

**2nd ANNUAL REPORT  
2009-2010**

**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

**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  
Fax (91) (278) 252 0064  
E-Mail direct1@tambolicapital.in  
Website www.tambolicapital.in

**ISIN** : INE864J01012

**BSE Scrip Code** : 533170

**REGISTRAR & TRANSFER AGENT** : LINK INTIME INDIA PRIVATE LIMITED  
211, Sudarshan Complex,  
Near Mithakhali Under Bridge,  
Navarangpura, Ahmedabad 380 009.  
Telephone (91) (079) 2646 5179  
Fax (91) (079) 2646 5179  
E-Mail ahmedabad@intimespectrum.com

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## NOTICE

NOTICE IS HEREBY GIVEN THAT THE SECOND ANNUAL GENERAL MEETING OF TAMBOLI CAPITAL LIMITED WILL BE HELD ON SECOND DAY OF AUGUST 2010 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, 2010 and Profit & Loss Account 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 appoint a Director in place of Shri Bharat K. Shah, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS:

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

“RESOLVED THAT notice of intention to propose Shri Tushar B. Dalal for appointment as a Director having been received from the members under provision of section 257 of the Companies Act, 1956, Shri Tushar B. Dalal, who was appointed as an additional director of the Company and who holds office upto the date of this Annual General Meeting pursuant to the provisions of section 260 of the Companies Act, 1956 be and is hereby appointed as Director of the Company.”

5. 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 under sections 198, 269, 309 and 310 and Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, as amended, the Company in General Meeting hereby accords its approval to the appointment of Shri Bipin F. Tamboli as Managing Director of the Company designated as Chairman and Managing Director for a period of five years effective from 29th April, 2010 without any remuneration upon such terms and conditions as contained in the agreement to be entered into between the Company and Shri Bipin F. Tamboli, a draft whereof initialed by the Chairman of the Meeting for the purpose of identification is placed before the meeting, be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to fix the remuneration if payable in future to the appointee so long as the same is in conformity with the provisions of the Schedule XIII of The Companies Act, 1956 as amended and generally do all the acts, deed, things, matters as may be necessary, incidental or conducive in furtherance of the aforesaid.”

Registered Office:  
Mahavir Palace, 8-A  
Kalubha Road,  
Bhavnagar Gujarat 364 002  
Dated: April 29, 2010

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

### 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 24.07.2010 to 01.08. 2010 (both days inclusive).
3. Members are requested to notify change of address, if any.
4. The explanatory statement pursuant to section 173 of the Companies Act, 1956 relating to Special Resolution/Special Business at item Nos. 4 & 5 of the Notice is annexed hereto.

5. 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.
6. 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.
7. Since the company is incorporated in F. Y. 2008-2009, and this being the second general meeting, the provisions of Section 205-C of the Companies Act, 1956, concerning unpaid/unclaimed dividend is not applicable.

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CHAIRMAN AND MANAGING DIRECTOR

### EXPLANATORY STATEMENT

#### Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956.

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, 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:** Ordinary resolution as mentioned in item No. 4 relates to appointment of Shri Tushar B. Dalal as a director of the company. Shri Tushar B. Dalal was appointed as an Additional Director of the Company and under the provision of Section 260 of the Companies Act, 1956. Shri Tushar B. Dalal holds office upto the conclusion of the date of this Annual General Meeting.

The Company has received notices in writing from some members of the Company proposing Shri Tushar B. Dalal as a candidate in the office of the Directors of the Company. Shri Tushar B. Dalal is a Graduate Engineer and has vast experience in managing various businesses, properties and technology.

The Board of Directors recommend the resolution for your approval. Shri Tushar B. Dalal is interested and concerned in the above resolution as its relates to his appointment as Director. None of the other Directors present is interested in the above resolution.

**Item No. 5:** Ordinary resolution as mentioned in item No. 5 relates to the appointment of Shri Bipin F. Tamboli as Managing Director of the Company designated as Chairman and Managing Director for a period of five years effective from 29th April, 2010 according to the provisions of Schedule XIII of the Companies Act, 1956, as amended.

The material terms of appointment of Chairman and Managing Director, upon receipt of approval of the members are as follows:

1. Period of Appointment : Five years effective from 29.04.2010
2. Nature of Duties : Management of business activities of the Company subject to the control, direction and superintendence of the Board
3. Title : CHAIRMAN AND MANAGING DIRECTOR
4. Remuneration : Nil

The Board of Directors recommend the resolution for your approval. Shri Bipin F. Tamboli is interested and concerned in the above resolution as its relates to his appointment as Chairman and Managing Director. None of the Directors present is interested in the above resolution.

This explanatory statement is and should be treated as an abstract under section 302 of the Companies Act, 1956, as amended of the agreement to be entered into between the Company and the Chairman and Managing Director, Shri Bipin F. Tamboli.

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Dated: April 29, 2010

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

**DIRECTORS' REPORT: 2009-2010**

To  
The Members

The Directors of **Tamboli Capital Limited** present their Report with Audited Accounts of the Company for the year ended March 31, 2010.

**1. Financial Results :**

|   | (Rs. In Lacs) |           |
|---|---------------|-----------|
|   | 2009-2010     | 2008-2009 |
| Total Income  | 47.60         | 40.96     |
| Profit Before Taxation  | 27.62         | 30.06     |
| Less : Provision for Taxation:  |               |           |
| 1. Current  | —             | 2.50      |
| 2. Deferred   | —             | —         |
| Profit After Taxation   | 27.62         | 27.56     |
| 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 transferred to General Reserve. | 27.62         | 27.56     |

- 2. Operations:** The total Income during the year shows increase of 16.21% over the previous year. The Profit Before Tax shows decrease of around 8.00%. There were one time expenditure during the year including listing expenses.
- 3. Dividend:** The Directors have not recommend Dividend for the year 2009-2010.
- 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 76.15% 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:**
  - a) Shri Bharat K. Shah retires by rotation as required by the Companies Act, 1956, and being eligible, offers himself for re-election.
  - b) Shri Tushar B. Dalal was appointed as an additional director effective from August 17, 2009. His terms of office expire at this Annual General Meeting. He being eligible, offers himself for re-appointment.

- c) Shri Bipin F. Tamboli, has been appointed as Managing Director designated as Chairman and Managing Director for a period of five years effective from 29.04.2010 without any remuneration, subject to approval of the members in the General Meeting.
  - d) Shri I. F. Tamboli has resigned from the Board of Directors of the Company effective from October 16, 2009.
- 6. Auditors:** The members will be requested at the forthcoming Annual General Meeting to appoint Auditors and fix their remuneration. M/s. Sanghavi & Co., the existing Auditors, are eligible for re-appointment.
- 7. Listing of Shares of the Company:** The Equity shares of the Company were listed on The Bombay Stock Exchange Limited (BSE) on March 15, 2010 under Scrip Code: 533170.
- 8. Corporate Governance:** Pursuant to Clause 49 of the Listing Agreement with The 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 The Bombay Stock Exchange Limited (BSE), Management Discussion and Analysis Report is enclosed.
- 10. Particulars of Employees:** Information in accordance with sub-section (2A) of Section 217 of the Companies Act, 1956, is presently not applicable.
- 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 with in house facility of CNC machine shop. Further details of Tamboli Castings Limited operations are provided in this Annual Report.
- 12. 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.
- 13. Compliance Certificate:.** A copy of this certificate is enclosed with this annual report.
- 14. Appreciation:** The Directors thank the Bankers and the concerned authorities of the Government for their co-operation.

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Dated: April 29, 2010

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

## **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 with in house facility of CNC machine shop. 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 its wholly owned subsidiary – Tamboli Castings Limited. There is a perceived reversal of recessionary trend in the global economy which augurs well for the company and its markets. The main threat to export business continues to be China with its policies of heavy subsidies and supportive currency. The strengthening of Indian Rupee vis-à-vis US Dollar and Euro is a major risk and concern on the margins.

### **D Outlook:**

Barring unforeseen circumstances, the future of the company appears to be good.

### **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.



**COMPLIANCE CERTIFICATE**

To  
The Members,  
TAMBOLI CAPITAL LIMITED

I 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, 2010. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I 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 the rules made there-under and all entries therein have been duly recorded.
2. the Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there-under as stated in Annexure 'B' to this Certificate.
3. the Company is a public company within the meaning under section 3(1)(iv) of the Act.
4. the Board of Directors duly met five times on 29th June, 2009, 17th August, 2009, 26th September, 2009, 5th November, 2009 and 15th February, 2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed.
5. the Company has opted not to close its Register of Members during the financial year ending on 31st March, 2010.
6. the annual general meeting for the financial year ended on 31st March, 2009 was held on 26 th September, 2009 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. one extra ordinary meeting was held after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
8. the Company has not advanced any loan to its directors and/or persons or firms or companies referred to in the section 295 of the Act.
9. the Company has duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section and to the extent applicable.
10. the Company has made necessary entries in the register maintained under section 301 of the Act.
11. the Company has obtained necessary approval from the members pursuant to section 314 of the Act wherever applicable.
12. the Board of Directors has approved issue of duplicate share certificates.
13. (i) the Company has delivered all certificates on lodgement for transfer in accordance with the provision of the Act. There were no allotments, transmission or other actions in respect of securities during the year under review.
- (ii) the Company has not declared any dividend during the financial year 2008-09 and was not required to deposit any amount of dividend in a separate bank account.
- (iii) the Company has not paid any dividend during the financial year under review.
- (iv) the amount in unpaid dividend account which have remained unclaimed or unpaid for a period of seven years as required to be transferred to Investor Education and Protection Fund were NIL.
- (v) the Company has duly complied with the requirements of section 217 of the Act.

14. the Board of Directors of the Company is duly constituted and the appointment of additional director during the period under review has been duly made.
15. the Company has not made appointment of Managing Director / Whole-time Director / Manager in compliance of section 269 read with Schedule XIII of the Act during the financial year under review.
16. no appointment of sole-selling agents was made during the financial year under review.
17. the Company was not required, during the financial year, to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or 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 the rules made there-under.
19. the Company has not issued any shares/debentures/other securities during the financial year.
20. the Company has not bought back any shares during the financial year ending 31st March, 2010.
21. the Company has not redeemed any preference shares/debentures during the financial year.
22. the Company was not required to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. the Company has not invited/accepted any deposits including unsecured loans within the provisions of sections 58A during the financial year.
24. the Company has not borrowed any amounts from any one during the financial year ending 31st March, 2010.
25. the Company has not made loans and investments or given guarantees nor provided securities to other bodies attracting compliance of the provisions under section 372A of the Act.
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 under scrutiny.
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 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 altered its articles of association after obtaining the approval of its members in the general meeting held on 15th February, 2010 and the amendments to the articles of association have been duly registered with the Registrar of Companies.
31. no prosecutions were initiated against and no show cause notices were received by the Company for alleged offences under the Act.
32. the Company has not received any amount as security from its employees during the financial year under scrutiny.
33. the Company was not required to deposit both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

Place : Ahmedabad  
Date : 28th April, 2010

Encl : Annexures

Signature:  
Name of Company Secretary : BIPIN S. ACHARYA  
C. P. No. : 8 FCS 424  
B/3, Ripple Apartments,  
Near Hindu Mahila Milan Mandir,  
Narayan Nagar, Paldi, Ahmedabad-380007.