

**4th ANNUAL REPORT
2011-2012**

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 / 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 FOURTH ANNUAL GENERAL MEETING OF TAMBOLI CAPITAL LIMITED WILL BE HELD ON THIRTIETH DAY OF JULY 2012 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, 2012 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 declare dividend for the Financial Year 2011-2012.
3. To appoint a Director in place of Shri Bipin F. Tamboli, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

Registered Office:
Mahavir Palace, 8-A, Kalubha Road,
Bhavnagar
Gujarat 364 002
Dated: May 12, 2012

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 23.07.2012 to 28.07.2012 (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. Since the company is incorporated in F. Y. 2008-2009, and this being the fourth Annual General meeting, the provisions of Section 205-C of the Companies Act, 1956, concerning unpaid/unclaimed dividend is not applicable.
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 23.07.2012 to 28.07.2012, both days inclusive.

8. Dividend, if sanctioned 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. Members are requested to please refer page no. 43 concerning Company's communication regarding "Green Initiative" and give feedback as requested.

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Gujarat 364 002
Dated: May 12, 2012

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

DIRECTORS' REPORT: 2011-2012

To
The Members

The Directors of **Tamboli Capital Limited** present their Report with Audited Accounts of the Company for the year ended March 31, 2012.

1. Financial Results :

	2011-2012	(Rs. In Lacs) 2010-2011
	<u> </u>	<u> </u>
Total Income	98.56	43.29
Profit Before Taxation	87.20	28.48
Less: Provision for Taxation:		
1. Current	14.23	0.53
2. Earlier years' Tax	-(0.53)	-(0.11)
3. Deferred	—	—
Profit After Taxation	73.50	28.06
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:	73.50	28.06
1. Proposed Dividend	49.60	—
2. Corporate Dividend Tax	0.05	—
3. General Reserve	23.85	28.06
Leaving the balance to carried forward	—	—

- 2. Operations:** The standalone total Income during the year shows increase of 127.67% over the previous year. The standalone Profit Before Tax shows increase of 206.18% over previous year. The consolidated income shows increase of 47.66% over previous year. The consolidated Profit Before Tax shows increase of 84.27% over previous year
- 3. Dividend:** The Directors are pleased to recommend a Dividend for the period ended March 31, 2012 @ Rs 0.50 per share i.e. 5% on 99,20,000 Equity shares for the financial year 2011-2012 amounting to Rs. 49.60 Lacs. (Previous year Nil) 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 96.44% 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:** Shri Bipin F. Tamboli retires by rotation as required by the Companies Act, 1956, and being eligible, offers himself for re-election.

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.

Comment on Auditors' Report: There is no adverse comment in the Auditors' Report which requires any further explanation under Section 217(3) of the Companies Act, 1956

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 212 of the Companies Act, 1956 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 company in the annual report, however summarized financial information of subsidiary company is given on page no. 27, this is in conformity to the aforesaid exemptions.
13. **Directors' Responsibility Statement:** The Board of Directors report that:
- In the preparation of the Annual Accounts, the applicable accounting standards have been followed.
 - 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.
 - 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.
 - 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:
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Gujarat 364 002
Dated: May 12, 2012

ON BEHALF 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. 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 (TCL).

So far TCL has been focusing only on the export business, TCL will now enter into the domestic markets and it will be a good opportunity for the company.

Financial crisis in Europe and increase in cost of imported inputs and oil are the risks and concerns.

D Outlook:

Outlook for the current year is stable and is dependent on the European economic scenario.

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

To
The Members,
TAMBOLI CAPITAL LIMITED

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 31st March, 2012. 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, comments is not required.
4. The Board of Directors duly met four times on 14th May, 2011, 9th August, 2011, 8th November, 2011, and 31st January, 2012 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, 2011 was held on 17th September, 2011 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 meetings were 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 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) not deposited any amount in a separate bank account as no dividend declared during the financial year.
 - (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. However, there was no appointment of additional director 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 31st March, 2012.
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 : 12th May, 2012.

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, 2012 :**

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 66_11	U/s. 383A	24.09.2011	Yes	N.A
2.	Form 20B_11	U/s. 159	31.10.2011	Yes	N.A
3.	Form 23AC_11	U/s. 220	27.11.2011	Yes	N.A

Place : Ahmedabad.
Date : 12th May, 2012.

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 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 and its employees.

2 Board of Directors:

2.1 Composition and category of Directors:

The Board comprises of three 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	-	-	2	-	-

Notes:

The Company held four Board Meetings during F.Y. 2011-2012 and the gap between two meetings did not exceed four months. The Board Meetings were held on 14th May, 2011, 9th August, 2011, 8th November, 2011 and 31st January, 2012.

The details of attendance of Directors at the Board Meetings during the financial year 2011-2012 and at the last Annual General Meeting held on September 17, 2011 are given below

Name	Position	Meetings held during the tenure of Directors	Meetings attended	Attendance at the last AGM held on September 17, 2011
Shri Bipin F. Tamboli	Chairman and Managing Director	4	4	Yes
Shri Bharat K. Shah	Non-Executive Independent Director	4	4	Yes
Shri Tushar B. Dalal	Non-Executive Independent Director	4	4	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

2.2 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. 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 Bipin F. Tamboli (Chairman and Managing Director)

During the year under review, the Audit Committee met four times on dates 14th May, 2011, 9th August, 2011, 8th November, 2011 and 31st January, 2012.

3.2 Investor's Grievance Committee:

The Committee overseas the complaints/suggestions received from shareholders. The nature of complaints received from investors includes non receipt of annual reports, 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 Bipin F. Tamboli (Chairman and Managing Director)

During the year under review, the Investor Committee met four times on dates 14th May, 2011, 9th August, 2011, 8th November, 2011 and 31st January, 2012.

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	5	5	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

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	www.tambolicapital.in
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	:	2010-2011	2009-2010	2008-2009
Date	:	17.09.2011	02.08.2010	26.09.2009
Time	:	1630 Hours	1630 Hours	1630 Hours
Venue	:	Hotel Nilambag Palace, Bhavnagar		

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

Date & Time	:	July 30, 2012 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 2011	30th September 2011	31st December 2011	31st March 2012
Reporting Month	:	August 2011	November 2011	February 2012	May 2012

6.3 The Company has paid annual listing fees to The Bombay Stock Exchange Limited (BSE) in respect of the financial year 2011-2012.

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:

ISIN Number of Company's Shares for NSDL & CDSL	INE864J01012
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Percentage of Shares held in Physical & Electronic form as on March 31, 2012 is as follows:

Sr. No.	Particulars	No. of Share Holders	No. of Shares held	% of total
1	Physical Shares	163	3,53,451	3.56
2	Electronic Shares	3776	95,66,549	96.44
	TOTAL	3939	99,20,000	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 11	18.80	14.70	August 11	22.45	17.85	Dec. 11	22.00	18.50
May 11	21.60	16.00	Sept. 11	21.80	18.65	January 12	25.50	18.50
June 11	20.95	16.50	October 11	22.55	19.05	February 12	31.65	23.70
July 11	23.90	18.90	Nov. 11	23.95	19.85	March 12	29.05	23.00

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

6.8 Distribution of Shareholding as at end of March 31, 2012:

Category	No. of Shares held	Percentage (%) of Shareholding
Promoters	50,95,000	51.36
Financial Institutions	2,16,309	2.18
Non Resident Indian	2,30,874	2.33
Others	43,77,817	44.13
Total	99,20,000	100.00

6.9 Distribution Schedule as on March 31, 2012:

Number of Shares held	Shares held		Number of Holders	
	Number	%	Number	%
Upto 500	4,35,844	4.39	2712	68.85
501 to 1000	3,60,116	3.63	444	11.27
1001 to 2000	5,98,453	6.03	378	9.60
2001 to 3000	2,74,524	2.77	109	2.77
3001 to 4000	3,71,599	3.75	110	2.79
4001 to 5000	1,49,056	1.50	32	0.82
5001 to 10000	5,37,705	5.42	77	1.95
10001 and above	71,92,703	72.51	77	1.95
Total	99,20,000	100.00	3939	100.00

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, 2012.

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 12, 2012

B. F. Tamboli
CHAIRMAN AND MANAGING DIRECTOR

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. All the members of the Board and management personnel affirmed compliance with the Code for the year ending March 31, 2012.

Place : Bhavnagar
Date : May 12, 2012

B. F. Tamboli
CHAIRMAN AND MANAGING DIRECTOR

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, 2012 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 12, 2012

For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W
Manoj Ganatra
Partner
Membership No. 043485

AUDITORS' REPORT

**To
The Members of
Tamboli Capital Limited**

We have audited the attached Balance Sheet of **Tamboli Capital Limited** as at 31st March 2012 and also the Profit & Loss and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph (1) above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) In our opinion, proper books of accounts as required by the law have been kept by the company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - (iv) In our opinion, the Balance Sheet, Profit & Loss and Cash Flow Statements dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act 1956, to the extent applicable;
 - (v) Based on the written representations made by the directors of the company and according to the information and explanations given to us, no director is disqualified as on 31st March 2012 from being appointed as director under clause (g) of sub-section (1) of section 274 of the Companies Act 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with all the notes thereon give the information required by the Companies Act, 1956 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 31st March 2012;
 - (b) In the case of the Profit & 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.

For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W
Manoj Ganatra
Partner
Membership No. 043485

Place : Bhavnagar
Date : May 12, 2012

ANNEXURE TO AUDITORS' REPORT

Annexure referred to in paragraph 1 of the report of even date of the Auditors to the members of **TAMBOLI CAPITAL LIMITED** on the accounts for the year ended 31st March 2012.

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

1. The company has not held any fixed assets during the year, hence the provisions of clause 4(i) the Order are not applicable.
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. 536.00 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. In our opinion and according to the information and explanations given to us, 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. In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956:
 - a. Based on the audit procedures applied by us and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under that section.
 - b. According to the information and explanations given to us, the transaction made in pursuance of such contract or arrangements have been made at the prices which are *prime facie* reasonable having regard to the prevailing market at the relevant time, wherever such comparison is possible.
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 there under.
7. In our opinion, the company has an internal audit system commensurate with its size and the nature of its business.
8. As informed to us, 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 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.

Place : Bhavnagar
Date : May 12, 2012

For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W
Manoj Ganatra
Partner
Membership No. 043485

BALANCE SHEET AS AT MARCH 31, 2012

Particulars	Note No.	31st March 2012 (Rs.)		31st March 2011 (Rs.)	
EQUITY AND LIABILITIES:					
Shareholders' Funds:					
Share Capital	2	99,200,000		99,200,000	
Reserves & Surplus	3	11,208,880	110,408,880	8,824,198	108,024,198
Non-Current Liabilities:					
Long-term Borrowings		-		-	
Other Long Term Liabilities		-		-	
Long-term Provisions		-	-	-	-
Current Liabilities:					
Short-term Borrowings		-		-	
Trade Payables		49,499		34,829	
Other Current Liabilities	4	43,436		25,425	
Short-term Provisions	5	4,984,868	5,077,803	-	60,254
TOTAL			115,486,683		108,084,452
ASSETS:					
Non-Current Assets:					
Fixed Assets					
Tangible Assets		-		-	
Intangible Assets		-		-	
Capital Work-in-Progress		-		-	
Non-current Investments	6	29,000,000		29,000,000	
Long-term Loans and Advances	7	53,600,000		53,600,000	
Other Non-current Assets		-	82,600,000	-	82,600,000
Current Assets:					
Current Investments		-		-	
Inventories		-		-	
Trade Receivables		-		-	
Cash and Bank Balances	8	30,288,291		24,855,157	
Short-term Loans and Advances	9	2,598,392		629,295	
Other Current Assets		-	32,886,683	-	25,484,452
TOTAL			115,486,683		108,084,452
The accompanying notes 1 to 17 are an integral part of these Financial Statements.					

As per our Report of even Date

For SANGHAVI & COMPANY

Chartered Accountants

FRN: 109099W

MANOJ GANATRA

Partner

Membership No. 043485

Bhavnagar

Dated: May 12, 2012

FOR AND ON BEHALF OF THE BOARD

B. F. Tamboli**B. K. Shah**

DIRECTORS

Bhavnagar

Dated: May 12, 2012

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

Particulars	Note No.	2011-2012 (Rs.)	2010-2011 (Rs.)
REVENUE:			
Revenue from Operations	10	9,856,021	4,329,244
Other Income		-	-
TOTAL		<u>9,856,021</u>	<u>4,329,244</u>
EXPENSES:			
Employee Benefits Expense	11	294,000	271,800
Finance Costs		-	-
Depreciation and Amortization		-	-
Other Expenses	12	842,472	1,209,310
TOTAL		<u>1,136,472</u>	<u>1,481,110</u>
Profit before exceptional and extraordinary Items and tax		8,719,549	2,848,134
Exceptional Items		-	-
Extraordinary Items		-	-
Profit Before Tax		8,719,549	2,848,134
Tax Expense : Current			
Current Tax		1,423,000	53,000
Earlier Years' Tax		-(53,000)	-(11,049)
Deferred		-	-
		<u>1,370,000</u>	<u>41,951</u>
Net Profit for the year		<u>7,349,549</u>	<u>2,806,183</u>
Face Value per Equity Share		10	10
Earning Per Share (Basic/Diluted)		0.74	0.28
The accompanying notes 1 to 17 are an integral part of these Financial Statements.			

As per our Report of even Date

For SANGHAVI & COMPANY

Chartered Accountants

FRN: 109099W

MANOJ GANATRA

Partner

Membership No. 043485

Bhavnagar

Dated: May 12, 2012

FOR AND ON BEHALF OF THE BOARD

B. F. Tamboli**B. K. Shah**

DIRECTORS

Bhavnagar

Dated: May 12, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012**(Rs. In Lacs)**

	2011-2012		2010-2011	
A Cash Flow from operating activities:				
Net Profit Before Tax And Extraordinary Items		87.20		28.48
Adjustments for:				
Depreciation	-		-	
Amortisation	-		1.12	
Interest	-	-	-	1.12
		<u>87.20</u>		<u>29.60</u>
Operating Profit Before Working Capital changes		87.20		29.60
Adjustments for:				
Trade and Other Receivables	(22.74)		(1.99)	
Inventories	-		-	
Trade Payables	0.32	(22.42)	(0.44)	(2.43)
		<u>64.78</u>		<u>27.17</u>
Cash Generated From Operations		64.78		27.17
Interest Paid	-		-	
Direct Taxes Paid (Net)	(10.45)	(10.45)	(1.44)	(1.44)
		<u>54.33</u>		<u>25.73</u>
Net Cash from operating activities				
			54.33	25.73
B Cash Flow from investing activities:				
Sale of Investments		-		-
		<u>-</u>		<u>-</u>
Net Cash used in investing activities				
			-	-
C Cash Flow from financing activities:				
Loans lent to a Subsidiary Company		-		-
Dividend paid		-		-
		<u>-</u>		<u>-</u>
Net Cash used in financing activities				
			-	-
Net Increase in Cash and Cash Equivalents				
		54.33		25.73
Cash And Cash Equivalents as at beginning of the year		248.55		222.82
		<u>248.55</u>		<u>222.82</u>
Cash And Cash Equivalents as at end of the year		302.88		248.55
		<u>302.88</u>		<u>248.55</u>
Cash and Cash Equivalents				
Cash and Bank Balances		302.88		248.55
Statutory restricted accounts		-		-
		<u>302.88</u>		<u>248.55</u>

As per our Report of even Date

For SANGHAVI & COMPANY

Chartered Accountants

FRN: 109099W

MANOJ GANATRA

Partner

Membership No. 043485

Bhavnagar

Dated: May 12, 2012

FOR AND ON BEHALF OF THE BOARD

B. F. Tamboli**B. K. Shah**

DIRECTORS

Bhavnagar

Dated: May 12, 2012

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

- 1.1 Basis of Accounting:** The Financial Statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India, the Accounting Standards prescribed under the Companies (Accounting Standards) Rules 2006 and the relevant provisions of the Companies Act, 1956 and are based on the historical cost convention on 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 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.
- 1.4 Taxation:** Provision are made for current tax based on tax liability computed in accordance with relevant tax rates and tax laws.
- 1.5 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	31.03.2012 (Rs.)	31.03.2011 (Rs.)
Authorised:		
10,000,000 Equity Shares of Rs. 10 each	100,000,000	100,000,000
TOTAL	100,000,000	100,000,000
Issued, Subscribed and Paid up:		
9,920,000 Equity Shares of Rs. 10 each fully paid up	99,200,000	99,200,000
TOTAL	99,200,000	99,200,000

- 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	31.03.2012		31.03.2011	
	No. of shares	% of holding	No. of shares	% of holding
Bipin F. Tamboli	3,435,056	34.63	3,427,056	34.55

**Note No. 3
Reserves and Surplus**

Particulars	31.03.2012 (Rs.)	31.03.2011 (Rs.)
a. Capital Reserve		
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. General Reserve		
Balance as at the beginning of the year	8,324,198	5,518,015
Transfer from surplus	2,384,682	2,806,183
Balance as at the end of the year	<u>10,708,880</u>	<u>8,324,198</u>
c. Surplus		
Balance as at the beginning of the year	-	-
Net profit for the current year	7,349,549	2,806,183
Transfer to general reserve	-(2,384,682)	-(2,806,183)
Proposed dividend	-(4,960,000)	-
Corporate dividend tax	-(4,867)	-
Balance as at the end of the year	<u>-</u>	<u>-</u>
TOTAL	<u>11,208,880</u>	<u>8,824,198</u>

**Note No. 4
Other Current Liabilities**

Particulars	31.03.2012 (Rs.)	31.03.2011 (Rs.)
Current maturities of long-term debt	-	-
Statutory liabilities	5,718	3,861
Other liabilities	37,718	21,564
TOTAL	<u>43,436</u>	<u>25,425</u>

**Note No. 5
Short Term Provisions**

Particulars	31.03.2012 (Rs.)	31.03.2011 (Rs.)
Provision for income tax (net of payments)	20,001	-
Proposed dividend	4,960,000	-
Corporate dividend tax	4,867	-
TOTAL	<u>4,984,868</u>	<u>-</u>

Note No. 6**Non-current Investments**

Particulars	31.03.2012 (Rs.)	31.03.2011 (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)		
TOTAL	<u>29,000,000</u>	<u>29,000,000</u>

Note No. 7**Long-term Loans and Advances**

Particulars	31.03.2012 (Rs.)	31.03.2011 (Rs.)
Unsecured (considered good, unless otherwise stated)		
Loans to subsidiary company	53,600,000	53,600,000
Other loans and advances	-	-
TOTAL	<u>53,600,000</u>	<u>53,600,000</u>

Note No. 8**Cash and Bank Balances**

Particulars	31.03.2012 (Rs.)	31.03.2011 (Rs.)
I. Cash and Cash Equivalents		
a. Balances with Banks		
Current accounts	857,714	645,872
Short term deposits	6,000,000	1,700,000
Cheques on hand	-	-
	<u>6,857,714</u>	<u>2,345,872</u>
b. Cash on hand	30,577	9,285
	<u>6,888,291</u>	<u>2,355,157</u>
II. Other Bank Balances		
Dividend accounts	-	-
Terms deposits with more than 12 months maturity	11,000,000	11,500,000
Other terms deposits	12,400,000	11,000,000
	<u>23,400,000</u>	<u>22,500,000</u>
TOTAL	<u>30,288,291</u>	<u>24,855,157</u>

Note No. 9
Short-term Loans and Advances

Particulars	31.03.2012 (Rs.)	31.03.2011 (Rs.)
Unsecured (considered good, unless otherwise stated)		
Prepaid expenses	-	1,379
Advance payments of income tax (net of provisions)	-	305,068
Interest receivables	1,478,392	322,848
Share application money	110,000	-
Other loans and advances	1,010,000	-
TOTAL	<u>2,598,392</u>	<u>629,295</u>

Note No. 10
Revenue from Operations

Particulars	2011-2012 (Rs.)		2010-2011 (Rs.)	
Interest receipts				
From Banks	2,021,529		1,429,244	
From a subsidiary company	3,752,000		-	
From others	22,492	5,796,021	-	1,429,244
Dividend receipts				
From a subsidiary company	4,060,000		2,900,000	
From others	-	4,060,000	-	2,900,000
TOTAL		<u>9,856,021</u>		<u>4,329,244</u>

Note No. 11
Employee Benefit Expenses

Particulars	2011-2012 (Rs.)	2010-2011 (Rs.)
Salary, wages, allowances and bonus	294,000	271,800
Contribution to employee benefit funds	-	-
Staff welfare expenses	-	-
TOTAL	<u>294,000</u>	<u>271,800</u>

Note No. 12
Other Expenses

Particulars	2011-2012 (Rs.)		2010-2011 (Rs.)	
<u>Administrative and other expenses:</u>				
Travelling & conveyance expenses	7,456		405,843	
Insurance premiums	34,469		31,711	
Advertisement expenses	90,205		60,081	
Directors' sitting fees	186,000		57,200	
Legal and professional fees	251,622		262,998	
Payment to auditors	38,605		38,605	
Preliminary expenses written off	-		111,971	
General expenses	234,115	842,472	240,901	1,209,310
TOTAL		<u>842,472</u>		<u>1,209,310</u>

Note No. 13

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. 14**Payments to Auditors**

Particulars	2011-2012 Amount, Rs.	2010-2011 Amount, Rs.
Audit Fees	16,545	16,545
Taxation Matters	5,515	5,515
Certification and other matters	16,545	16,545

Note No. 15

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. 16

Related Party Disclosures:

16.1 Subsidiary: Tamboli Castings Limited

Nature of Transactions	2011-2012 Amount, Rs.	2010-2011 Amount, Rs.
1. Interest Received	3,752,000	—
2. Outstanding balance : Long term Loans and advances	53,600,000	53,600,000
: Short term Loans and advances	844,200	—

16.2 Associates:

Mebhav Investment Private Limited

Nature of Transactions	2011-2012 Amount, Rs.	2010-2011 Amount, Rs.
1. Purchase of Materials and Services	-	292,423
2. Outstanding balance:	-	-

Note No. 17

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

Signatures to Notes 1 to 17

As per our Report of even Date

For SANGHAVI & COMPANY

Chartered Accountants

FRN: 109099W

MANOJ GANATRA

Partner

Membership No. 043485

Bhavnagar

Dated: May 12, 2012

FOR AND ON BEHALF OF THE BOARD

B. F. Tamboli

B. K. Shah

DIRECTORS

Bhavnagar

Dated: May 12, 2012

**ANNEXURE TO BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2012
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, 2012
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. 59,649,644/-
ii) For the previous years since it become a Subsidiary	:	Rs. 46,195,180/-
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

B. K. Shah

DIRECTORS

Place : Bhavnagar

Date : May 12, 2012

FINANCIAL INFORMATION OF SUBSIDIARY FOR THE YEAR ENDED MARCH 31, 2012

(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. 197,310,276
c) Total Assets	:	Rs. 514,578,308
d) Total Liabilities	:	Rs. 514,578,308
e) Investments (Except investment in subsidiaries)	:	Rs. Nil
f) Turnover	:	Rs. 537,066,106
g) Profit before Taxation	:	Rs. 74,703,644
h) Provision for Taxation	:	Rs. 15,054,000
i) Profit after Taxation	:	Rs. 59,649,644
j) Proposed dividend	:	Rs. 4,930,000

FOR AND ON BEHALF OF THE BOARD

B. F. Tamboli

B. K. Shah

DIRECTORS

Place : Bhavnagar

Date : May 12, 2012

AUDITORS' REPORT

To
**The Members of
Tamboli Capital Limited**

We have audited the attached Consolidated Balance Sheet of Tamboli Capital Limited and its wholly owned subsidiary company, Tamboli Castings Limited (collectively hereinafter referred as "the company") as at 31st March 2012 and also the Consolidated Profit & Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirement of Accounting Standard AS-21 "Consolidated Financial Statements" as prescribed under the Companies (Accounting Standards) Rules 2006.

In our opinion and to the best of our information and according to the explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the company and its subsidiary, we are of the opinion that the Consolidated Financial Statements read with all the notes thereon give a true and fair value in conformity with the accounting principles generally accepted in India;

- a. In the case of the Consolidated Balance Sheet, of the state of consolidated affairs of the company as at 31st March 2012;
- b. In the case of the Consolidated Profit & Loss Statement, of the **PROFIT** of the Company for the year ended on that date; and
- c. In the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

For SANGHAVI & COMPANY

Chartered Accountants

FRN: 109099W

MANOJ GANATRA

Partner

Membership No. 043485

Place : Bhavnagar

Dated : May 12, 2012

CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

Particulars	Note No.	2011-2012 (Rs.)	2010-2011 (Rs.)
REVENUE:			
Revenue from Operations	16	538,858,881	364,224,104
Other Income	17	251,246	886,749
TOTAL		<u>539,110,127</u>	<u>365,110,853</u>
EXPENSES:			
Cost of Materials Consumed	18	89,044,683	76,651,130
Purchases of stock-in-trade		-	-
Changes in inventories	19	6,181,221	-(12,388,567)
Employee Benefits Expense	20	51,189,467	37,623,216
Finance Costs	21	25,198,854	14,750,247
Depreciation and Amortization		35,246,159	26,862,585
Other Expenses	22	252,886,550	178,542,022
TOTAL		<u>459,746,934</u>	<u>322,040,633</u>
Profit before exceptional and extraordinary items and tax		79,363,193	43,070,220
Exceptional Items		-	-
Extraordinary Items		-	-
Profit Before Tax		<u>79,363,193</u>	<u>43,070,220</u>
Tax Expense : Current			
Current Tax		25,448,000	8,733,000
MAT Credit Entitlements		-(9,075,000)	-
Earlier Years' Tax		-(53,000)	1,013,676
Deferred		<u>104,000</u>	<u>3,596,918</u>
Net Profit for the year		<u>62,939,193</u>	<u>29,726,626</u>
Face Value per Equity Share		10	10
Earning Per Share (Basic/Diluted)		6.34	3.00
The accompanying notes 1 to 34 are an integral part of these Financial Statements.			

As per our Report of even Date

For SANGHAVI & COMPANY

Chartered Accountants

FRN: 109099W

MANOJ GANATRA

Partner

Membership No. 043485

Bhavnagar

Dated: May 12, 2012

FOR AND ON BEHALF OF THE BOARD

B. F. Tamboli**B. K. Shah**

DIRECTORS

Bhavnagar

Dated: May 12, 2012

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

(Rs. in Lacs)

	2011-2012		2010-2011	
A Cash Flow from operating activities:				
Net Profit Before Tax And Extraordinary Items		793.63		430.70
Adjustments for:				
Depreciation		352.46		269.75
Loss/(Profit) on sale of Assets		-		-
Interest		226.44		133.60
		<u>578.90</u>		<u>403.35</u>
Operating Profit Before Working Capital changes		1372.53		834.05
Adjustments for:				
Trade and Other Receivables		(393.84)		(574.03)
Inventories		(31.92)		(194.87)
Trade and Other Payables		25.34		68.48
		<u>(400.42)</u>		<u>(700.42)</u>
Cash Generated From Operations		972.11		133.63
Direct Taxes Paid		(271.85)		(66.62)
		<u>(271.85)</u>		<u>(66.62)</u>
Net Cash from operating activities		700.26		67.01
B Cash Flow from investing activities:				
Purchase of Fixed Assets		(693.05)		(594.25)
Purchase of Investments		-		-
Sale of Fixed Assets		-		-
Interest Received		27.11		18.45
		<u>27.11</u>		<u>18.45</u>
Net Cash used in investing activities		(665.94)		(575.80)
C Cash Flow from financing activities:				
Proceeds from Loans Borrowed (net)		174.40		348.96
Proceeds from Working Capital Finance(net)		53.31		411.12
Interest Paid		(253.55)		(152.05)
Dividend paid		-		-
		<u>-</u>		<u>-</u>
Net Cash used in financing activities		(25.84)		608.03
Net Increase in Cash and Cash Equivalents		8.48		99.24
Cash And Cash Equivalents as at beginning of the year		367.10		267.86
		<u>367.10</u>		<u>267.86</u>
Cash And Cash Equivalents as at end of the year		<u>375.58</u>		<u>367.10</u>
Cash and Cash Equivalents				
Cash and Bank Balances		382.37		367.99
Statutory restricted accounts		(6.79)		(0.89)
		<u>375.58</u>		<u>367.10</u>

As per our Report of even Date

For SANGHAVI & COMPANY

Chartered Accountants

FRN: 109099W

MANOJ GANATRA

Partner

Membership No. 043485

Bhavnagar

Dated: May 12, 2012

FOR AND ON BEHALF OF THE BOARD

B. F. Tamboli**B. K. Shah**

DIRECTORS

Bhavnagar

Dated: May 12, 2012

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:

i Raw Materials and Stores and Spares are valued at cost determined on weighted average basis or net realizable value, which is lower.

ii Semi-finished are valued at estimated cost.

iii Finished goods are valued at lower of the cost or net realizable value.

1.4 Sales: Sales comprise sale of goods and other related charges net of excise duty.

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 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	31.03.2012 (Rs.)	31.03.2011 (Rs.)
Authorised:		
10,000,000 Equity Shares of Rs. 10 each	100,000,000	100,000,000
TOTAL	<u>100,000,000</u>	<u>100,000,000</u>
Issued, Subscribed and Paid up:		
9,920,000 Equity Shares of Rs. 10 each fully paid up	99,200,000	99,200,000
TOTAL	<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	31.03.2012		31.03.2011	
	No. of shares	% of holding	No. of shares	% of holding
Bipin F. Tamboli	3,435,056	34.63	3,427,056	34.55

Note No. 3
Reserves and Surplus

Particulars	31.03.2012 (Rs.)	31.03.2011 (Rs.)
a. Capital Reserve		
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. General Reserve		
Balance as at the beginning of the year	150,044,830	120,992,519
Transfer from surplus	47,174,557	29,052,311
Balance as at the end of the year	<u>197,219,387</u>	<u>150,044,830</u>
c. Surplus		
Balance as at the beginning of the year	-	-
Net profit for the current year	62,939,193	29,726,626
Transfer to general reserve	-(47,174,557)	-(29,052,311)
Proposed dividend	-(4,960,000)	-
Corporate dividend tax	-(804,636)	-(674,315)
Balance as at the end of the year	<u>10,000,000</u>	<u>-</u>
TOTAL	<u><u>207,719,387</u></u>	<u><u>150,544,830</u></u>

Note No. 4
Long Term Borrowings

Particulars	31.03.2012 (Rs.)	31.03.2011 (Rs.)
a. Secured		
Term loans from banks (Indian rupee accounts)	105,280,227	87,840,353
TOTAL	<u>105,280,227</u>	<u>87,840,353</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	31.03.2012 (Rs.)	31.03.2011 (Rs.)
Staff security deposits	730,444	218,585
TOTAL	<u>730,444</u>	<u>218,585</u>

Note No. 6
Long Term Provisions

Particulars	31.03.2012 (Rs.)	31.03.2011 (Rs.)
Provision for leave encashment	643,384	634,326
TOTAL	<u>643,384</u>	<u>634,326</u>

Note No. 7
Short Term Borrowings

Particulars	31.03.2012 (Rs.)	31.03.2011 (Rs.)
a. Secured		
Working capital finance from banks	51,681,978	46,351,492
TOTAL	<u>51,681,978</u>	<u>46,351,492</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	31.03.2012 (Rs.)	31.03.2011 (Rs.)
Current maturities of long-term debt	33,630,000	37,546,428
Interest accrued but not due on borrowings	2,535,452	1,362,358
Advances from customers	106,636	106,636
Statutory liabilities	1,319,017	1,065,162
Gratuity premium payable	102,459	181,834
Other liabilities	10,992,086	5,249,046
TOTAL	<u>48,685,650</u>	<u>45,511,464</u>

Note No. 9
Short Term Provisions

Particulars	31.03.2012 (Rs.)	31.03.2011 (Rs.)
Provision for bonus	3,676,078	2,227,668
Provision for leave encashment	196,857	141,664
Provision for income tax (net of payments)	-	2,081,669
Proposed dividend	4,960,000	-
Corporate dividend tax	804,636	674,315
TOTAL	<u>9,637,571</u>	<u>5,125,316</u>

**Note No. 10
Fixed Assets**

(Amount in Rupees)

ASSETS	GROSS BLOCK		DEPRECIATION			NET BLOCK				
	As on 1.4.2011	Additions during the Year	Sales or Adjustments	As on 31.3.2012	As on 1.4.2011	For the Year	On Deductions/ Adjustments	Up to 31.3.2012	As at 31.3.2012	As at 31.3.2011
Tangible Assets:										
LAND	9,480,760	—	—	9,480,760	—	—	—	—	9,480,760	9,480,760
BUILDINGS	53,551,603	9,097,166	—	62,648,769	5,940,018	2,756,468	—	8,696,486	53,952,283	47,611,585
PLANT & MACHINERY	214,273,478	55,327,586	—	269,601,064	65,042,737	31,224,408	—	96,267,145	173,333,919	149,230,741
OFFICE EQUIPMENT	3,632,703	2,046,819	—	5,679,522	1,816,010	757,224	—	2,573,234	3,106,288	1,816,693
FURNITURE & FIXTURES	1,445,032	411,476	—	1,856,508	719,469	122,526	—	841,995	1,014,513	725,563
VEHICLES	1,597,378	2,274,990	—	3,872,368	932,514	385,533	—	1,318,047	2,554,321	664,864
TOTAL	283,980,954	69,158,037	—	353,138,991	74,450,748	35,246,159	—	109,696,907	243,442,084	209,530,206
Capital Work in Progress	425,000	571,896	425,000	571,896	—	—	—	—	571,896	425,000
PREVIOUS YEAR	185,329,442	98,651,512	—	283,980,954	47,588,163	26,862,585	—	74,450,748	209,530,206	137,741,279

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**Long-term Loans and Advances**

Particulars	31.03.2012 (Rs.)	31.03.2011 (Rs.)
Unsecured (considered good, unless otherwise stated)		
Capital advances	9,026,885	6,714,492
Security deposits	3,947,582	5,365,932
Loans to staff (including officers of the company)	71,938	221,338
Loans to ancillary units	2,108,414	185,807
Other loans and advances	-	-
TOTAL	<u>15,154,819</u>	<u>12,487,569</u>

Note No. 12**Inventories**

Particulars	31.03.2012 (Rs.)	31.03.2011 (Rs.)
(as taken certified and valued by the management)		
Raw materials (at cost)	6,442,513	4,656,834
Work-in-progress (at estimated cost)	16,504,926	29,651,089
Finished goods (at lower of cost or market value)	16,275,054	9,310,112
Stores & spares (at cost)	28,507,224	20,920,118
TOTAL	<u>67,729,717</u>	<u>64,538,153</u>

Note No. 13**Trade Receivable**

Particulars	31.03.2012 (Rs.)	31.03.2011 (Rs.)
Unsecured (considered good, unless otherwise stated)		
Over six months	1,516,029	4,550,697
Others	109,799,171	85,656,209
TOTAL	<u>111,315,200</u>	<u>90,206,906</u>
Includes	More than six months	Others
Due from firms and companies in which directors are interested	Nil	Nil

Note No. 14
Cash and Bank Balances

Particulars	31.03.2012 (Rs.)	31.03.2011 (Rs.)
I. Cash and Cash Equivalents		
a. Balances with Banks		
Current accounts	1,618,595	7,284,319
Short term deposits	12,500,000	6,700,000
Cheques on hand	-	-
	<u>14,118,595</u>	<u>13,984,319</u>
b. Cash on hand	39,521	225,978
	<u>14,158,116</u>	<u>14,210,297</u>
II. Other Bank Balances		
Dividend accounts	-	-
Margin money accounts	-	-
Terms deposits with more than 12 months maturity	11,678,600	11,588,500
Other terms deposits	12,400,000	11,000,000
	<u>24,078,600</u>	<u>22,588,500</u>
TOTAL	<u><u>38,236,716</u></u>	<u><u>36,798,797</u></u>
Term deposits of Rs. 678,600 are under lien with banks against bank guarantees with government authorities (previous year Rs. 88,500)		

Note No. 15
Short-term Loans and Advances

Particulars	31.03.2012 (Rs.)	31.03.2011 (Rs.)
Unsecured (considered good, unless otherwise stated)		
Trade advances to suppliers (Including to companies or firms in which some of the directors are interested Rs. Nil)	2,535,727	1,195,167
Loans and advances to staff (Including officers of the company Rs. 140,000)	538,059	924,272
Input credits receivable	55,066,108	42,547,053
Prepaid expenses	912,248	856,583
Loans to ancillary units	880,894	1,641,527
Advance payment of taxes (net of provisions)	8,108,570	-
Share application money	110,000	-
Other loans and advances	2,842,952	701,981
TOTAL	<u><u>70,994,558</u></u>	<u><u>47,866,583</u></u>

Note No. 16
Revenue from Operations

Particulars	2011-2012 (Rs.)		2010-2011 (Rs.)	
Sale of Products				
Export sales	511,422,059		329,828,765	
Domestic sales	13,935,890		18,637,395	
	<u>525,357,949</u>		<u>348,466,160</u>	
Less: Excise duty	1,579,241	523,778,708	1,961,222	346,504,938
Other Operating Revenue				
Export incentives and credits	-		-	
Liquidated damages receipts	-		11,520,891	
Foreign currency fluctuation gain/(loss)	12,368,619		4,272,284	
Other operating income	2,711,554	15,080,173	1,925,991	17,719,166
TOTAL		<u>538,858,881</u>		<u>364,224,104</u>

Note No. 17
Other Income

Particulars	2011-2012 (Rs.)		2010-2011 (Rs.)	
Prior period income (net)		-		591,074
Miscellaneous income		251,246		295,675
TOTAL		<u>251,246</u>		<u>886,749</u>

Note No. 18
Cost of Materials Consumed

Particulars	2011-2012 (Rs.)		2010-2011 (Rs.)	
Raw materials consumed				
Opening stock	4,656,834		2,178,771	
Purchase and direct expenses	90,830,362		79,129,193	
	<u>95,487,196</u>		<u>81,307,964</u>	
Closing stock	6,442,513	89,044,683	4,656,834	76,651,130
TOTAL		<u>89,044,683</u>		<u>76,651,130</u>

Note No. 19
Change in Inventories

Particulars	2011-2012 (Rs.)		2010-2011 (Rs.)	
Opening Stock				
Finished Goods	9,310,112		12,110,361	
Work-in-progress	29,651,089	38,961,201	14,462,273	26,572,634
	<u></u>	<u></u>	<u></u>	<u></u>
Closing Stock				
Finished Goods	16,275,054		9,310,112	
Work-in-progress	16,504,926	32,779,980	29,651,089	38,961,201
TOTAL		<u>6,181,221</u>		<u>-(12,388,567)</u>

Note No. 20
Employee Benefit Expenses

Particulars	2011-2012 (Rs.)	2010-2011 (Rs.)
Salary, wages, allowances and bonus	43,630,751	32,919,651
Contribution to employee benefit funds	6,524,343	3,914,190
Staff welfare expenses	1,034,373	789,375
TOTAL	51,189,467	37,623,216

Note No. 21
Finance Costs

Particulars	2011-2012 (Rs.)	2010-2011 (Rs.)
Interest		
Working capital finance	4,144,710	3,844,666
Term loans	18,460,246	10,602,705
Income tax	2,814	221,698
Others	168,284	81,178
Other borrowing costs	2,422,800	-
TOTAL	25,198,854	14,750,247

Note No. 22
Other Expenses

Particulars	2011-2012 (Rs.)	2010-2011 (Rs.)
<u>Manufacturing Expenses:</u>		
Power & fuel	52,142,213	34,123,742
Machinery repairs and maintenance	3,053,316	1,195,624
Fettling and other external processing expenses	34,360,363	24,967,142
Stores & spares	106,884,891	75,744,083
Other expenses	12,745,050	13,515,513
	209,185,833	149,546,104
<u>Selling and Distribution Expenses:</u>		
Sales promotion expenses	766,659	2,830,519
Export freight & insurance	5,032,771	3,899,462
Other selling expenses	45,988	35,395
	5,845,418	6,765,376
<u>Administrative and Other Expenses:</u>		
Travelling expenses	6,558,019	6,622,456
Rates & taxes	116,057	47,764
Advertisement expenses	160,477	263,129
Insurance premiums	267,908	272,620
Building and other repairs	16,330,980	2,819,815
Directors' sitting fees	336,000	242,200
Legal and professional fees	5,640,038	3,726,100
Payments to auditors	190,105	154,605
Bank discount, commission and other charges	1,263,903	1,697,394
Donations	290,000	75,000
Prior period adjustments (net)	362,034	-
General expenses	6,339,778	6,309,459
	37,855,299	22,230,542
	252,886,550	178,542,022

Note No. 23.**23.1 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 2012.
- b) The Financial Statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India, the Accounting Standards prescribed under the companies (Accounting Standards) Rules 2006 and the relevant provisions of the Companies Act, 1956 and are based on the historical cost convention on accrual basis.

23.2 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. 24**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" issued by the Institute of Chartered Accountants of India.
- 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. 25**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. 26

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. 27

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. 28

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

Note No. 29

Deferred tax liabilities of Rs. 104,000 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 debited to the profit & loss account. Details of the balance of Rs. 10,262,000 are as under:

Particulars	Rs.
Depreciation	10,534,616
Disallowance u/s 43B of the Income Tax Act	(272,616)
Total	10,262,000

Note No. 30

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 issued by the Institute of Chartered Accountants of India. 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. 31**Contingent Liabilities:**

- (i) Guarantees given by the bank and counter guaranteed by the company : Rs. 6,019,268 (875,000).
(ii) Disputed liabilities in respect of Value Added Tax (VAT) for F.Y. 2006-07 Rs. 2,897,871 (Nil) and for F.Y. 2007-08 Rs. 1,451,867 (Nil) for which the Company has preferred an appeal before The Dy. Commissioner of Gujarat Commercial Tax against the said demand.

Note No. 32**Related Party Disclosures:****32.1 Associates:**

- (a) Mebhav Investment Private Limited, (b) Tamboli Exim Limited, (c) Aadviva Industries Private 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		2011-2012 Amount, Rs.	2010-2011 Amount, Rs.
1.	Purchase of Materials and Services	3,880,052	5,740,231
2.	Sales of materials and services	-	2,908,393
3.	Outstanding balance: Trade Payables	32,701	11,000
Key Management Personnel			
4.	Remuneration	8,266,219	5,238,365
5.	Outstanding balance: Other Current Liabilities	2,621,592	394,000

Note No. 33

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. 34

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

Signatures to Notes 1 to 34

As per our Report of even Date
For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W
MANOJ GANATRA
Partner
Membership No. 043485
Bhavnagar
Dated: May 12, 2012

FOR AND ON BEHALF OF THE BOARD
B. F. Tamboli
B. K. Shah
DIRECTORS
Bhavnagar
Dated: May 12, 2012

June 15, 2012

Dear Shareholder,

Subject: MCA's **Green Initiative** for paperless communications.

Ministry of Corporate Affairs ("MCA") has recently taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the companies. Towards this, MCA has issued Circulars dated 21 April 2011 & 29 April 2011 stating that the service of notice/document by a company to its shareholders can now be made through electronic mode, subject to a few conditions.

Our company appreciates the initiative taken by MCA, as it believes strongly in a Greener Environment. This initiative also helps in prompt receipt of communication, apart from helping avoid losses/delays in postal transit.

We therefore propose to send documents, such as the Notice of the Annual General Meeting, Annual Report, Half-yearly communications etc. henceforth to shareholders in Electronic Form at the e-mail address provided by them and made available to us by the depositories from time to time. As per our records, your e-mail address is not registered with your Depository Participant/Share Transfer Agent.

In case you wish to receive all the above communications in electronic form; and

- a) hold your shares in dematerialised form, kindly register your e-mail address with your Depository Participant at the earliest; or
- b) hold your shares in physical form, kindly register your e-mail address with MCS Limited, our Share Transfer Agent, at the following address at the earliest;

MCS Limited

101, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad 380 009

You may use the format given below for registering your e-mail address with your Depository Participant / MCS Limited.

We wish to inform you that in addition to getting the documents through your registered e-mail, you can also have access to the documents through our company website www.tambolicapital.in. The document will also be available to you for inspection at the Registered Office of the Company during office hours. Communication in this regard is also being made through public notices in prominent newspapers as well as in our website.

We are sure you would appreciate the "Green Initiative" taken by MCA, just as it is being welcomed by companies like us. Needless to say, you will be, as a member of the Company, entitled to be furnished with a copy of the above mentioned documents as required under the provisions of the Companies Act, 1956, free of cost, upon receipt of a requisition from you any time during the year.

We solicit your whole-hearted co-operation in helping the Company implement the e-governance initiatives of the Government in the interest of environment, which is the need of the hour today.

This communication may be ignored, if your e-mail is already registered with your Depository Participant/ MCS Limited.

Sincerely yours,

COMPLIANCE OFFICER

E-COMMUNICATION REGISTRATION FORM

(In terms of circulars dated 21.04.2011 and 29.04.2011 issued by the Ministry of Corporate Affairs)

Folio No. /DP ID & Client ID No. :

Name of 1st Registered holder :

Name of joint holder(s) :

E-mail ID (to be registered) :

Please register my above ID in your records for receiving communication in electronic form from company/ies of which I/we am/are shareholder(s):

Date:

Signature :

(First holder)

Note: Shareholder(s) are requested to keep the Company informed of change, if any, in the e-mail address.

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**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 / Tamboli Capital 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.

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TAMBOLI CAPITAL LIMITED

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

PROXY FORM

I/We residing at.....

being a Member/Members of Tamboli Capital Limited, with my/our shareholding details as shown below, hereby appoint.....

residing at

or failing him/her,

residing at

as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on July 30, 2012 and/or at any adjournment thereof.

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

As witness my/our hand(s) is set this day of 2012.

Signed by the said.....

Affix
1 Rupee
Revenue
Stamp

.....

Note: The proxy must be returned so as to reach the Registered Office of the Company at Mahavir Palace, Kalubha Road, Bhavnagar not less than FORTY EIGHT HOURS before the time for holding the aforesaid meeting.