

**3rd ANNUAL REPORT
2010-2011**

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 THIRD ANNUAL GENERAL MEETING OF TAMBOLI CAPITAL LIMITED WILL BE HELD ON SEVENTEENTH DAY OF SEPTEMBER 2011 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, 2011 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 Tushar B. Dalal, 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 authorize the Board of Directors to fix their remuneration.

Registered Office:
Mahavir Palace, 8-A, Kalubha Road,
Bhavnagar
Gujarat 364 002
Dated: May 14, 2011

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 10.09.2011 to 16.09.2011 (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 third general meeting, the provisions of Section 205-C of the Companies Act, 1956, concerning unpaid/unclaimed dividend is not applicable.

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Dated: May 14, 2011

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

DIRECTORS' REPORT: 2010-2011

To
The Members

The Directors of Tamboli Capital Limited present their Report with Audited Accounts of the Company for the year ended March 31, 2011.

1. Financial Results :

	(Rs. in Lacs)	
	2010-2011	2009-2010
Total Income	43.29	47.60
Profit Before Taxation	28.48	27.62
Less: Provision for Taxation:		
1. Current	0.53	--
2. Earlier years' Tax	-(0.11)	--
3. Deferred	--	--
Profit After Taxation	28.06	27.62
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.	28.06	27.62

- 2. Operations:** The standalone total Income during the year shows decrease of 9.05% over the previous year. The standalone Profit Before Tax shows increase of 3.11% over previous year. The consolidated income shows increase of 103.57% over previous year. The consolidated Profit Before Tax shows increase of 122.94% over previous year
- 3. Dividend:** The Directors have not recommend Dividend for the year 2010-2011.
- 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 76.68% 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 Tushar B. Dalal 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.
- 7. Listing:** The Equity shares of the Company are listed on The Bombay Stock Exchange Limited (BSE) under Scrip Code: 533170.
- 8. Change of Registrar & Transfer Agent (R&TA):** During the year under review, the Company has changed its RTA from Link Intime India Pvt. Ltd, Ahmedabad to MCS Limited, Ahmedabad.

9. **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.
10. **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.
11. **Particulars of Employees:** Information in accordance with sub-section (2A) of Section 217 of the Companies Act, 1956, is presently not applicable.
12. **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.
13. **Directors' Responsibility Statement:** The Board of Directors report that:
 - a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed.
 - b) Accounting policies have been selected and applied consistently and the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for that year.
 - c) proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
 - d) the Annual Accounts have been prepared on a going concern basis.
14. **Compliance Certificate:** A copy of this certificate is enclosed with this report.
15. **Appreciation:** The Directors thank the Bankers and the concerned authorities of the Government for their co-operation.

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Gujarat 364 002
Dated: May 14, 2011

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 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.

As perceived last year, the reversal of recessionary trend in Europe especially in Germany did go through and augured well for the company and its markets. The company and its subsidiary have performed better than last year. There is a threat on the margins in the present scenario as the raw material and oil prices are uncertain.

D. Outlook:

Barring unforeseen circumstances and major disturbance in Global Economy, 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 31st March, 2011. 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 four times on 29th April, 2010, 2nd August, 2010, 29th October, 2010, 30th January, 2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed.
5. the Company closed its Registrar of Members from 24.07.2010 to 01.08.2010 and necessary compliance of section 154 of the Act has been made.
6. the annual general meeting for the financial year ended on 31st March, 2010 was held on 2nd August, 2010 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. 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.
8. 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.
9. the Company has made necessary entries in the register maintained under section 301 of the Act.
10. the Company has obtained necessary approval from the members pursuant to section 314 of the Act wherever applicable.
11. no duplicate share certificates were issued during the financial year under review.
12. (i) delivered all the certificates on lodgement thereof for transfer/transmission or any other purpose in accordance with the provision of the Act.
(ii) the Company has not declared any dividend during the financial year 2009-10 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.
13. the Board of Directors of the Company is duly constituted and the appointment of director during the period under review has been duly made.

14. the Company has made appointment of Managing Director in compliance of section 269 read with Schedule XIII of the Act during the financial year under review.
15. no appointment of sole-selling agents was made during the financial year under review.
16. 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.
17. 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.
18. the Company has not issued any shares/debentures/other securities during the financial year.
19. the Company has not bought back any shares during the financial year ending 31st March, 2011.
20. the Company has not redeemed any preference shares/debentures during the financial year.
21. the Company was not required to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
22. the Company has not invited/accepted any deposits including unsecured loans within the provisions of sections 58A during the financial year.
23. the Company has not borrowed any amounts from any one during the financial year ending 31st March, 2011.
24. 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.
25. 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.
26. the Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny.
27. the Company has not altered the provisions of the memorandum with respect to name of the Company during the year under scrutiny.
28. the Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
29. the Company has not altered its articles of association during the year under scrutiny.
30. no prosecutions were initiated against and no show cause notices were received by the Company for alleged offences under the Act.
31. the Company has not received any amount as security from its employees during the financial year under scrutiny.
32. 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.

Signature : Sd/-

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.

Place : Ahmedabad.

Date : 12th May, 2011.

Encl: Annexures.

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

1. Register of Members under section 150
2. Register of Contracts under section 301
3. Register of Directors etc. under section 303
4. Register of Directors' Shareholdings under section 307

[The Company did not create any charges and was not required to keep or maintain the Register of Charges under section 143 of the Act.]

Annexure 'B'

Forms and Returns as filed by the Company with the Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2011 : NIL

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ending on 31st March, 2011.

Sr. No.	Form Number	Filed under section	For	Filed on
1.	e-Form 23	192	Notifying special resolution passed by the Board of Directors concerning appointment of Shri Bipin F. Tamboli as Whole Time Director.	17.05.2010
2.	e-Form 32	303	Notifying change in designation of Shri B. F. Tamboli from Director to Chairman cum Managing Director w.e.f. 29.04.2010.	17.05.2010
3.	e-Form 25C	269(2)	Notifying appointment of Shri B.F. Tamboli as Chairman cum Managing Director without remuneration w.e.f. 29.04.2010.	17.05.2010
4.	e-Form 32	303	Notifying change in designation of Shri Tushari Dalal as Director from additional director on 02-08-2010	27.08.2010
5.	e-Form 66 for Compliance Certificate	383A(1)	certifying compliances of the statutory provisions under the Act during F.Y. 2009-10.	27.08.2010
6.	e-Form 23AC & 23ACA for Annual Accounts & Reports for F.Y. 2009-10	220	adoption at annual general meeting on 02.08.20010	28.08.2010
7.	e-Form 20B for Annual Return upto 02.08.2010	159	Annual General Meeting held on 02.08.2010	15.09.2010

Signatures to Annexures 'A' and 'B'

Signature : Sd/-

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

Place: Ahmedabad.

Date : 12th May, 2011

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 Public Limited Companies		Private Limited Companies	Committees	
	Category	Listed Companies	Unlisted Companies		Memberships	Chairmanships
Shri Bipin F. Tamboli	Chairman and Managing Director	-	2	3	-	-
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. 2010-2011 and the gap between two meetings did not exceed four months. The Board Meetings were held on April 29, 2010, August 2, 2010, October 29, 2010, and January 30, 2011.

The details of attendance of Directors at the Board Meetings during the F.Y. 2010-2011 and at the last Annual General Meeting held on August 2, 2010 are given below

Name	Position	Meetings held during the tenure of Directors	Meetings attended	Attendance at the last AGM held on August 2, 2010
Shri Bipin F. Tamboli	Chairman and Managing Director	4	3	No
Shri Bharat K. Shah	Non-Executive Independent Director	4	4	Yes
Shri Tushar B. Dalal	Non-Executive Independent Director	4	4	Yes

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.