



Report  Junction.com

TIMES GUARANTY LIMITED

19th ANNUAL REPORT

For the year ended March 31, 2009

TIMES GUARANTY LIMITED

REPORT AND ACCOUNTS

For the year ended March 31, 2009

CONTENTS

Notice of Meeting	1
Directors' Report	3
Auditors' Report	13
Balance Sheet	16
Profit and Loss Account	17
Cash Flow Statement	32

BOARD OF DIRECTORS

Dr. Bhaskar Das	<i>Chairman</i>
Mr. D. N. Shukla	<i>Director</i>
Mr. S. Sivakumar	<i>Director</i>
Mr. P. M. Rao	<i>Director</i>
Mr. Avinash Jain	<i>Director</i>

COMPANY SECRETARY

Mr. Vijay S. Devadiga

BANKERS

HDFC Bank Ltd.
United Bank of India

AUDITORS

M/s. Haribhakti & Co.
Chartered Accountants

INTERNAL AUDITORS

M/s. V. B. Goel & Co
Chartered Accountants

REGISTRAR & TRANSFER AGENTS

M/s. Sharepro Services (India) Pvt. Ltd.,
13AB, Samhita Warehousing Complex,
IInd Floor, Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road, Sakinaka,
Andheri (East), Mumbai – 400 072.

REGISTERED OFFICE

Ground Floor, Matulya Mills Compound,
S. B. Marg, Lower Parel (West),
Mumbai – 400 013
Tel.: 2273 1386

Annual Report 2008-2009**NOTICE OF THE ANNUAL GENERAL MEETING****TIMES GUARANTY LIMITED**

Regd. Office: Ground Floor, Matulya Mills Compound, S. B. Marg, Lower Parel (West), Mumbai - 400 013

NOTICE is hereby given that the Nineteenth Annual General Meeting of the members of Times Guaranty Limited will be held at 11.00 A.M. on Friday, September 18, 2009, at Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Industry & Agriculture, 'Oricon House', 6th Floor, 12, K. Dubhash Marg, Fort, Mumbai - 400 001 to transact the following business:

Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 072 and also at 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai - 400 021".

By Order of the Board of Directors
For **TIMES GUARANTY LIMITED**

Ordinary Business:

1. To receive, consider and adopt the Profit & Loss Account for the financial year ended March 31, 2009, the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. S. Sivakumar, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. Avinash Jain, who retires by rotation and is eligible 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 authorise the Board of Directors to fix their remuneration. M/s. Haribhakti and Co., Chartered Accountants, whose term expires at this Annual General Meeting, are eligible for re-appointment.

Mumbai
June 30, 2009

S. SIVAKUMAR
Director

NOTES:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER. THE PROXY FORMS SHOULD BE LODGED WITH THE COMPANY AT ITS CORPORATE OFFICE NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE TIME OF THE COMMENCEMENT OF THE MEETING.
- 2) The Register of Members and the Share Transfer Book of the Company will remain closed from September 10 to September 18, 2009 (both days inclusive).
- 3) Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.

Special Business

5. To consider and, if thought fit, to pass with or without modification the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 163 and all other applicable provisions, if any, of the Companies Act, 1956 the Register of Members, Index of Members, Register of Debenture holders, Index of Debenture holders and other related books be kept at the premises of the Company's Registrar and Transfer Agents viz. M/s. Sharepro Services (India) Private Limited, 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:**ITEM NO. 5**

Under the provisions of the Companies Act, 1956, (the "Act") certain documents such as the Register and Index of Members, Register and Index of Debenture holders, other related books and papers etc., are required to be kept at the Registered Office of your Company. However, these documents can be kept at any other place within the city, town or village in which the Registered Office of your Company is situated, with the approval of the Members to be accorded by a Special Resolution.

TIMES GUARANTY LIMITED

M/s. Sharepro Services (India) Private Limited, Mumbai is our Registrar and Share Transfer Agent (RTA), who have been providing depository related services for the shares held in demat mode and also acting as the Share Transfer Agent for the shares held in physical segment. Hence, the approval of the Members is sought in terms of Section 163(1) of the Act, for keeping the aforementioned Registers and documents at the premises of the RTA as stated in the resolution. The Board of Directors recommends the resolution as set out in the Notice for your approval.

By Order of the Board of Directors
For **TIMES GUARANTY LIMITED**

Mumbai
June 30, 2009

S. SIVAKUMAR
Director

Brief Details of Directors Seeking Re-Appointment as required under the Listing Agreement

Mr. S. Sivakumar, 42, M.Com, FCA, FICWA, has 17 years of experience in Finance and Accounts and is at present Director, Private Treaties in Bennett, Coleman & Co. Ltd. He is Director of your Company from July 30,

1998. He is also Director of Times of Money Limited, Times of Money Inc, Times of Money Financial Services Limited, Mirchi Movies Limited, Times Innovative Media Limited, Times Infotainment Media Limited, Alternate Brand Solutions Limited, Centre for Excellence Management Training and Development, Aegon Religare Life Insurance Company Ltd., Brand Equity Treaties Limited, Times Goa Media Limited. He is a member of Audit Committee of Times Innovative Media Limited, Times Infotainment Media Ltd. He is a member of the Audit Committee and Shareholders Grievances Committee of the Company.

Mr. Avinash Jain, 44, B. Com (Hons), FCA, is a practising Chartered Accountant and has over 22 years experience in the field of taxation and auditing. He was appointed as additional Director of the Company on March 30, 2002. He is a member of the Audit Committee of the Company.

By Order of the Board of Directors
For **TIMES GUARANTY LIMITED**

Mumbai
June 30, 2009

S. SIVAKUMAR
Director

Annual Report 2008-2009**DIRECTORS' REPORT**

Your Directors are pleased to present the Nineteenth Annual Report along with the audited accounts for the financial year ended March 31, 2009.

Management Discussion & Analysis

The summary of financial results, as indicated below, compares the financial performance of the Company for the year ended March 31, 2009 with the results for the year ended March 31, 2008:

[Rs. in lacs]

Particulars	Year ended March 31, 2009	Year ended March 31, 2008
Total Income	217.01	76.38
Total Expenses	74.05	74.06
Gross Profit	142.96	2.32
Loss on Sale of Assets	0.00	(4.84)
Excess Provision Written-Back	2.43	62.50
Depreciation	(0.10)	(0.47)
Profit Before Tax	145.29	59.51
Provision for Taxation	(15.11)	(8.02)
Profit for the Year after Tax	130.18	51.49

During the year under review, your Company focused primarily on the recovery of the asset portfolio. Your Company has taken various legal and remedial actions for asset recoveries including recovery suits, winding up petitions and criminal complaints for dishonour of cheques. These cases are in various stages of completion. The legal recourse has resulted in recovery of dues amounting to Rs. 120.73 lacs during 2008-09 while favourable results in the other legal cases are expected in the subsequent years. The remedial actions for recoveries include restructuring, reschedulements, asset substitution/collateralisation, foreclosures and repossession.

Total Income increased to Rs. 217.01 lacs for the year ended March 31, 2009 from Rs. 76.38 lacs for the previous year. While the main business of your Company continues to be Recovery from Impaired Assets, the other sources of income during the year were dividend from our mutual fund investments.

For the year ended March 31, 2009 there were no changes in the extent of expenses at Rs. 74.05 lacs, compared to Rs. 74.06 lacs for the previous year. Profit Before Tax has

increased considerably to Rs. 145.29 lacs for the year ended March 31, 2009 from Rs. 59.51 lacs for the previous year.

After providing for taxation of Rs. 15.11 lacs, Profit After Tax has increased to Rs. 130.18 lacs for the year ended March 31, 2009 from Rs. 51.49 lacs for the previous year.

Recovery of assets depends to a large extent on the continued revival in manufacturing activities as well as on the outcome of the legal process. Though there has been considerable stimulation in economic activity and a revival of the capital market, the major part of our recovery efforts are mainly an outcome of the legal actions initiated by us.

Recent reports have indicated a soft interest rate regime at least in the short term; this would unfavourably affect the returns from deployment of your Company's funds. The increase in Income from Impaired Assets is due to the notable amount recovered from one single recalcitrant client. In the forthcoming year, your Company does not expect to recover a similar amount.

Your Company is examining various options of commencing new activities. In line with this proposal, your Company has obtained registration as a Non-Banking Financial Institution from the Reserve Bank of India.

Your Company continuously reviews the internal control systems and thereby ensures adequate and appropriate checks and balances in transaction risk management.

In view of the volume of the Company's business, the current employee strength is considered adequate.

Auditor's Observations

There are no adverse observations made by the Auditors in their Report to the Members.

Subsidiary Company

There are no subsidiaries of your Company.

Particulars of conservation of energy, technology absorption and foreign exchange earnings

As your Company is not engaged in any manufacturing activities, there are no particulars to be furnished for conservation of energy and technology absorption. There were no foreign exchange earnings or outgo during the year.

Personnel

There are no employees covered by Section 217 (2A) of the Companies Act, 1956.

TIMES GUARANTY LIMITED

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- (ii) The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2009 and of the profit of the Company for the year ended March 31, 2009.
- (iii) The Directors have taken proper and sufficient care 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.
- (iv) The Directors have prepared the annual accounts on a 'going concern' basis.

Stock Exchanges

The Equity Shares of your Company are currently listed with the Bombay Stock Exchange Ltd. and The National Stock Exchange of India Ltd. The listing fees for the financial year 2009-10 have been paid to both the Stock Exchanges.

Corporate Governance

Your Company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance as

prescribed under the Listing Agreement of the Stock Exchanges, are complied with.

A separate report on Corporate Governance is attached as annexure to this Report.

Directors

Mr. S. Sivakumar and Mr. Avinash Jain, Directors of your Company, retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

Appointment of Auditors

M/s Haribhakti & Co., Chartered Accountants, Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

Appointment of Internal Auditors

M/s. V. B. Goel & Co., Chartered Accountants, have been reappointed as Internal Auditors of the Company.

Acknowledgments

The Board of Directors thank the Company's promoters, customers, bankers and employees for their continued support.

For and on behalf of the Board of Directors

Mumbai
June 30, 2009

P. M. RAO **S. SIVAKUMAR**
Director *Director*

Annual Report 2008-2009**REPORT ON CORPORATE GOVERNANCE**

(Pursuant to Clause 49 of the Listing Agreement)

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company is committed to the adoption of best governance practices and its adherence in the true spirit, at all times. Our governance practices stem from an inherent desire to improve and innovate and reflect the culture of trusteeship that is ingrained in our value system and forms part of the strategic thought process. Our governance philosophy rests on five basic tenets: Board accountability to the Company and shareholders; strategic guidance and effective monitoring by the Board; protection of minority interests and rights; equitable treatment of all shareholders as well as superior transparency; and, timely disclosure.

In line with this philosophy, your Company continuously strives for excellence through adoption of best governance and disclosure practices. Your Company is fully compliant with all the provisions of the revised Clause 49 of the Listing Agreement with the Stock Exchanges dealing with the Code of Corporate Governance.

2. BOARD OF DIRECTORS*Composition and Size of the Board*

The present strength of the Board is five. All the Directors are non-executive Directors. Two Directors are independent Directors.

Director	Executive/ Non-Executive/ Independent	No. of Outside Directorship(s)/Board Committees (Other than Times Guaranty Ltd.)	
		Directorships	Committees
Dr. Bhaskar Das	Chairman, Non-Executive	13	3
Mr. S. Sivakumar	Non-Executive	11	2
Mr. P. M. Rao	Non-Executive	13	4
Mr. D. N. Shukla	Non-Executive and Independent	4	—
Mr. Avinash Jain	Non-Executive and Independent	—	—

Number of Board Meetings

Four Board Meetings were held during the financial year 2008-09. The dates on which the Board Meetings were held were as follows:

May 29, 2008, July 30, 2008, October 27, 2008 and January 30, 2009.

Attendance of each Director at the Board Meetings held during the financial year 2008-09 and at the last Annual General Meeting:

Directors	No. of Board Meetings held after the appointment of respective Directors/till resignation of the Directors		Attendance at the Last AGM
	Held	Attended	
Dr. Bhaskar Das	4	1	Yes
Mr. S. Sivakumar	4	3	Yes
Mr. P. M. Rao	4	4	Yes
Mr. D. N. Shukla	4	4	Yes
Mr. Avinash Jain	4	4	No

TIMES GUARANTY LIMITED

Details of Directors Seeking Re-Appointment

Mr. S. Sivakumar, 42, M.Com. FCA, FICWA has 17 years of experience in Finance and Accounts and is at present Director, Private Treaties in Bennett, Coleman & Co. Ltd. He is Director of your Company from July 30, 1998. He is also Director of Times of Money Limited, Times of Money Inc, Times of Money Financial Services Limited, Mirchi Movies Limited, Times Innovative Media Limited, Times Infotainment Media Limited, Alternate Brand Solutions Limited, Centre for Excellence Management Training and Development, Aegon Religare Life Insurance Company Ltd., Brand Equity Treaties Limited, Times Goa Media Limited. He is a member of Audit Committee of Times Innovative Media Limited, Times Infotainment Media Ltd. He is a member of the Audit Committee and Shareholders Grievances Committee of the Company.

Mr. Avinash Jain, 44, B. Com (Hons), FCA, is a practising Chartered Accountant and has over 22 years experience in the field of taxation and auditing. He was appointed as additional Director of the Company on March 30, 2002. He is a member of the Audit Committee of the Company.

3. CODE OF CONDUCT

The Board of Directors plays an important role in ensuring good governance and has laid down the following Code of Conduct applicable to all Board members and senior executives of your Company.

The Board of Directors vide their Resolution dated January 24, 2006 adopted and approved the Code of Conduct. All Board members and senior executives have confirmed compliance of the Code of Conduct.

The Board Members and Senior Managers shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgment.

In particular, the Board Members and the Senior Managers shall:

- i. Maintain and help the Company in maintaining the highest degree of Corporate Governance practices;
- ii. Act in utmost good faith and exercise due care, diligence and integrity in performing their official duties;
- iii. Ensure that they use the Company's assets, properties, information and intellectual rights for official purposes only or as per the terms of their appointment;
- iv. Not seek, accept or receive, directly or indirectly, any gift, payment or favour in whatsoever form from the Company's business associates, which can be perceived as being given to gain favour in dealings with the Company and shall ensure that the Company's interests are never compromised;
- v. Maintain confidentiality of information entrusted by the Company or acquired during performance of their duties and shall not use it for personal gain or advantage;
- vi. Not commit any offence involving moral turpitude or any act contrary to law or opposed to public policy;
- vii. Not communicate with any member of the press or publicity media or any other outside agency on matters concerning the Company except through the designated spokesman or as authorised otherwise;
- viii. Not, without the prior approval of the Board, accept employment or a position of responsibility with any other organisation for remuneration or otherwise that are prejudicial to the interests of the Company and shall not allow personal interests to conflict with the interests of the Company;
- ix. In conformity with applicable legal provisions, disclose personal and/or financial interests in any business dealings concerning the Company and shall declare information about their relatives (spouse, dependent children, dependent parents) including transactions, if any, entered into with them;
- x. Ensure compliance of the prescribed safety and environmental related norms and other applicable codes, laws, rules, regulations and statutes, which if not complied with may, otherwise, disqualify him/her from his/her association with the Company; and
- xi. Ensure compliance with all SEBI Regulations as also regulations issued and set by other statutory and regulatory bodies as may be applicable to them from time to time.

The Chairman of the Company has confirmed and certified that all the members of the Board of Directors and Senior Management have affirmed that they have complied with the Code of Conduct for Directors and Senior Managers in respect of the financial year 2008-09.

Annual Report 2008-2009**4. AUDIT COMMITTEE****Terms of Reference and Composition:**

The terms of reference of this Committee cover the matters specified for Audit Committees under Clause 49 of the Listing Agreement as well as under Section 292A of the Companies Act, 1956.

During Financial Year 2008-09, the Audit Committee met four times. The Statutory auditors and Internal auditors were invites to the Meeting. Details of members of the Committee and their attendance are given below:

Name	Number of meetings attended
Mr. D. N. Shukla, Chairman of the Audit Committee (Non-executive and Independent Director)	4
Mr. Avinash Jain (Non-executive and Independent Director)	4
Mr. S. Sivakumar (Non-executive Director)	3

5. REMUNERATION COMMITTEE

No remuneration has been paid to any of the Directors, except sitting fees paid to Mr. D. N. Shukla. Hence, Remuneration Committee, being a non-mandatory requirement, has not been constituted.

6. SHAREHOLDERS' GRIEVANCE COMMITTEE**Composition**

The Company has a Shareholders' Grievance Committee comprising of its Directors, Dr. Bhaskar Das, Mr. S. Sivakumar and Mr. P. M. Rao to consider transfer of shares and redressing shareholders' and investors' complaints. Dr. Bhaskar Das, a Non-executive Director, is the Chairman of the Committee.

Name and Designation of Compliance Officer:

Mr. Vijay S. Devadiga, Company Secretary

Number of Complaints:

During the year 2008-09, Company's Registrar & Share transfer agent, M/s. Sharepro Services (India) Pvt. Ltd. received 47 complaints, and all have been resolved. There were no transfer of shares pending as on March 31, 2009.

7. DISCLOSURES

- (A) There are no materially significant related party transactions made by the Company with its Promoters, Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large. The transactions with the related parties are disclosed to Note No. 10 of Schedule 12 to the Accounts.
- (B) Your Company has followed all relevant Accounting Standards while preparing the financial statements.
- (C) Your Company has a comprehensive risk management policy and the Board of Directors periodically reviews the same.
- (D) During the last three years no penalty/strictures have been imposed on the Company by either SEBI or the Stock Exchanges or any statutory authority on any matter relating to the capital markets for non-compliance of any laws.

8. FINANCE FUNCTION HEAD'S CERTIFICATE

The Senior Manager and Head-Financial Management & Treasury of your Company has certified to the Board of Directors that:

- a) She has reviewed the financial statements and the cash flow statement for the year and to the best of her knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

TIMES GUARANTY LIMITED

- b) There are, to the best of her 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) She accepts responsibility for establishing and maintaining internal controls for financial reporting and that she has evaluated the effectiveness of the internal control systems of the Company, pertaining to financial reporting and she has disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation or internal controls, if any, of which she is aware and the steps she has taken or proposes to take to rectify these deficiencies.
- d) She has indicated to the Auditors and the Audit Committee:
- Significant changes in internal control over financial reporting during the year;
 - Significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the financial statements; and
 - Instances of significant fraud of which she has become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

The above Certificate was placed before the meeting of the Board of Directors held on June 30, 2009.

9. GENERAL BODY MEETINGS:

AGM/EGM	Date	Venue	Time	No. of Special Resolutions passed
AGM	September 23, 2008	Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Industry & Agriculture, 'Oricon House', 6 th Floor, 12, K. Dubash Marg, Fort, Mumbai - 400 001	11.00 A.M.	Nil
AGM	September 12, 2007	Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Industry & Agriculture, 'Oricon House', 6 th Floor, 12, K. Dubash Marg, Fort, Mumbai - 400 001	11.00 A.M.	Nil
AGM	September 15, 2006	Convention Hall, 4 th Floor, Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai - 400 021	10.00 A.M.	Nil

All Resolutions were passed on show of hands and polls were not asked for. No postal ballots were used for voting at these meetings. At the forthcoming Annual General Meeting, there is no item on the agenda that needs approval by postal ballot.

10. MEANS OF COMMUNICATION

Half-yearly report sent to each shareholder	:	No
Quarterly results	:	
Which newspaper normally published	:	1. The Economic Times 2. Maharashtra Times
Any website, where results are displayed	:	No
Whether it also displays any official news releases	:	No
Presentations made to Institutional Investors or to Analyst	:	No
Whether Management Discussion & Analysis is a part of Annual Report or not	:	Yes