Act, 1956, dividends remaining unpaid/unclaimed for a period over 7 years will be transferred to the Investor Education & Protection Fund (IEPF) of the Central Government. The members may write to the Company for claiming the amount if any, relating to following years before it is transferred to the IEPF.

Financial Year	Date of declaration of dividend	Last date for claiming unpaid dividend	Due date for transfer to IEP fund
2011-2012	30.07.2012	29.07.2019	29.08.2019
2012-2013	10.08.2013	09.08.2020	09.09.2020

7. Dividend, if sanctioned at the meeting will be payable to the members whose names appear on the Company's Register of Members as on the close of the day before start of the Book Closure date and to those members who hold the shares in demat form as per the record of Depositories, National Securities Depository Ltd (NSDL) and Central Depository System (India) Ltd (CDSL), as on the close of the day before start of Book Closure dated from 02.08.2014 to 08.08.2014 both days inclusive.
8. Dividend, if sanctioned at the meeting, will be paid to the members in Electronic Clearing Service (ECS) facility at the ECS facility available centers. Members holding shares in physical form may send their ECS mandate form duly filled in to the Company or its R&TA to receive dividend in ECS. ECS mandate form is enclosed (Annexure A) for immediate use of members.
9. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agent can not act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN details to their Depository Participant. Members holding shares in physical form are requested to submit their PAN details to the Company or Registrar & Transfer Agent, M/s MCS Limited.
11. In compliance with provisions of section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules 2014, the Company is pleased to provide members facility to exercise their right to vote at the 6th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services provided by Central Depository Services Limited (CDSL):

The instructions for members for voting electronically are as under:

**A In case of members receiving e-mail:**

- i) If you are holding shares in Demat form and had logged on to <https://www.evotingindia.co.in> and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.
- ii) Log on to the e-voting website <https://www.evotingindia.co.in>
- iii) Click on "Shareholders" tab to cast your votes

- iv) Now, select the Electronic Voting Sequence Number - "EVSN" along with "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- v) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
USER ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number Registered with the Company
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	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.	
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

\* Members who have not updated their PAN with the Company/Depository Participant are requested to use the default number: TAMBOLI123 in the PAN field.

# Members who have not updated their Date of Birth with Depository / Registrar and Transfer Agent, please enter the value 17/04/2008 in the DOB Column.

Please enter any one of the details (DOB/Dividend Bank Details) in order to login.

- vi) After entering these details appropriately, click on "SUBMIT" tab.
- vii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character(@ # \$ % & \*). 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. Kindly note that this changed password is to be also used by the Demat holders for voting for resolutions for the Company or any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.
- viii) Click on the relevant EVSN on which you choose to vote.
- ix) 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.
- x) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- xi) 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.
- xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

**(II) In case of members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:**

- B Please follow all steps from sl. no. (ii) to sl. no. (xii) above, to cast vote
- C Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.

- D The voting period begins on 3rd August, 2014 at 10.00 a.m. and ends on 5th August, 2014, at 6.00 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 (record date) 02.08.2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- E In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.co.in](mailto:helpdesk.evoting@cdslindia.co.in)

**Procedure to reset password.**

After you select the EVSN , Enter the User ID and **Captcha Code click on Forgot Password.**

After you click on Forgot Password, Enter your PAN and any one detail from Email id, Mobile No, Bank Account Number or DOB or Date of Inc. Please note if your Email id, Mobile No. is uploaded by the Company / RTA in the e-Voting system, then you will be able to enter details in this field otherwise you would be unable to enter any information in the field. After entering the details click on submit.

If you enter your email ID the re-set password will be sent to the email id uploaded by the company / its RTA. If you enter your Mobile no. then an SMS will be sent to the mobile number uploaded by the company or its RTA containing the new password. The email id and mobile number should match in both cases.

In case your Email id and Mobile No. is not editable then you can enter either your Bank Account Number or Date of Birth (DOB) /Date of Incorporation. Once you enter these details click on submit. A dialog box would be displayed. Click on OK.

You will be directed to the change password screen. Enter the New Password of your choice and confirm the same. Then click on submit. Login to your account using your revised password.

Registered Office:  
Mahavir Palace, 8-A, Kalubha Road,  
Bhavnagar  
Gujarat 364 002  
Dated: May 13, 2014

BY ORDER OF THE BOARD OF DIRECTORS  
**B. F. Tamboli**  
CHAIRMAN AND MANAGING DIRECTOR  
DIN: 00145948

## **EXPLANATORY STATEMENT**

### **Explanatory Statement pursuant to section 102 of the Company Act, 2013.**

In conformity with the provisions of Section 102 of the Company Act, 2013, the following explanatory statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice and should be taken as forming part of the Notice.

#### **Item No. 4**

M/s. Sanghavi & Co., (ICAI Firm Registration No. 109099W, Chartered Accountants (CAs), were appointed as the statutory auditors of the Company for financial year 2013-14 at the Annual General Meeting (AGM) of the Company held on 10.08.2013.

M/s. Sanghavi & Co. have been the Auditors of the Company since F.Y. 2008-09 and have completed a term of 6 years. As per the provisions of section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement.

In view of the above, M/s. Sanghavi & Co. being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on May 13, 2014, proposed the appointment of Sanghavi & Co. as the statutory auditors of the Company for a period of three year to hold office from the conclusion of this AGM till the conclusion of the 9th AGM of the Company to be held in the year 2017.

The Board recommends the Resolution at Item No. 4 for approval by the Members.

#### **Item No. 5**

Ordinary resolution as mentioned in item No. 5 relates to appointment of Mr. P.A. Subramanian as a director of the company. Mr. P.A. Subramanian was appointed as an Additional Director of the Company and under the provision of Section 161 of the Companies Act 2013 (corresponding to Section 260 of the Companies Act, 1956). Mr. P.A. Subramanian holds office upto the conclusion of the date if this Annual General Meeting.

Mr. P.A. Subramanian is BSC (Engg) and having a large experience of about 40 years in management of Companies. Mr. P.A. Subramanian is also "Vice Chairman" in Company's wholly owned subsidiary M/s. Tamboli Castings Ltd. Therefore availing of such an expertise / counselling from Mr. P.A. Subramanian would be beneficial to the Company. None of the Directors (except Mr. P. A. Subramanian), Key Managerial Personnel, relatives of Directors and Key Managerial Personnel of the Company is directly/indirectly interested in the above resolution except to the extent of their respective interest as shareholders of the Company. The Board of Directors recommend the resolution for your approval.

**Item No. 6 & 7**

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. Tushar B. Dalal & Mr. Bharat K. Shah, as Independent Directors at various times in compliance with the requirements of the clause.

Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation

The Nominations Committee has recommended the appointment of these directors as Independent Directors from 11.08.2014 up to 10.08.2019.

Mr. Tushar B. Dalal & Mr. Bharat K. Shah, non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

None of the Directors (except Mr. Tushar B. Dalal and Mr. Bharat K. Shah), Key Managerial Personnel, relatives of Directors and Key Managerial Personnel of the Company is directly/indirectly interested in the above resolution except to the extent of their respective interest as shareholders of the Company. The Board of Directors recommend the resolutions for your approval.

Registered Office:  
Mahavir Palace, 8-A, Kalubha Road,  
Bhavnagar  
Gujarat 364 002  
Dated: May 13, 2014

BY ORDER OF THE BOARD OF DIRECTORS  
**B. F. Tamboli**  
CHAIRMAN AND MANAGING DIRECTOR  
DIN: 00145948

**Particulars Of The Directors Seeking Appointment / Reappointment At The Ensuing Annual General Meeting Pursuant To Clause 49 of the Listing Agreement**

Particulars	Mr. Bipin F. Tamboli	Mr. P.A. Subramanian	Mr. Tushar B. Dalal	Mr. Bharat K. Shah
Date of Birth	25.04.1944	15.06.1946	06.09.1945	14.10.1945
Date of Appointment	17.04.2008	20.07.2013	17.08.2009	30.03.2009
Qualification	Graduate Engineer	BSC (Engg.)	Graduate Engineer	Graduate
Expertise in Specific Functional Areas	1. General Management 2. Technology 3. Finance	1. General Management	1. General Management 2. Administration	1. General Management 2. Administration
Memberships/Chairmanships/ Directorship of committees of other companies (includes only Audit Committee and Shareholders/Investors Grievance Committee)	1. Tamboli Castings Ltd. 2. Mebhav Investment Pvt. Ltd. 3. Tamboli Exim Ltd. 4. Tamboli Corporation Pvt. Ltd. 5. Adiviya Industries Pvt. Ltd. 6. Tamboli Osborn Metaltech Pvt. Ltd. 7. Tamboli Profiles Pvt. Ltd.	1. Tamboli Castings Ltd.	1. Dalal Dyes & Intermediates Manufacturing Co. Pvt. Ltd. 2. Phoenix Petrochemicals Ltd. 3. Kamal Export Pvt. Ltd. 4. Sound Finlease Pvt. Ltd.	1. Tamboli Castings Ltd
Number of shares held in the Company	30,28,944	3,200	Nil	1,600

**DIRECTORS' REPORT: 2013-2014**

To  
The Members

The Directors of **Tamboli Capital Limited** present their Report with Audited Accounts of the Company for the year ended March 31, 2014.

**1. Financial Results :**

	(Rs. In Lacs)	
	2013-2014	2012-2013
Total Income	122.54	117.31
Profit Before Taxation	107.01	104.27
Less : Provision for Taxation:		
1. Current	17.73	17.35
2. Earlier years' Tax	(0.04)	(0.04)
3. Deferred	0.01	0.03
Profit After Taxation	89.31	86.93
Adding thereto:		
1. Balance brought forward from last Balance Sheet	--	--
2. Prior Period Adjustment	--	--
Making a total amount available for appropriation of which has been appropriated as follows:	89.31	86.93
1. Proposed Dividend	59.52	54.56
2. Corporate Dividend Tax	--	0.65
3. General Reserve	29.79	31.72
Leaving the balance to carried forward	--	--

**2. Operations:** The standalone total Income during the year shows increase of 4.46% over the previous year. The standalone Profit Before Tax shows increase of 2.63% over previous year. The consolidated income shows increase of 6.75% over previous year. The consolidated Profit Before Tax shows increase of 1.45% over previous year, consolidated operations include the operations of TCL.

**3. Dividend:** The Directors are pleased to recommend a Dividend for the period ended March 31, 2014 @ Rs 0.60 per share i.e. 6% on 99,20,000 Equity shares for the financial year 2013-2014 amounting to Rs. 59.52 Lacs. (Previous year Rs. 54.56 Lacs) subject to approval of the members at this Annual General Meeting.

**4. Depository System:** As the members are aware, the company's shares are tradable in electronic form and the company has established connectivity with both the depositories, i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As of date shares representing 96.66% of the share capital are in the dematerialized form. In view of the numerous advantages offered by the Depository System, shareholders are requested to avail of the facility of dematerialisation of the Company's shares on either of the Depositories as aforesaid.

**5. Directors:**

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered into with Stock Exchanges, appointed Mr. Tushar B. Dalal & Mr. Bharat K. Shah as Independent Directors of the Company.

As per section 149(4) of the Companies Act, 2013 (Act), which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors. In accordance with the provisions of section 149 of the Act, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming Annual General Meeting (AGM) of the Company.



Mr. Bipin F. Tamboli, Director of the Company who retires by rotation as required by the Companies Act, 2013, and being eligible offers himself for re-appointment.

Mr. P.A. Subramanian was appointed as an additional director effective from July 19, 2013. His terms of office expire at this Annual General Meeting. He being eligible, offers himself for re-appointment.

**6. Auditors:**

M/s. Sanghvi & Co., Chartered Accountants, who are the statutory auditors of the Company, hold office till the conclusion of the forthcoming AGM and are eligible for re-appointment. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint M/s. Sanghvi & Co., as statutory auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the 9th AGM to be held in the year 2017, subject to ratification of their appointment at every AGM.

**Comment on Auditors' Report:** There is no adverse comment in the Auditors' Report which requires any further explanation under Section 134 of the Companies Act, 2013

**7. Listing:** The Equity shares of the Company are listed on The Bombay Stock Exchange Limited (BSE) under Scrip Code: 533170.

**8. Corporate Governance:** Pursuant to Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited (BSE), Corporate Governance Report, Chairman's and Auditors Certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report.

**9. Management Discussion and Analysis :** Pursuant to Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited (BSE), Management Discussion and Analysis Report is enclosed.

**10. Particulars of Employees:** The Company does not have any employee receiving remuneration of Rs. 5,00,000/- per month or Rs. 60,00,000/- per annum and therefore no particulars are required to be furnished under section 217(2A) of the Companies Act, 1956.

**11. Subsidiary Company:** The company has only one subsidiary (Wholly Owned) i.e. Tamboli Castings Limited, presently. Tamboli Castings Limited is a company engaged in manufacturing of investment castings.

**12. Financial Information of Subsidiary Company:** According to the general exemptions under section 129 of the Companies Act, 2013 granted by the Ministry of Corporate Affairs vide their circular No. 2/2011 dated 8.2.2011, the holding companies are exempted from attaching balance sheet of their subsidiary companies in the annual report. However summarized financial information of subsidiary company is given on page no. 32. This is in conformity with the aforesaid exemptions.

**13. Directors' Responsibility Statement:** The Board of Directors report that:

- a) In the preparation of the Annual Accounts, the applicable accounting standards have been followed.
- b) Accounting policies have been selected and applied consistently and the judgements and estimates made 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 of the Company for that year.
- c) proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the Annual Accounts have been prepared on a going concern basis.

**14. Compliance Certificate:** A copy of this certificate is enclosed with this report.

**15. Appreciation:** The Directors thank the Bankers and the concerned authorities of the Government for their co-operation.

Registered Office:  
Mahavir Palace, 8-A, Kalubha Road,  
Bhavnagar  
Gujarat 364 002  
Dated: May 13, 2014

BY ORDER OF THE BOARD OF DIRECTORS  
**B. F. Tamboli**  
CHAIRMAN AND MANAGING DIRECTOR  
DIN: 00145948

## MANAGEMENT DISCUSSION & ANALYSIS

### **A Overview – Financial Performance:**

This has been comprehensively covered in the Report of the Directors for the year under review.

### **B Industry Structure & Development:**

The Company is an Investment Holding Company having investments primarily in Tamboli Castings Limited, the wholly owned subsidiary of the company and in financial instruments. The company's subsidiary is engaged in manufacturing of Investment Castings. The profitability of the company is linked to the performance of the said investments.

### **C Opportunities, Risks, Threats and Concerns:**

The performance of the company, at present, is linked to the performance of the Wholly Owned Subsidiary, Tamboli Castings Limited (TCL). TCL has started efforts to its presence in the domestic market, which offers opportunities for growth. During the year, TCL succeeded in securing orders from South America against Global competition.

Large concentration of business with a few companies in the Automotive Sector is a risk. Company in planning to expend business in other countries and other sectors.

Threat from China in the Global Market continue.

Fluctuation in FOREX is a matter of concern. Rupee appreciating significantly would affect export competitiveness of the company, especially against China.

### **D Outlook:**

Outlook for the next year is positive.

### **E Internal Control Systems and Their Adequacy:**

The company has a system of internal Control which is reviewed by the Management. The Management evaluates the functioning and quality of the internal controls and provides assurance through periodical reporting. The Management reviews the Internal Audit Reports and the adequacy of internal control on regular basis which is also minimizing any possible risk in the operations of the company.

### **F Financial Performance:**

This has been comprehensively covered in the Report of the Directors for the year under review.

### **G Human Resources:**

The Human relations continue to be cordial and productive during the year.

### **H Cautionary Statement:**

Statement in the Management discussion and analysis describing the Company's objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets, change in the Government regulations, Tax Laws and other statutes and incidental factors.

Company No. L65993GJ2008PLC053613

AUTHORISED SHARE CAPITAL Rs. 10,00,00,000/-

**COMPLIANCE CERTIFICATE**

We have examined the registers, records, books and papers of TAMBOLI CAPITAL LIMITED (The Company) as required to be maintained under the Companies Act, 1956, (the act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2014. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, We certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies. The Company was not required to file any form with Regional Director, Central Government, and Company Law Board.
3. The Company, being a public limited company, therefore comments is not required about the no. of members of the Company.
4. The Board of Directors duly met 5 times on 3rd May, 2013, 20th July, 2013, 10th August, 2013, 8th November, 2013 and 31st January, 2014 in respect of which meetings proper notice were given and the proceedings were properly recorded and signed. No circular resolutions were passed by the Company during the period under review.
5. The Company has closed its Register of Members during the year under review and complied with the provisions of the Act.
6. The annual general meeting for the financial year ended on 31st March, 2013 was held on 10th August, 2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the year.
8. The Company has not advanced loan to its directors or to the relative of the directors or firms or companies referred to under section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act in respect of contracts specified in that section.
10. There were no transactions required to be entered in the register maintained under section 301 of the Act.
11. There were no transactions which require to take any approvals under section 314 of the Act. As the Company has not appointed any relative of director in the office or place of profit.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company has:
  - (i) not allotted any securities during the year under review. Delivered all the share certificates on lodgement thereof for transfer/transmission purpose in accordance with the provisions of the Act.
  - (ii) Declared dividend during the year and deposited Rs. 54,56,000/- in a separate Bank Account.
  - (iii) not required to transfer to Investor Education and Protection Fund the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years.
  - (iv) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and appointment of Additional Director was duly made, However, there was no appointment of alternate directors and directors to fill casual vacancy was made during the financial year under review.

15. The Company has not appointed any Managing Director/Whole Time Director/Manager during the year under review.
16. The Company has not appointed any sole-selling agent during the period under review.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and rules made there under.
19. The Company has not issued any Equity Shares during the year under review.
20. The Company has not bought back any shares during the financial period ending on 31<sup>st</sup> March, 2014.
21. The Company has not issued any preference shares/debentures; therefore question of redemption does not arise.
22. The Company was not required to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act.
23. The Company has not accepted deposit under the provisions of sections 58A of the Companies Act, 1956, Therefore, the Company is not required to comply with the provisions of the Act.
24. The Company has not borrowed any money from Bank or any other source during the Financial Year.
25. The Company has not made any loans or advances or given guarantee or provide securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the year.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. No prosecution has been initiated against or show cause notices received by the Company for alleged offences under the Act.
32. The Company has not received any money as security from its employees during the financial year under review.
33. The Company has not constituted any provident fund for its employees, and therefore no compliance under section 418 of the Act is required.

Place : Ahmedabad.  
Date : May 13, 2014

**For Kapoor & Ved**  
Company Secretaries  
**Ashish Shah**  
Partner  
C.P. No. 4178

Encl: Annexures.

**Annexure 'A'****Registers as maintained by the Company**

1. Register of Members u/s 150 of the Companies Act, 1956.
2. Register of Directors etc. u/s 303 of the Companies Act, 1956.
3. Register of Director's Shareholdings u/s 307 of the Companies Act, 1956.
4. Register of Contract u/s 301.
5. Minutes of the meeting of the Board of Directors.
6. Minutes of the General Meeting of the Shareholders.
7. Register for Disclosure of Interest.

**Annexure 'B'****Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2014 :**

Sr. No.	Form Number/ Return	Filed under section	Date of filing	Whether filed under prescribed time Yes/No	If delay in filing whether requisite additional fees paid
1.	Form 32_13	U/s. 303	26.07.2013	Yes	N.A
2.	Form 66_13	U/s. 383A	21.08.2013	Yes	N.A
3.	Form 20B_13	U/s. 159	18.09.2013	Yes	N.A
4.	Form 23AC & ACA_13	U/s. 220	10.09.2013	No	Yes
4.	Form 5 INV	Pursuant to rule 3 of IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012	07.11.2013	Yes	N.A

Signatures to Annexures 'A' and 'B'

Place : Ahmedabad.  
Date : May 13, 2014.

**For Kapoor & Ved**  
Company Secretaries  
**Ashish Shah**  
Partner  
C.P. No. 4178

## REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, a Report on Corporate Governance is given below:

### 1 Company's Philosophy on Code of Governance:

It has been the philosophy on the part of the Company to achieve excellence in Corporate Governance by following the principles of consistency, uniformity of decision making process and actions, highest standards of management and business integrity in functioning, so as to enhance constantly value for stakeholders & shareholders and fulfill its social obligation.

The above philosophy along with Tamboli Capital Ltd Code of Conduct for Prevention of Insider Trading ensures adherence to high ethical and moral standards which bind the Company.

### 2 Board of Directors:

#### 2.1 Composition and category of Directors:

The Board comprises of four Directors out of which two are Independent Directors. The Company has Promoter Director as the Chairman and Managing Director, therefore more than half the total strength of Board comprises of Independent Directors. The Company has thus complied with amended Clause 49 of listing agreement concerning strength of Independent Directors. The names and categories of Directors as also the number of Directorships and Committee positions held by them in other companies in accordance with the provisions of clause 49 of the Listing Agreement, are as given below:

Directors		Number of other Directorships in Public Limited Companies		Private Limited Companies	Committees	
	Category	Listed Companies	Unlisted Companies		Memberships	Chairmanships
Shri Bipin F. Tamboli	Chairman and Managing Director	-	2	5	-	-
Shri Bharat K. Shah	Non-Executive Independent Director	-	1	-	-	-
Shri Tushar B. Dalal	Non-Executive Independent Director	-	-	4	-	-
Shri P.A. Subramanian	Non-Executive Director	-	1	-	-	-

Notes:

The Company held five Board Meetings during F.Y. 2013-2014 and the gap between two meetings did not exceed four months. The Board Meetings were held on 3rd May, 2013, 20th July, 2013, 10th August, 2013, 8th November, 2013 and 31st January, 2014.

The details of attendance of Directors at the Board Meetings during the financial year 2013-2014 and at the last Annual General Meeting held on August 10, 2013 are given below

Name	Position	Meetings held during the tenure of Directors	Meetings attended	Attendance at the last AGM held on August 10, 2013
Shri Bipin F. Tamboli	Chairman and Managing Director	5	5	Yes
Shri Bharat K. Shah	Non-Executive Independent Director	5	5	Yes
Shri Tushar B. Dalal	Non-Executive Independent Director	5	5	Yes
Shri P.A. Subramanian	Non-Executive Director	4	1	Yes

Information in cases of appointment or re-appointment of Directors as required under Listing Agreement is as under:

Sr. No.	Name	Date of Birth	Date of appointment as Director	Expertise in specific functional areas	Educational Qualification	Number of other Directorship	Experience In years
1	Bipin F. Tamboli	25.04.1944	17.04.2008	1. General Management 2. Technology 3. Finance	B.E (Metallurgy)	7	40
2	P.A. Subramanian	15.06.1946	20.07.2013	1. General Management	BSC (Engg)	1	40
3	Tushar B. Dalal	06.09.1945	17.08.2009	1. General Management 2. Administration	B.E.	4	35
4	Bharat K. Shah	14.10.1945	30.03.2009	1. General Management 2. Administration	B.A	1	35

## 2.2 Code of Conduct

As per Clause 49 of the Listing Agreement with Bombay Stock Exchange, the Company has adopted a Code of Conduct for the Board and the senior management. It can be viewed on the Company's website, [www.tambolicapital.in](http://www.tambolicapital.in). Affirmations regarding compliance with the Code of Conduct were obtained from the Chairman of the Company. As required, a declaration duly signed by the Chairman to that effect is attached.

## 3. Committees of the Board:

The Board of Directors has constituted Committees viz., Audit Committee and Investor's Grievance Committee. The functions of these committees are summarised below:

### 3.1 Audit Committee:

The powers of the Audit Committee are as mentioned in Clause 49 (ii) [c] and [d] of the Listing Agreement and Section 292A of the Companies Act, 1956. The terms of reference of this Committee are wide enough covering the matters specified for Audit Committees under the Listing Agreement. The Committee acts as a link between the management, the Statutory and the Internal Auditors on one side and the Board of Directors of the Company on the other side and oversees the financial reporting process.

Constituted Attorney, Internal Auditors and Statutory Auditors are permanent invitees to attend the meetings.

The Composition of Audit Committee is as under:

1	Chairman	:	Shri Bharat K. Shah (Independent Director)
2	Members	:	Shri Tushar B. Dalal (Independent Director)
		:	Shri P.A. Subramanian (Non-Executive Director)
		:	Shri Bipin F. Tamboli (Chairman and Managing Director)

During the year under review, the Audit Committee met four times on dates 3rd May, 2013, 10th August, 2013, 8th November, 2013 and 31st January, 2014.

### 3.2 Investor's Grievance Committee:

The Committee oversees the complaints/suggestions received from shareholders. The nature of complaints received from investors includes non receipt of annual reports, non receipt of dividend, change of address etc. Investors queries/grievances are normally attended by the Company within 7 days from the date of receipt, thereof.

The Composition of Investor's Grievance Committee is as under:

1	Chairman	:	Shri Tushar B. Dalal (Independent Director)
2	Members	:	Shri Bharat K. Shah (Independent Director)
		:	Shri P.A. Subramanian (Non-Executive Director)
		:	Shri Bipin F. Tamboli (Chairman and Managing Director)

During the year under review, the Investor Committee met four times on dates 3rd May, 2013, 10th August, 2013, 8th November, 2013 and 31st January, 2014.

The status on the total number of Complaints received during the year were as follows:

Complaints pending at the beginning of the year	Complaints received during the year	Complaints redressed and replied during the year	Complaints pending at the end of the year
Nil	2	2	Nil

## 4 Disclosures:

During the year under review, besides the transactions reported elsewhere in the Annual Report there were no other related party transactions with its promoters, directors, management and subsidiaries that has a potential conflict with the interest of the Company.

The Company has complied with various rules and regulations prescribed by stock exchanges, SEBI or any other statutory authority relating to the capital markets during the last two years. No penalties or strictures have been imposed by them on the Company.

**5 Means of Communication:****5.1 Website**

The Company has its own web-site and all vital information relating to the Company and its performance and other informations are posted on the web-site. The Company's web-site address is [www.tambolicapital.in](http://www.tambolicapital.in)

**5.2 Other means of Communication**

Half yearly report sent to each household of shareholders	Yes
Newspapers in which Results are normally published in	Financial Express, Mumbai and Ahmedabad.
Any website where displayed	<a href="http://www.tambolicapital.in">www.tambolicapital.in</a>
Whether it also displays official news releases and the presentations made to institutional investors or to the analysts	Yes
Whether Management Discussion and Analysis is a part of the Annual Report	Yes

**Details of last three Annual General Meetings:**

Annual General Meeting for Financial Year	:	2012-2013	2011-2012	2010-2011
Date	:	10.08.2013	30.07.2012	17.09.2011
Time	:	1630 Hours	1630 Hours	1630 Hours
Venue	:	Hotel Nilambag Palace, Bhavnagar		

**6 General Shareholder Information:****6.1 Annual General Meeting:**

Date & Time	:	August 11, 2014 at 04.30 p.m
Venue	:	Hotel Nilambag Palace, Bhavnagar
Registered Office	:	Mahavir Palace, 8-A, Kalubha Road, Bhavnagar, Gujarat 364 002
Telephone Nos.	:	(91) (278) 654 1222 / 252 0065
Fax No.	:	(91) (278) 252 0064
E-Mail	:	direct1@tambolicapital.in

**6.2 Financial Calendar:**

Quarter ending	:	30th June 2013	30th September 2013	31st December 2013	31st March 2014
Reporting Month	:	August 2013	November 2013	February 2014	May 2014

**6.3** The Company has paid annual listing fees to The Bombay Stock Exchange Limited (BSE) in respect of the financial year 2013-2014.

**6.4** The Company's Shares are currently listed and traded on The Bombay Stock Exchange Limited (BSE), Scrip Code is 533170 and Scrip ID is TAMBOLI.

**6.5 Share Transfer System and Dematerialisation of Shares:**

The Shares of the Company are traded in dematerialised form. The code Number allotted by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) is as follows:

<b>ISIN Number of Company's Shares for NSDL &amp; CDSL</b>	INE864J01012
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Percentage of Shares held in Physical & Electronic form as on March 31, 2014 is as follows:

Sr. No.	Particulars	No. of Share Holders	No. of Shares held	% of total
1	Physical Shares	156	331051	3.34
2	Electronic Shares	3210	9588949	96.66
	TOTAL	3366	9920000	100.00

**6.6 Market Price Data:** Market Price Data: High, low during each month in last financial year

Months	BSE High	BSE Low	Months	BSE High	BSE Low	Months	BSE High	BSE Low
April 13	25.85	21.10	August 13	18.65	15.45	Dec. 13	21.00	18.55
May 13	24.75	19.95	Sept. 13	17.70	15.60	January 14	20.45	16.90
June 13	20.60	18.25	October 13	20.15	16.10	February 14	19.15	17.20
July 13	20.45	17.50	Nov. 13	22.00	19.85	March 14	18.95	17.00

**6.7 Registrar and Transfer Agent:**

MCS Limited  
 101, Shatdal Complex,  
 Opp. Bata Show Room, Ashram Road  
 Ahmedabad 380 009  
 Telephones : (91) (079) 2658 2878 / 79 / 80  
 Fax: (91) (079) 2658 1296  
 E-Mail: [mcsahmd@gmail.com](mailto:mcsahmd@gmail.com)

**6.8 Distribution of Shareholding as at end of March 31, 2014:**

Category	No. of Shares held	Percentage (%) of Shareholding
Promoters	51,75,000	52.17
Financial Institutions	2,16,309	2.18
Non Resident Indian	4,14,458	4.18
Others	41,14,233	41.47
Total	99,20,000	100.00

**6.9 Distribution Schedule as on March 31, 2014:**

Number of Shares held	Shares held		Number of Holders	
	Number	%	Number	%
Upto 500	362445	3.65	2292	68.09
501 to 1000	291735	2.94	361	10.72
1001 to 2000	512853	5.17	327	9.71
2001 to 3000	220116	2.22	85	2.53
3001 to 4000	337183	3.40	100	2.97
4001 to 5000	181042	1.83	40	1.19
5001 to 10000	590713	5.95	84	2.50
10001 and above	7423913	74.84	77	2.29
Total	99,20,000	100.00	3366	100.00

Place : Bhavnagar  
 Date : May 13, 2014

**B. F. Tamboli**  
 CHAIRMAN AND MANAGING DIRECTOR  
 DIN: 00145948

**CEO/CFO CERTIFICATION:**

To  
The Board of Directors

- (a) We have reviewed the attached financial statements and the cash flow statement for the year ended on March 31, 2014.

To the best of our knowledge and belief, we certify that:

- (i) these statements do not contain any materially un-true statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair value of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and we have evaluated the effectiveness of the internal control systems of the company. We certify that no deficiencies in the design or operation of internal control were found.
- (d) We have indicated to auditors about:
- (i) no significant changes in internal controls during the year.
  - (ii) no significant changes in accounting policies during the year.
  - (iii) no instances of any fraud during the year under review.

Place : Bhavnagar  
Date : May 13, 2014

**B. F. Tamboli**  
CHAIRMAN AND MANAGING DIRECTOR  
DIN: 00145948

**Declaration regarding affirmation of Code of Conduct**

In terms of the requirement of the amended Clause 49 of the Listing Agreement, Code of Conduct as approved by the Board of Directors of the Company had been displayed at the Company's website [www.tambolicapital.in](http://www.tambolicapital.in). All the members of the Board and management personnel affirmed compliance with the Code for the year ending March 31, 2014.

Place : Bhavnagar  
Date : May 13, 2014

**B. F. Tamboli**  
CHAIRMAN AND MANAGING DIRECTOR  
DIN: 00145948

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of Tamboli Capital Limited

We have examined the compliance of conditions of Corporate Governance by Tamboli Capital Limited ("the Company") for the year ended March 31, 2014 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

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

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

Place : Bhavnagar  
Date : May 13, 2014

**For SANGHAVI & COMPANY**  
Chartered Accountants  
FRN: 109099W  
**MANOJ GANATRA**  
Partner  
Membership No. 043485

**INDEPENDENT AUDITORS' REPORT**

To

**The Members of  
Tamboli Capital Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **Tamboli Capital Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2014 and the statement of Profit & Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the recognition and measurement principles laid down in the Companies (Accounting Standards) Rules, 2006 [which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs] as per Section 211 (3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the State of affairs of the company as at 31<sup>st</sup> March 2014;
- (b) In the case of the Profit and Loss statement, of the Profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by the law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act 1956 [which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs];
  - (e) On the basis of written representations received from the directors as on 31st March 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956;
  - (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any rules under the said section, prescribing the manner in which such cess to be paid, no cess is due and payable by the Company.

Bhavnagar  
May 13, 2014

**For SANGHAVI & COMPANY**  
Chartered Accountants  
FRN: 109099W  
**MANOJ GANATRA**  
Partner  
Membership No. 043485

**ANNEXURE TO AUDITORS' REPORT**

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

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

1. In respect of fixed assets:
  - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. Fixed assets are physically verified by the management at reasonable intervals in a phased manner in accordance with a programme of physical verification. No material discrepancies were noticed on physical verification.
  - c. There was no substantial disposal of fixed assets during the year.
2. The company has not held any inventory during the year, hence the provisions of clause (ii) of para 4 of the Order are not applicable.
3. In respect of loans granted or taken to/from companies, firms or other parties in the register maintained under section 301 of the Companies Act, 1956:
  - a. The Company has granted unsecured loans to the companies covered in the register maintained under section 301 of the companies Act, 1956. The numbers of companies to which loans are granted, is one (a Wholly Owned subsidiary company) and the amount involved in the transactions and the year-end balance is Rs. Nil and Rs. 600.00 lacs respectively.
  - b. The rate of interest and other terms and conditions of loans given by the company, are prima facie not prejudicial to the interest of the company.
  - c. Since no terms and conditions of the loan granted are stipulated, we can not offer any comments as to the repayment of principal amount or overdue amounts, if any.
  - d. The Company has not taken any loans, secured or unsecured, from the parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. There are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services, to the extent applicable. During the course of our audit, no major weakness has been noticed in the internal controls.
5. There are no contracts or arrangements in respect of transactions required to be entered in the register maintained in pursuance of section 301 of the Companies Act 1956.
6. The company has not accepted any deposits within the meaning of section 58A and 58AA of the Companies Act 1956 and the rules framed thereunder.
7. The company has an internal audit system commensurate with its size and the nature of its business.
8. The Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.

9. In respect of statutory and other dues:
- a. The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education & Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues, to the extent applicable, with the appropriate authorities during the year. There are no undisputed statutory dues outstanding for a period of more than six months from the date they became payable.
  - b. There are no statutory dues, which have not been deposited on account of any dispute.
10. The Company does not have any accumulated losses as at the end of the financial year. The Company has not incurred cash losses during the current or the immediately preceding financial year.
11. The company has not obtained any borrowings from any banks or financial institutions or by way of debentures.
12. The Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and 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 (xiii) are not applicable to the company.
14. The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks and financial institutions.
16. The company has not obtained any term loans during the year.
17. The Company has not raised any funds raised on short-term basis.
18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act 1956.
19. The Company did not have any outstanding debentures during the year.
20. The Company has not raised any money through a public issue during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

Bhavnagar  
May 13, 2014

**For SANGHAVI & COMPANY**  
Chartered Accountants  
FRN: 109099W  
**MANOJ GANATRA**  
Partner  
Membership No. 043485

**BALANCE SHEET AS AT MARCH 31, 2014**

Particulars	Note No.	31st March 2014 (Rs.)		31st March 2013 (Rs.)	
<b>EQUITY AND LIABILITIES:</b>					
<b>Shareholders' Funds:</b>					
Share Capital	2	99,200,000		99,200,000	
Reserves & Surplus	3	<u>17,359,969</u>	116,559,969	<u>14,381,270</u>	113,581,270
<b>Non-Current Liabilities:</b>					
Long-term Borrowings		-		-	
Deferred Tax Liabilities		4,500		3,200	
Other Long Term Liabilities		-		-	
Long-term Provisions		<u>-</u>	4,500	<u>-</u>	3,200
<b>Current Liabilities:</b>					
Short-term Borrowings		-		-	
Trade Payables		64,328		78,084	
Other Current Liabilities	4	230,679		127,974	
Short-term Provisions	5	<u>5,976,912</u>	6,271,919	<u>5,570,632</u>	5,776,690
	<b>TOTAL</b>		<u>122,836,388</u>		<u>119,361,160</u>
<b>ASSETS:</b>					
<b>Non-Current Assets:</b>					
Fixed Assets					
Tangible Assets	6	35,070		19,854	
Intangible Assets		-		-	
Capital Work-in-Progress		<u>-</u>		<u>-</u>	
		35,070		19,854	
Non-current Investments	7	29,110,000		29,110,000	
Long-term Loans and Advances	8	61,890,000		61,890,000	
Other Non-current Assets		<u>-</u>	91,035,070	<u>-</u>	91,019,854
<b>Current Assets:</b>					
Current Investments		-		-	
Inventories		-		-	
Trade Receivables		-		-	
Cash and Bank Balances	9	29,069,900		25,949,423	
Short-term Loans and Advances	10	2,731,418		2,391,883	
Other Current Assets		<u>-</u>	31,801,318	<u>-</u>	28,341,306
	<b>TOTAL</b>		<u>122,836,388</u>		<u>119,361,160</u>

The accompanying notes 1 to 20 are an integral part of these Financial Statements.

As per our Report of even date  
**For SANGHAVI & COMPANY**  
Chartered Accountants

**MANOJ GANATRA**  
Partner  
Bhavnagar  
Dated: May 13, 2014

FOR AND ON BEHALF OF THE BOARD  
**B. F. Tamboli** DIN: 00145948  
**P. A. Subramanian** DIN: 00251401  
DIRECTORS

Bhavnagar  
Dated: May 13, 2014



**PROFIT & LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

Particulars	Note No.	2013-2014 (Rs.)	2012-2013 (Rs.)
<b>REVENUE:</b>			
Revenue from Operations	11	12,253,767	11,731,148
Other Income		-	-
<b>TOTAL</b>		<u>12,253,767</u>	<u>11,731,148</u>
<b>EXPENSES:</b>			
Employee Benefits Expense	12	577,750	466,000
Finance Costs	13	-	161
Depreciation and Amortization		8,360	3,906
Other Expenses	14	966,856	833,542
<b>TOTAL</b>		<u>1,552,966</u>	<u>1,303,609</u>
Profit before exceptional and extraordinary Items and tax		10,700,801	10,427,539
Exceptional Items		-	-
Extraordinary Items		-	-
Profit Before Tax		10,700,801	10,427,539
Tax Expense : Current			
Current Tax		1,773,000	1,735,000
Earlier Years' Tax		-(4,198)	-(3,802)
Deferred		1,300	3,200
		<u>1,770,102</u>	<u>1,734,398</u>
Net Profit for the year		<u>8,930,699</u>	<u>8,693,141</u>
Face Value per Equity Share		10	10
Earning Per Share (Basic/Diluted)		0.90	0.88
The accompanying notes 1 to 20 are an integral part of these Financial Statements.			

As per our Report of even date  
**For SANGHAVI & COMPANY**  
Chartered Accountants

**MANOJ GANATRA**  
Partner  
Bhavnagar  
Dated: May 13, 2014

FOR AND ON BEHALF OF THE BOARD  
**B. F. Tamboli**      DIN: 00145948  
**P. A. Subramanian**      DIN: 00251401  
DIRECTORS

Bhavnagar  
Dated: May 13, 2014

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014****(Rs. In Lacs)**

	2013-2014	2012-2013
<b>A Cash Flow from operating activities:</b>		
Net Profit Before Tax And Extraordinary Items	107.01	104.28
Adjustments for:		
Depreciation	0.08	0.04
Interest	-	-
	<u>0.08</u>	<u>0.04</u>
Operating Profit Before Working Capital Changes	107.09	104.32
Adjustments for:		
Trade and Other Receivables	(3.39)	(80.84)
Inventories	-	-
Trade Payables	0.05	0.45
	<u>(3.34)</u>	<u>(80.39)</u>
Cash Generated From Operations	103.75	23.93
Direct Taxes Paid (Net)	<u>(18.58)</u>	<u>(17.06)</u>
<b>Net Cash from operating activities</b>	<b>85.17</b>	<b>6.87</b>
<b>B Cash Flow from investing activities:</b>		
Purchase of Fixed Assets	(0.24)	(0.24)
Purchase of Investments	-	(1.10)
Sale of Fixed Assets	-	-
Interest Received	-	-
	<u>-</u>	<u>-</u>
<b>Net Cash used in investing activities</b>	<b>(0.24)</b>	<b>(1.34)</b>
<b>C Cash Flow from financing activities:</b>		
Proceeds from Loans Borrowed (net)	-	-
Proceeds from Working Capital Finance (net)	-	-
Interest Paid	-	-
Dividend paid	<u>(53.73)</u>	<u>(48.91)</u>
<b>Net Cash used in financing activities</b>	<b>(53.73)</b>	<b>(48.91)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>31.20</b>	<b>(43.38)</b>
Cash And Cash Equivalents as at beginning of the year	<u>259.50</u>	<u>302.88</u>
Cash And Cash Equivalents as at end of the year	<u>290.70</u>	<u>259.50</u>
Cash and Cash Equivalents		
Cash and Bank Balances	290.70	259.50
Statutory restricted accounts	-	-
	<u>290.70</u>	<u>259.50</u>

As per our Report of even date  
**For SANGHAVI & COMPANY**  
Chartered Accountants

**MANOJ GANATRA**  
Partner  
Bhavnagar  
Dated: May 13, 2014

FOR AND ON BEHALF OF THE BOARD  
**B. F. Tamboli** DIN: 00145948  
**P. A. Subramanian** DIN: 00251401  
DIRECTORS

Bhavnagar  
Dated: May 13, 2014

**Note No. 1****Significant Accounting Policies:**

- 1.1 Basis of Accounting:** The Financial Statements have been prepared in accordance with recognition and measurement principles laid down in the Companies (Accounting Standards) Rules 2006 [which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs] as per Section 211(3C) of the Companies Act, 1956 and other accounting principles generally accepted in india and are based on the historical cost convention on an accrual basis.
- 1.2 Use of Estimates:** The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.
- 1.3 Fixed Assets:**  
Tangible Assets are stated at cost less depreciation, All the costs incurred till the date of the assets ready for use, including installation and substantial modification to the fixed assets are capitalized and included in the cost of the respective assets.  
On the basis of technological evaluation, the useful life of the assets have been redetermined and depreciation thereon is provided accordingly, at the rates stated in the Schedule to the fixed assets, which are higher than the rates specified in the Schedule XIV to the Companies Act, 1956.
- 1.4 Investments:**  
Long term investments are stated at cost. Provision, if any, is made for permanent diminution in the value of investments.  
Current investments are stated at lower of cost or market value.  
Dividend/interest are accounted for as and when right to receive the same is established.
- 1.5 Taxation:**  
Provision are made for current tax based on tax liability computed in accordance with relevant tax rates and tax laws. Deferred tax is recognised, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- 1.6 Earning per Share:**  
Basic earning per Share is computed by dividing the net profit attributable to equity shareholders for the year by weighted average number of equity shares outstanding during the year.

**Note No. 2****2.1 Share Capital**

Particulars	31.03.2014 (Rs.)	31.03.2013 (Rs.)
<b>Authorised:</b>		
10,000,000 Equity Shares of Rs. 10 each	100,000,000	100,000,000
<b>TOTAL</b>	<u>100,000,000</u>	<u>100,000,000</u>
<b>Issued, Subscribed and Paid up:</b>		
9,920,000 Equity Shares of Rs. 10 each	99,200,000	99,200,000
<b>TOTAL</b>	<u>99,200,000</u>	<u>99,200,000</u>

- a. Equity shares issued as fully paid up bonus shares or otherwise than by cash during the preceding five years: Nil

**2.2 Share Capital Reconciliation**

Particulars	Equity Shares	
	No. of shares	Rs.
Shares outstanding at the beginning of the year	9,920,000	99,200,000
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	9,920,000	99,200,000

**2.3 Shares held by each shareholder holding more than five percent shares**

Name of Shareholder	31.03.2014		31.03.2013	
	No. of shares	% of holding	No. of shares	% of holding
Bipin F. Tamboli	3,515,056	35.43	3,515,056	35.43

**Note No. 3  
Reserves and Surplus**

Particulars	31.03.2014 (Rs.)	31.03.2013 (Rs.)
<b>a. Capital Reserve</b>		
Balance as at the beginning of the year	500,000	500,000
Current year transfer		
Written back in current year		
Balance as at end of the year	<u>500,000</u>	<u>500,000</u>
<b>b. General Reserve</b>		
Balance as at the beginning of the year	13,881,270	10,708,880
Transfer from surplus	2,978,699	3,172,390
Balance as at the end of the year	<u>16,859,969</u>	<u>13,881,270</u>
<b>c. Surplus</b>		
Balance as at the beginning of the year	-	-
Net profit for the current year	8,930,699	8,693,141
Transfer to general reserve	(2,978,699)	(3,172,390)
Proposed dividend	(5,952,000)	(5,456,000)
Corporate dividend tax	-	(64,751)
Balance as at the end of the year	<u>-</u>	<u>-</u>
<b>TOTAL</b>	<u>17,359,969</u>	<u>14,381,270</u>

**Note No. 4  
Other Current Liabilities**

Particulars	31.03.2014 (Rs.)	31.03.2013 (Rs.)
Current maturities of long-term debt	-	-
Statutory liabilities	8,857	7,891
Unclaimed Dividends	152,092	68,582
Other liabilities	69,730	51,501
<b>TOTAL</b>	<u>230,679</u>	<u>127,974</u>

**Note No. 5  
Short Term Provisions**

Particulars	31.03.2014 (Rs.)	31.03.2013 (Rs.)
Provision for income tax (net of payments)	24,912	49,881
Proposed dividend	5,952,000	54,56,000
Corporate dividend tax	-	64,751
<b>TOTAL</b>	<u>5,976,912</u>	<u>5,570,632</u>

**Note No. 6**

**Fixed Assets**

**(Amount in Rupees)**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 1.4.2013	Additions during the Year	Sales or Adjustments	As on 31.3.2014	As on 1.4.2013	For the Year	On Deductions/ Adjustments	Up to 31.3.2014	As at 31.3.2014	As at 31.3.2013
<b>Tangible Assets:</b>										
OFFICE EQUIPMENT	23,760	19,350	-	43,110	3,906	7,962	-	11,868	31,242	19,854
FURNITURE & FIXTURE	-	4,226	-	4,226	-	398	-	398	3,828	-
<b>TOTAL</b>	<b>23,760</b>	<b>23,576</b>	<b>-</b>	<b>47,336</b>	<b>3,906</b>	<b>8,360</b>	<b>-</b>	<b>12,266</b>	<b>35,070</b>	<b>19,854</b>
PREVIOUS YEAR	-	23,760	-	23,760	-	3,906	-	3,906	19,854	-

Depreciation Rates, (%)

Assets	Depreciation Rate, (%)
Office Equipment	25.00
Furniture & Fixture	10.00

**Note No. 7****Non-current Investments**

Particulars	31.03.2014 (Rs.)	31.03.2013 (Rs.)
Trade Investments: Unquoted; at cost:		
Investments in Subsidiary Companies	29,000,000	29,000,000
2,900,000 equity shares of Tamboli Castings Limited of Rs. 10 each (A wholly owned subsidiary)		
Other Investments; at cost:		
11,000 equity shares of Tamboli Chemico (India) Pvt. Ltd. of Rs. 10/- each	110,000	110,000
<b>TOTAL</b>	<u>29,110,000</u>	<u>29,110,000</u>

**Note No. 8****Long-term Loans and Advances**

Particulars	31.03.2014 (Rs.)	31.03.2013 (Rs.)
Unsecured (considered good)		
Loans to a subsidiary company	60,000,000	60,000,000
Other loans and advances	1,890,000	1,890,000
<b>TOTAL</b>	<u>61,890,000</u>	<u>61,890,000</u>

**Note No. 9****Cash and Bank Balances**

Particulars	31.03.2014 (Rs.)	31.03.2013 (Rs.)
I. Cash and Cash Equivalents		
a. Balances with Banks:		
Current accounts	185,175	636,977
Short term deposits	1,500,000	1,000,000
Cheques on hand	-	-
	<u>1,685,175</u>	<u>1,636,977</u>
b. Cash on hand	32,633	43,864
	<u>1,717,808</u>	<u>1,680,841</u>
II. Other Bank Balances		
Dividend accounts	152,092	68,582
Terms deposits with more than 12 months maturity	3,000,000	3,000,000
Other terms deposits	24,200,000	21,200,000
	<u>27,352,092</u>	<u>24,268,582</u>
<b>TOTAL</b>	<u>29,069,900</u>	<u>25,949,423</u>

**Note No. 10**  
**Short-term Loans and Advances**

Particulars	31.03.2014 (Rs.)	31.03.2013 (Rs.)
Unsecured (considered good) Interest receivables	2,731,418	2,391,883
<b>TOTAL</b>	<u>2,731,418</u>	<u>2,391,883</u>

**Note No. 11**  
**Revenue from Operations**

Particulars	2013-2014 (Rs.)		2012-2013 (Rs.)	
Interest Receipts				
From Banks	2,378,767		2,385,148	
From a subsidiary company	4,800,000	7,178,767	4,416,000	6,801,148
Dividend Receipts				
From a subsidiary company	5,075,000		4,930,000	
From others	-	5,075,000	-	4,930,000
<b>TOTAL</b>		<u>12,253,767</u>		<u>11,731,148</u>

**Note No. 12**  
**Employee Benefit Expenses**

Particulars	2013-2014 (Rs.)		2012-2013 (Rs.)	
Salary, wages, allowances and bonus		577,750		466,000
Contribution to employee benefit funds		-		-
Staff welfare expenses		-		-
<b>TOTAL</b>		<u>577,750</u>		<u>466,000</u>

**Note No. 13**  
**Finance Costs**

Particulars	2013-2014 (Rs.)		2012-2013 (Rs.)	
Interest				
Others		-		161
<b>TOTAL</b>		<u>-</u>		<u>161</u>

**Note No. 14**  
**Other Expenses**

Particulars	2013-2014 (Rs.)		2012-2013 (Rs.)	
<b><u>Administrative and other expenses:</u></b>				
Travelling & conveyance expenses	86,173		18,811	
Insurance premiums	42,135		42,135	
Advertisement expenses	116,991		116,307	
Directors' sitting fees	226,000		186,000	
Legal and professional fees	266,006		229,633	
Payment to auditors	56,180		47,809	
General expenses	173,371	966,856	192,847	833,542
<b>TOTAL</b>		<u>966,856</u>		<u>833,542</u>

**Note No. 15**

In the opinion of the Directors, the current assets, loans and advances are approximately of the value as stated in the balance sheet, if realised in the ordinary course of the business. The provision of all known liabilities is adequate and not in excess of the amount reasonably required.

**Note No. 16**

Deferred tax liability of Rs. 1,300 charged to the profit & loss statement is on account of timing difference related to depreciation charged in the accounts and as claimed under the Income Tax Act.

**Note No. 17****Payments to Auditors**

Particulars	2013-2014 Amount, Rs.	2012-2013 Amount, Rs.
Audit Fees	16,854	16,545
Taxation Matters	8,427	5,618
Certification and other matters	30,899	25,337

**Note No. 18**

As the company's business activity, in the opinion of the management, falls within a single primary segment subject to the same risks and returns, the disclosure requirements of Accounting Standard AS-17 "Segment Reporting" are not applicable.

**Note No. 19**

Related Party Disclosures:

**19.1 Subsidiary: Tamboli Castings Limited**

Nature of Transactions	2013-2014 Amount, Rs.	2012-2013 Amount, Rs.
1. Interest Receipts	4,800,000	4,416,000
2. Dividend Receipts	5,075,000	4,930,000
3. Outstanding balance : Long term Loans and advances	60,000,000	60,000,000
: Short term Loans and advances	1,080,000	1,080,000

**19.2 Key Management Personnel**

(1) Shri B.F. Tamboli, (b) Shri P.A. Subramanian

Nature of Transactions	2013-2014 Amount, Rs.	2012-2013 Amount, Rs.
Director Sitting Fees	82,000	62,000

**Note No. 20**

Figures of the previous year have been regrouped and rearranged wherever necessary.

Signatures to Notes 1 to 20

As per our Report of even Date

**For SANGHAVI & COMPANY**

Chartered Accountants

FRN: 109099W

**MANOJ GANATRA**

Partner

Membership No. 043485

Bhavnagar

Dated: May 13, 2014

FOR AND ON BEHALF OF THE BOARD

**B. F. Tamboli**

DIN: 00145948

**P. A. Subramanian**

DIN: 00251401

DIRECTORS

Bhavnagar

Dated: May 13, 2014



**ANNEXURE TO BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2014  
STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956**

1. Name of the Subsidiary Company	:	TAMBOLI CASTINGS LIMITED
2. Financial Year of the Subsidiary Company	:	31 March, 2014
3. Date from which it became subsidiary	:	13 February, 2009
4. Extent of the Holding Company's interest in the Subsidiary Company at the end of the financial year of the Subsidiary Company	:	100 %
5. Net aggregate amount of the profit/(loss) of the Subsidiary Company not dealt with in the Holding Company's Account (concerning the members of the Holding Company)	:	
i) For the Current Year	:	Rs. 50,186,513
ii) For the previous years since it become a Subsidiary	:	Rs. 60,556,373
6. Net aggregate amount of the profit of the Subsidiary Company dealt with in the Holding Company's Accounts.	:	
i) For the Current Year	:	Nil
ii) For the previous year since it became a Subsidiary	:	Nil

FOR AND ON BEHALF OF THE BOARD

**B. F. Tamboli**                      DIN: 00145948

**P. A. Subramanian**            DIN: 00251401

DIRECTORS

Place : Bhavnagar

Date : May 13, 2014

**FINANCIAL INFORMATION OF SUBSIDIARY FOR THE YEAR ENDED MARCH 31, 2014**

**(Pursuant to Circular No. 2/2011 dated 8.2.2011 issued by Ministry of Corporate Affairs, New Delhi)**

Name of the Subsidiary Company	:	TAMBOLI CASTINGS LIMITED
a) Paid up Share Capital	:	Rs. 29,000,000
b) Reserves & Surplus	:	Rs. 289,340,011
c) Total Assets	:	Rs. 541,862,462
d) Total Liabilities	:	Rs. 541,862,462
e) Investments (Except investment in subsidiaries)	:	Rs. -
f) Turnover	:	Rs. 519,976,389
g) Profit before Taxation	:	Rs. 73,909,880
h) Provision for Taxation	:	Rs. 23,723,367
i) Profit after Taxation	:	Rs. 50,186,513
j) Proposed dividend	:	Rs. 6,022,382

FOR AND ON BEHALF OF THE BOARD

**B. F. Tamboli**                      DIN: 00145948

**P. A. Subramanian**            DIN: 00251401

DIRECTORS

Place : Bhavnagar

Date : May 13, 2014

## INDEPENDENT AUDITORS' REPORT

To  
**The Board of Directors of  
Tamboli Capital Limited**

We have audited the accompanying consolidated financial statements of **Tamboli Capital Limited** ("the Company), and its wholly-owned subsidiary company, Tamboli Castings Limited (collectively referred to as "the Tamboli Capital Group") which comprise the Consolidated Balance Sheet as at 31st March 2014, the Consolidated Statement of Profit & Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Tamboli Capital Group in accordance with the recognition and measurement principles laid down in the Companies (Accounting Standards) Rules, 2006 [which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs] as per section 211(3C) of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Tamboli Capital Group's preparation and fair presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Tamboli Capital Group as at 31<sup>st</sup> March 2014;
- (b) In the case of the Consolidated Profit and Loss Statement, of the profit of the Tamboli Capital Group for the year ended on that date; and
- (c) In the case of the consolidated Cash Flow Statement, of the cash flows of the Tamboli Capital Group for the year ended on that date.

**For SANGHAVI & COMPANY**

Chartered Accountants

FRN: 109099W

**MANOJ GANATRA**

Partner

Membership No. 043485

Bhavnagar  
May 13, 2014

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014**

Particulars	Note No.	31st March 2014 (Rs.)		31st March 2013 (Rs.)	
<b>EQUITY AND LIABILITIES:</b>					
<b>Shareholders' Funds:</b>					
Share Capital	2	99,200,000		99,200,000	
Reserves & Surplus	3	312,722,365	411,922,365	265,655,655	364,855,655
<b>Non-Current Liabilities:</b>					
Long-term Borrowings	4	41,124,193		74,890,828	
Deffered Tax Liabilities		3,086,500		6,644,200	
Other Long Term Liabilities	5	935,571		611,112	
Long-term Provisions	6	1,132,161	46,278,425	772,827	82,918,967
<b>Current Liabilities:</b>					
Short-term Borrowings	7	16,882,577		24,285,225	
Trade Payables		27,241,232		22,369,569	
Other Current Liabilities	8	62,124,283		48,947,439	
Short-term Provisions	9	11,225,058	117,473,150	10,396,853	105,999,086
<b>TOTAL</b>			<b>575,673,940</b>		<b>553,773,708</b>
<b>ASSETS:</b>					
<b>Non-Current Assets:</b>					
Fixed Assets	10				
Tangible Assets		200,439,443		226,625,398	
Intangible Assets		-		-	
Capital Work-in-Progress		11,642,520		5,714,011	
		212,081,963		232,339,409	
Non-current Investments	11	110,000		110,000	
Long-term Loans and Advances	12	14,876,987		18,414,454	
Other Non-current Assets		-	227,068,950	-	250,863,863
<b>Current Assets:</b>					
Current Investments		-		-	
Inventories	13	80,203,978		80,206,059	
Trade Receivables	14	97,508,320		122,899,185	
Cash and Bank Balances	15	100,042,147		35,042,963	
Short-term Loans and Advances	16	70,850,545		64,761,638	
Other Current Assets		-	348,604,990	-	302,909,845
<b>TOTAL</b>			<b>575,673,940</b>		<b>553,773,708</b>
The accompanying notes 1 to 35 are an integral part of these Financial Statements.					

As per our Report of even date  
**For SANGHAVI & COMPANY**  
Chartered Accountants

**MANOJ GANATRA**  
Partner  
Bhavnagar  
Dated: May 13, 2014

FOR AND ON BEHALF OF THE BOARD  
**B. F. Tamboli**                      DIN: 00145948  
**P. A. Subramanian**                DIN: 00251401  
DIRECTORS

Bhavnagar  
Dated: May 13, 2014

**CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

Particulars	Note No.	2013-2014 (Rs.)	2012-2013 (Rs.)
<b>REVENUE:</b>			
Revenue from Operations (Gross)	17	524,953,242	491,114,019
Less: Excise duty		<u>2,704,595</u>	<u>2,127,856</u>
Revenue from Operations (Net)		522,248,647	488,986,163
Other Income	18	<u>106,509</u>	<u>333,781</u>
<b>TOTAL</b>		<u>522,355,156</u>	<u>489,319,944</u>
<b>EXPENSES:</b>			
Cost of Materials Consumed	19	69,357,104	76,981,040
Purchases of stock-in-trade		-	-
Changes in inventories	20	4,624,275	(15,795,946)
Employee Benefits Expense	21	56,473,314	52,045,932
Finance Costs	22	16,095,248	21,361,688
Depreciation and Amortization		42,646,254	42,267,338
Other Expenses	23	<u>253,623,279</u>	<u>234,057,199</u>
<b>TOTAL</b>		<u>442,819,473</u>	<u>410,917,251</u>
Profit before exceptional and extraordinary items and tax		79,535,683	78,402,693
Exceptional Items		-	-
Extraordinary Items		<u>-</u>	<u>-</u>
Profit Before Tax		79,535,683	78,402,693
Tax Expense :			
Current Tax		29,973,000	29,826,101
MAT Credit Entitlements		-	(12,091,101)
Earlier Years' Tax		(921,831)	(34,022)
Deferred Tax		<u>(3,557,700)</u>	<u>(3,617,800)</u>
		25,493,469	14,083,178
Net Profit for the year		<u>54,042,214</u>	<u>64,319,515</u>
Face Value per Equity Share		10	10
Earning Per Equity Share (Basic/Diluted)		5.45	6.48
The accompanying notes 1 to 35 are an integral part of these Financial Statements.			

As per our Report of even date  
**For SANGHAVI & COMPANY**  
Chartered Accountants

**MANOJ GANATRA**  
Partner  
Bhavnagar  
Dated: May 13, 2014

FOR AND ON BEHALF OF THE BOARD  
**B. F. Tamboli**                      DIN: 00145948  
**P. A. Subramanian**                DIN: 00251401  
DIRECTORS

Bhavnagar  
Dated: May 13, 2014

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

(Rs. in Lacs)

	2013-2014	2012-2013
<b>A Cash Flow from operating activities:</b>		
Net Profit Before Tax And Extraordinary Items	795.36	784.03
Adjustments for:		
Depreciation and Amortization	426.46	422.67
Loss/(Profit) on sale of Assets	0.01	0.19
Interest	147.14	182.70
Operating Profit Before Working Capital Changes	1,368.97	1389.59
Adjustments for:		
Trade and Other Receivables	210.25	(91.56)
Inventories	0.02	(124.76)
Trade and Other Payables	188.84	90.35
Cash Generated From Operations	1,768.08	1263.62
Direct Taxes Paid	(282.69)	(178.81)
<b>Net Cash from operating activities</b>	<b>1,485.39</b>	<b>1084.81</b>
<b>B Cash Flow from investing activities:</b>		
Purchase of Fixed Assets	(224.93)	(318.55)
Purchase of Investments	-	(1.10)
Sale of Fixed Assets	1.03	12.43
Interest Received	-	36.18
<b>Net Cash used in investing activities</b>	<b>(223.90)</b>	<b>(271.04)</b>
<b>C Cash Flow from financing activities:</b>		
Proceeds from Loans Borrowed (net)	(337.67)	(303.90)
Proceeds from Working Capital Finance(net)	(74.02)	(273.99)
Interest Paid	(147.14)	(218.88)
Dividend paid	(53.73)	(48.91)
<b>Net Cash used in financing activities</b>	<b>(612.56)</b>	<b>(845.68)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>648.93</b>	<b>(31.91)</b>
Cash And Cash Equivalents as at beginning of the year	343.67	375.58
Cash And Cash Equivalents as at end of the year	<u>992.60</u>	<u>343.67</u>
Cash and Cash Equivalents		
Cash and Bank Balances	1,000.42	350.43
Statutory restricted accounts	(7.82)	(6.76)
	<u>992.60</u>	<u>343.67</u>

As per our Report of even date  
**For SANGHAVI & COMPANY**  
Chartered Accountants

**MANOJ GANATRA**

Partner

Bhavnagar

Dated: May 13, 2014

FOR AND ON BEHALF OF THE BOARD

**B. F. Tamboli**

DIN: 00145948

**P. A. Subramanian**

DIN: 00251401

DIRECTORS

Bhavnagar

Dated: May 13, 2014

**Note No. 1****Significant Accounting Policies:**

- 1.1 Fixed Assets:** Tangible Assets are stated at cost less depreciation, All the costs incurred till the date of the assets ready for use, including installation and substantial modification to the fixed assets are capitalized and included in the cost of the respective assets. On the basis of technological evaluation, the useful life of the assets have been re-determined and depreciation thereon is provided accordingly at the rates stated in the Schedule to the fixed assets, which are higher than the rates specified in the Schedule XIV to the Companies Act, 1956.
- 1.2 Investments:**  
Long term investments are stated at cost. Provision, if any, is made for permanent diminution in the value of investments. Current investments are stated at lower of cost or market value. Dividend/Interest are accounted for as and when right to receive the same is established.
- 1.3 Inventories:**  
Inventories are valued at cost or net realizable value, whichever is lower. Cost is determined on the following basis:
- i Raw materials and stores and spares - on weighted average method basis;
  - ii Finished and semi-finished goods - at material cost plus direct expenses and appropriate value of overheads; cost of finished goods includes excise duty.
- 1.4 Revenue Recognition:**  
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably be measured.  
Revenue from sale of goods are recognized when significant risks and rewards of ownership are passed the buyer, which generally coincides with dispatch of goods. Sales taxes and value added taxes, wherever applicable, are collected on behalf of the Government and therefore excluded from the revenue.
- 1.5 Excise and Custom Duty:** Excise Duty in respect of goods manufactured by the company is, according to the method consistently followed by the company, accounted for at the time of removal of goods from the factory for sale.  
However, excise duty payable on the closing stock of finished goods is provided for in the accounts. Purchases of goods and fixed assets are accounted for net of excise cenvat credit availed. Custom duty paid on import of materials is dealt with in respective materials accounts.
- 1.6 Employee Benefits:**  
**Post-employment benefit plans:**
- i **Defined Contribution Plan:** Contribution for provident fund are accrued in accordance with applicable statutes and deposited with the Regional Provident Fund Commissioner. Contribution for Superannuation in respect of certain employees of the company is made in accordance with the scheme with Life Insurance Corporation of India.
  - ii **Defined Benefit Plan:** The liabilities in respect of gratuity and leave encashment are determined using Projected Unit Credit Method with actuarial valuation carried out as at balance sheet date. Actuarial gains are recognised in full in the profit and loss account for the period in which they occur.  
Contribution in respect of gratuity are made to the Group Gratuity Scheme with Life Insurance Corporation of India. Employee benefits recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost and as reduced by the fair value of respective fund.  
**Short-term employee benefits:** The undiscounted amount of short-term benefits expected to be paid in exchange for services rendered by employee is recognised during the period when the employee renders the service.
- 1.7 Borrowing Costs:** Net cost of borrowed funds for the projects till completion are capitalized and included in the cost of fixed assets. Other borrowing costs are recognized as expenses in the period in which they are incurred.
- 1.8 Foreign Currencies Transactions:** Foreign currency transactions are accounted for at the rates prevailing on the date of transaction. Differences arising out of foreign exchange rates are dealt with in the profit & loss account. Current assets and current liabilities relating to foreign currency transactions remaining unsettled at the end of the year are translated at the closing rates and profit or loss arising there from is dealt with in the profit & loss account.

**1.9 Taxation:** Provisions are made for current tax based on tax liability computed in accordance with relevant tax rates and tax laws.

Deferred tax is recognised, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

**1.10 Provision and Contingencies:** The Company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow or where a reliable estimate of the obligation can not be made.

**Note No. 2**

**2.1 Share Capital**

Particulars	31.03.2014 (Rs.)	31.03.2013 (Rs.)
<b>Authorised:</b>		
10,000,000 Equity Shares of Rs. 10 each	100,000,000	100,000,000
<b>TOTAL</b>	<u>100,000,000</u>	<u>100,000,000</u>
<b>Issued, Subscribed and Paid up:</b>		
9,920,000 Equity Shares of Rs. 10 each	99,200,000	99,200,000
<b>TOTAL</b>	<u>99,200,000</u>	<u>99,200,000</u>

a. Equity shares issued as fully paid up bonus shares or otherwise than by cash during the preceding five years: Nil

**2.2 Share Capital Reconciliation**

Particulars	Equity Shares	
	No. of shares	Rs.
Shares outstanding at the beginning of the year	9,920,000	99,200,000
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	9,920,000	99,200,000

**2.3 Shares held by each shareholder holding more than five percent shares**

Name of Shareholder	31.03.2014		31.03.2013	
	No. of shares	% of holding	No. of shares	% of holding
Bipin F. Tamboli	3,515,056	35.43	3,515,056	35.43

**Note No. 3**  
**Reserves and Surplus**

Particulars	31.03.2014 (Rs.)	31.03.2013 (Rs.)
<b>a. Capital Reserve</b>		
Balance as at the beginning of the year	500,000	500,000
Current year transfer	-	-
Written back in current year	-	-
Balance as at end of the year	<u>500,000</u>	<u>500,000</u>
<b>b. General Reserve</b>		
Balance as at the beginning of the year	255,155,655	197,219,387
Transfer from surplus	47,066,710	57,936,268
Balance as at the end of the year	<u>302,222,365</u>	<u>255,155,655</u>
<b>c. Surplus</b>		
Balance as at the beginning of the year	10,000,000	10,000,000
Net profit for the current year	54,042,214	64,319,515
Transfer to general reserve	(47,066,710)	(57,936,268)
Proposed dividend	(5,952,000)	(5,456,000)
Corporate dividend tax	(1,023,504)	(927,247)
Balance as at the end of the year	<u>10,000,000</u>	<u>10,000,000</u>
<b>TOTAL</b>	<u><u>312,722,365</u></u>	<u><u>265,655,655</u></u>

**Note No. 4**  
**Long Term Borrowings**

Particulars	31.03.2014 (Rs.)	31.03.2013 (Rs.)
<b>a. Secured</b>		
Term loans from banks (Indian rupee accounts)	41,124,193	74,890,828
<b>TOTAL</b>	<u>41,124,193</u>	<u>74,890,828</u>
Notes:		
Term loans are from State Bank of India which are secured by equitable mortgage of Land & Building and Hypothecation of Machinery and further secured by personal guarantee of one of the Directors.		
Period of default: N.A		
Amount: Nil		

**Note No. 5**  
**Other Long Term Liabilities**

Particulars	31.03.2014 (Rs.)	31.03.2013 (Rs.)
Staff security deposits	935,571	611,112
<b>TOTAL</b>	<u>935,571</u>	<u>611,112</u>



**Note No. 6**  
**Long Term Provisions**

Particulars	31.03.2014 (Rs.)	31.03.2013 (Rs.)
Provision for leave encashment	1,132,161	772,827
<b>TOTAL</b>	<u>1,132,161</u>	<u>772,827</u>

**Note No. 7**  
**Short Term Borrowings**

Particulars	31.03.2014 (Rs.)	31.03.2013 (Rs.)
a. Secured		
Working capital finance from banks	16,882,577	24,285,225
<b>TOTAL</b>	<u>16,882,577</u>	<u>24,285,225</u>
Notes:		
Working capital finance are from State Bank of India which is secured by Hypothecation of inventories, book debts, machinery and equitable mortgage of Land & Building and further secured by personal guarantee of one of the Directors.		
Period of default: N.A		
Amount: Nil		

**Note No. 8**  
**Other Current Liabilities**

Particulars	31.03.2014 (Rs.)	31.03.2013 (Rs.)
Current maturities of long-term debt	35,922,000	35,178,000
Interest accrued but not due on borrowings	2,014,214	1,080,000
Advances from customers	13,786,902	615,709
Statutory liabilities	1,901,391	1,594,542
Gratuity premium payable	-	112,456
Unclaimed Dividends	152,092	68,582
Other liabilities	8,347,684	10,298,150
<b>TOTAL</b>	<u>62,124,283</u>	<u>48,947,439</u>

**Note No. 9**  
**Short Term Provisions**

Particulars	31.03.2014 (Rs.)	31.03.2013 (Rs.)
Provision for bonus	3,956,450	3,778,477
Provision for leave encashment	293,104	235,129
Provision for income tax (net of payment)	-	-
Proposed dividend	5,952,000	5,456,000
Corporate dividend tax	1,023,504	927,247
<b>TOTAL</b>	<u>11,225,058</u>	<u>10,396,853</u>

**Note No. 10  
Fixed Assets**

ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As on 1.4.2013	Additions during the Year	Sales or Adjustments	As on 31.3.2014	As on 1.4.2013	For the Year	On Deductions/ Adjustments	Up to 31.3.2014	As at 31.3.2014	As at 31.3.2013
<b>Tangible Assets:</b>										
FREEHOLD LAND	14,039,313	-	-	14,039,313	-	-	-	-	14,039,313	14,039,313
BUILDINGS	65,230,303	8,855	-	65,239,158	11,811,262	3,236,164	-	15,047,426	50,191,732	53,419,041
PLANT & MACHINERY	279,032,115	5,995,752	45,641	284,982,226	132,558,697	35,415,429	27,229	167,946,897	117,035,329	146,473,418
VEHICLES	9,381,644	2,359,267	951,359	10,789,552	2,068,469	1,924,076	865,346	3,127,199	7,662,353	7,313,175
FURNITURE & FIXTURES	2,303,890	1,019,206	-	3,323,096	993,579	231,713	-	1,225,292	2,097,804	1,310,311
OFFICE EQUIPMENT	7,570,630	7,181,644	-	14,752,274	3,500,490	1,838,872	-	5,339,362	9,412,912	4,070,140
TOTAL	377,557,895	16,564,724	997,000	393,125,619	150,932,497	42,646,254	892,575	192,686,176	200,439,443	226,625,398
Capital Work in Progress	5,714,011	5,928,509	-	11,642,520	-	-	-	-	11,642,520	5,714,011
TOTAL	383,271,906	22,493,233	997,000	404,768,139	150,932,497	42,646,254	892,575	192,686,176	212,081,963	232,339,409
PREVIOUS YEAR	353,710,887	31,855,331	2,294,312	383,271,906	109,696,907	42,267,338	1,031,748	150,932,497	232,339,409	244,013,980

Depreciation Rates, (%)

Assets	Depreciation Rate, (%)
Factory Building	5.00
Non Factory Building	3.00
Plant & Machinery:	
- Single Shift	8.00
- Double Shift	12.00
- Triple Shift	15.00
Office Equipment	10.00
Computers	25.00
Furniture & Fixtures	10.00
Vehicles	20.00

**Note No. 11**

**Non-current investments**

Particulars	31.03.2014 (Rs.)	31.03.2013 (Rs.)
a. Unquoted; at cost:		
11,000 equity shares of Tamboli Chemico (India) Pvt. Ltd. of Rs. 10/- each	110,000	110,000
<b>TOTAL</b>	<u>110,000</u>	<u>110,000</u>

**Note No. 12**

**Long-term Loans and Advances**

Particulars	31.03.2014 (Rs.)	31.03.2013 (Rs.)
Unsecured (considered good)		
Capital advances	10,541,500	10,679,506
Security deposits	761,872	3,958,186
Loans to staff (including officers of the company 46,638; previous year 91,238)	46,638	91,238
Loans to ancillary units	1,636,977	1,795,524
Other loans and advances	1,890,000	1,890,000
<b>TOTAL</b>	<u>14,876,987</u>	<u>18,414,454</u>

**Note No. 13**

**Inventories**

Particulars	31.03.2014 (Rs.)	31.03.2013 (Rs.)
(Value at the lower of cost or net realisable value)		
Raw materials	5,975,826	4,015,133
Work-in-progress	21,718,298	30,411,939
Finished goods	22,233,353	18,163,987
Stores & spares	30,276,501	27,615,000
<b>TOTAL</b>	<u>80,203,978</u>	<u>80,206,059</u>

**Note No. 14**

**Trade Receivable**

Particulars	31.03.2014 (Rs.)	31.03.2013 (Rs.)
Unsecured (considered good)		
Over six months	9,760,588	1,357,132
Others	87,747,732	121,542,053
<b>TOTAL</b>	<u>97,508,320</u>	<u>122,899,185</u>
Includes		
	More than six months	Others
Due from firms and companies in which directors are interested	Nil	Nil

**Note No. 15**  
**Cash and Bank Balances**

Particulars	31.03.2014 (Rs.)	31.03.2013 (Rs.)
I. Cash and Cash Equivalents		
a. Balances with Banks		
Current accounts	9,688,851	9,015,786
Short term deposits	62,000,000	1,000,000
Cheques on hand	-	-
	<u>71,688,851</u>	<u>10,015,786</u>
b. Cash on hand	371,404	151,095
	<u>72,060,255</u>	<u>10,166,881</u>
II. Other Bank Balances		
Dividend accounts	152,092	68,582
Margin money accounts	-	-
Terms deposits with more than 12 months maturity	3,629,800	3,607,500
Other terms deposits	24,200,000	21,200,000
	<u>27,981,892</u>	<u>24,876,082</u>
	<u>100,042,147</u>	<u>35,042,963</u>
<b>TOTAL</b>		

**Note No. 16**  
**Short-term Loans and Advances**

Particulars	31.03.2014 (Rs.)	31.03.2013 (Rs.)
Unsecured (considered good)		
Trade advances to suppliers (Including to companies or firms in which some of the directors are interested Rs. Nil)	1,721,741	2,275,742
Loans and advances to staff (Including officers of the company Rs. Nil; previous year 128,374)	304,902	617,431
Input credits receivable	54,045,443	49,197,317
Interest receivables	3,200,307	2,466,786
Prepaid expenses	2,176,684	1,915,922
Loans to ancillary units	315,737	510,435
Advance payment of taxes (net of provisions)	5,774,810	7,484,489
Other loans and advances	3,310,921	293,516
	<u>70,850,545</u>	<u>64,761,638</u>
<b>TOTAL</b>		

**Note No. 17**  
**Revenue from Operations**

Particulars	2013-2014 (Rs.)		2012-2013 (Rs.)	
Sale of Products				
Export sales	490,722,858		461,591,934	
Domestic sales	<u>22,590,946</u>	513,313,804	<u>16,638,123</u>	478,230,057
Other Operating Revenue				
Foreign currency fluctuation gain/(loss)	6,234,399		9,265,715	
Other operating income	<u>5,405,039</u>	11,639,438	<u>3,618,247</u>	12,883,962
<b>TOTAL</b>		<u><u>524,953,242</u></u>		<u><u>491,114,019</u></u>

**Note No. 18**  
**Other Income**

Particulars	2013-2014 (Rs.)		2012-2013 (Rs.)	
Miscellaneous income		106,509		333,781
<b>TOTAL</b>		<u><u>106,509</u></u>		<u><u>333,781</u></u>

**Note No. 19**  
**Cost of Materials Consumed**

Particulars	2013-2014 (Rs.)		2012-2013 (Rs.)	
Raw Materials Consumed				
Opening stock	4,015,133		6,442,513	
Purchase and direct expenses	<u>71,317,797</u>		<u>74,553,660</u>	
	75,332,930		80,996,173	
Closing stock	<u>5,975,826</u>	69,357,104	<u>4,015,133</u>	76,981,040
<b>TOTAL</b>		<u><u>69,357,104</u></u>		<u><u>76,981,040</u></u>

**Note No. 20**  
**Change in Inventories**

Particulars	2013-2014 (Rs.)		2012-2013 (Rs.)	
Opening Stock				
Finished Goods	18,163,987		16,275,054	
Work-in-progress	<u>30,411,939</u>	48,575,926	<u>16,504,926</u>	32,779,980
Closing Stock				
Finished Goods	22,233,353		18,163,987	
Work-in-progress	<u>21,718,298</u>	43,951,651	<u>30,411,939</u>	48,575,926
<b>TOTAL</b>		<u><u>4,624,275</u></u>		<u><u>(15,795,946)</u></u>

**Note No. 21****Employee Benefit Expenses**

Particulars	2013-2014 (Rs.)	2012-2013 (Rs.)
Salary, wages, allowances and bonus	48,913,097	45,637,454
Contribution to employee benefit funds	5,595,695	5,441,380
Staff welfare expenses	1,964,522	967,098
<b>TOTAL</b>	<b>56,473,314</b>	<b>52,045,932</b>
Includes Director's remuneration	8,088,339	7,605,806

**Note No. 22****Finance Costs**

Particulars	2013-2014 (Rs.)	2012-2013 (Rs.)
Interest		
Working capital finance	2,940,040	3,050,867
Term loans	12,337,350	17,304,517
Income Tax	14,109	5,894
Others	356,874	71,310
Other borrowing costs	446,875	929,100
<b>TOTAL</b>	<b>16,095,248</b>	<b>21,361,688</b>

**Note No. 23****Other Expenses**

Particulars	2013-2014 (Rs.)	2012-2013 (Rs.)
<b>Manufacturing Expenses:</b>		
Power & fuel	57,258,151	54,023,742
Machinery repairs and maintenance	3,910,294	2,383,035
Fettling and other external processing expenses	32,789,512	28,281,435
Stores & spares	90,119,395	86,366,629
Other expenses	16,861,856	14,130,269
<b>Selling and Distribution Expenses:</b>		
Sales promotion expenses	2,097,110	2,236,524
Export freight & insurance	3,269,228	3,347,065
Other selling expenses	35,227	-
<b>Administrative and Other Expenses:</b>		
Travelling expenses	8,583,156	7,933,050
Rates & taxes	116,840	116,057
Advertisement expenses	287,780	180,005
Insurance premiums	437,298	308,136
Building and other repairs	15,860,613	19,227,959
Directors' sitting fees	376,000	321,000
Legal and professional fees	7,544,618	6,072,888
Payments to auditors	233,680	246,559
Bank discount, commission and other charges	2,783,309	1,666,019
Donations	51,000	46,000
Corporate Social Responsibility Expenses	630,000	-
Loss on sale of assets	1,425	18,570
Prior Period adjustments (net)	1,138,608	322,957
General expenses	9,238,179	6,829,300
<b>TOTAL</b>	<b>253,623,279</b>	<b>234,057,199</b>

**Note No. 24.**

**24.1 Basis of presentation of Financial Statements:**

The consolidated financial statements relate to Tamboli Capital Limited ("the Company") and its Wholly Owned Subsidiary company, Tamboli Castings Limited. The Consolidated accounts have been prepared on the following basis:

- a) The financial statements of the subsidiary used in the consolidation are drawn upto the same reporting date as that of parent company, i.e. year ended 31st March 2014
- b) The Financial Statements have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Accounting Standards) Rules, 2006 [which continue to be applicable in respect of section 133 of the Company Act, 2013 in terms of general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs] as per Section 211/(3C) of the Companies Act, 1956 and are based on the historical cost convention on accrual basis.

**24.2 Use of Estimates:** The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

**Note No. 25**

**Principles of Consolidation:**

- a) The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together the book values of like items of the assets, liabilities, income and expenses, after fully eliminating there from intra-group balances and intra-group transactions as per Accounting Standard AS-21 "Consolidated Financial Statements" notified under the Companies (Accounting Standards) Rules, 2006.
- b) The financial statements of the Company and its subsidiary have been consolidated using uniform account policies for like transactions and other events in similar circumstances.

**Note No. 26**

**Earning per Share:**

Basic earning per Share is computed by dividing the net profit attributable to equity shareholders for the year by weighted average number of equity shares outstanding during the year.

**Note No. 27**

The Company has discussed only such policies and notes from the individual financial statements, which fairly present the needed disclosures. Lack of the homogeneity and other similar considerations made it desirable to exclude some of them, which in the opinion of the management, could be better viewed, when referred from the individual financial statements.

**Note No. 28**

In the opinion of the Directors, the current assets, loans and advances are approximately of the value as stated in the balance sheet, if realized in the ordinary course of the business. The provision of all known liabilities is adequate and not in excess of the amount reasonably required.

**Note No. 29**

Balances with Debtors, Creditors and for Loans and Advances are subject to confirmations from the respective parties.

**Note No. 30**

Deferred tax assets of Rs. 3,557,700 arising during the year, a major component of which is due to timing difference related to depreciation charged in the accounts and as claimed under the Income Tax Act, is credited to the profit & loss account. Details of the balance of Rs. 3,086,500 are as under:

Particulars	Rs.
Depreciation	3,575,500
Disallowance u/s 43B of the Income Tax Act	(489,000)
Total	3,086,500

**Note No. 31**

The management of the Company has, during the year, carried out technological evaluation for identification of impairment of assets, if any, in accordance with the Accounting Standard AS-28 notified under the Companies (Accounting Standards) Rules, 2006. Based on the judgment of the management and as certified by the Directors, no provision for impairment is found to be necessary in respect of any of the assets.

**Note No. 32**

**Contingent Liabilities:**

- (i) Guarantees given by the bank and counter guaranteed by the company : Rs. 6,018,357 (Rs. 5,795,388)
- (ii) Disputed Income Tax liabilities is Rs. 9,082,314 (NIL)

**Note No. 33**

**Related Party Disclosures:**

**32.1 Associates:**

- (a) Mebhav Investment Private Limited, (b) Tamboli Exim Limited

**32.2 Key Management Personnel:**

- (a) Shri Bipin F. Tamboli, (b) Shri P.A. Subramanian, (c) Shri Mehul B. Tamboli, (d) Shri Vaibhav B. Tamboli

Nature of Transactions		2013-2014 Amount, Rs.	2012-2013 Amount, Rs.
1.	Purchase of Materials and Services	3,825,639	4,226,735
2.	Outstanding balance: Trade Payables	42,568	32,701
Key Management Personnel			
3.	Remuneration	8,088,339	7,605,806
4.	Outstanding balance: Other Current Liabilities	2,400,000	2,400,000

**Note No. 34**

Figures pertaining to the subsidiary company have been reclassified wherever necessary to bring them in line with the Parent Company's financial statements.

**Note No. 35**

Figures of previous year have been regrouped and rearranged wherever necessary.

Signatures to Notes 1 to 35

As per our Report of even date  
**For SANGHAVI & COMPANY**  
 Chartered Accountants

**MANOJ GANATRA**

Partner

Bhavnagar

Dated: May 13, 2014

FOR AND ON BEHALF OF THE BOARD

**B. F. Tamboli**

DIN: 00145948

**P. A. Subramanian**

DIN: 00251401

DIRECTORS

Bhavnagar

Dated: May 13, 2014



**ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORM  
(For use by Investors holding shares in physical form)**

To,  
Tamboli Capital Limited  
C/o. MCS Ltd  
101, Shatdal Complex, Opp. Bata Show Room,  
Ashram Road, Ahmedabad 380 009.

Dear sirs,

**FORM FOR ELECTRONIC CLEARING SERVICES FOR PAYMENT OF DIVIDEND**

Pleas fill-in the information in CAPITAL LETTERS in ENGLISH ONLY

**For shares held in physical form**

Master Folio No.

**For shares held in electronic form**

DP Id

Client Id

FOR OFFICE USE ONLY

ECS  
Ref. No.

Name of Sole/First holder

Bank Name

Branch Name

Branch Code

(9 Digits Code Number appearing on the MICR Band of the cheque supplied by the Bank). Please attach a xerox copy of a cheque or a blank cheque of your bank duly cancelled for ensuring accuracy of the banks name, branch name and code number.

Account Type  
(Please Tick (√) wherever applicable)

→ Savings  Current  Cash Credit

A/c No. (as appearing in the  
cheque book

→

Effective date of this mandate

→

I, hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness of information supplied as above, the Company/MCS Ltd, will not be held responsible. I agree to avail ECS facility provided by RBI, as and when implemented by RBI/Investment & precision Castings Limited)

I further undertake to inform the Company any change in my Bank/branch and account number.

Dated : \_\_\_\_\_

\_\_\_\_\_  
(Signature of Sole/First holder)

**Notes:**

1. Whenever the Shares in the given folio are entirely dematerialised, then this ECS mandate form will stand cancelled.
2. For Shares held in dematerialised mode nomination is required to be filed with the Depositor Participant in their prescribed form.

# TAMBOLI CAPITAL LIMITED

Regd. Office: Mahavir Palace, 8-A, Kalubha Road, Bhavnagar Gujarat, India 364 002.

Form No. MGT-11

## PROXY FORM

CIN: L65993GJ2008PLC053613

Name of the company: Tamboli Capital Limited

Registered office: Mahavir Palace, 8-A, Kalubha Road, Bhavnagar- 364 002

Name of the member(s): \_\_\_\_\_ Registered Address: \_\_\_\_\_

\_\_\_\_\_ E-mail ID: \_\_\_\_\_

Folio No/Client ID \_\_\_\_\_ DP ID: \_\_\_\_\_

I/we, being the member (s) of \_\_\_\_\_ shares of Tamboli Capital Limited, hereby appoint

(1) Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-Mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_ of failing him

(2) Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-Mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_ of failing him

(3) Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-Mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 6<sup>th</sup> Annual general meeting of the company, to be held on the 11th day of August 11, 2014 At 04.30 p.m. at Hotel Nilambag Palace, Bhavnagar and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional	
		For	Against
1.	Adoption of Accounts.		
2.	Adoption of Statement of Profit and Loss, Balance Sheet, Report of Board of Directors and Auditors for the year ended March 31, 2014.		
3.	Declaration of Final Dividend on Equity Shares for the financial year 2013-14.		
4.	Re-appointment of Mr. Bipin F. Tamboli as a Director of the Company.		
5.	Appointment of Auditors.		
6.	Appointment of Mr. Mr. P.A. Subramanian as a Director of the Company.		
7.	Appointment of Mr. Tushar Dalal as an Independent Director.		
8.	Appointment of Mr. Bharat Shah as an Independent Director.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Signature of shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

Affix  
1 Rupee  
Revenue  
Stamp

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

# TAMBOLI CAPITAL LIMITED

Regd. Office: Mahavir Palace, 8-A, Kalubha Road, Bhavnagar Gujarat, India 364 002.

## ATTENDANCE FROM

Name of Shareholder		
Number of Equity Share held		
Folio Number		
If Demat Shares	DP ID	
	Client ID	

I hereby record my presence at the 6<sup>th</sup> Annual General Meeting of the Company at Hotel Nilambag Palace, Bhavnagar at 1630 hours on August 11, 2014

Signature of attending Member/Proxy

- Note:
1. A shareholder/Proxyholder wishing to attend this meeting must bring the Attendance Slip to the meeting and hand it over at the entrance duly signed.
  2. He/She is advised to bring along with a copy of the Annual Report to the meeting for reference.