



TIMES GUARANTY LIMITED

20th ANNUAL REPORT

For the year ended March 31, 2010

TIMES GUARANTY LIMITED

REPORT AND ACCOUNTS

For the year ended March 31, 2010

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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 (E), Mumbai - 400 072.

REGISTERED OFFICE

Trade House 1st Floor, Kamala Mills Compound,
Senapati Bapat Marg,
Lower Parel, Mumbai - 400 013.
Tel. : 65131731

NOTICE OF THE ANNUAL GENERAL MEETING

TIMES GUARANTY LIMITED

Registered Office : Trade House, 1st Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013

NOTICE is hereby given that the twentieth Annual General Meeting of the members of Times Guaranty Limited will be held at 11.00 A.M. on Tuesday, September 21, 2010, 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 :

Ordinary Business:

1. To receive, consider and adopt the Profit & Loss Account for the financial year ended March 31, 2010, 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. D.N. Shukla, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. P.M. Rao, who retires by rotation and is eligible for re-appointment.
4. To consider the appointment of M/s. V.B. Goel. & Co., Chartered Accountants, Mumbai as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company in place of retiring Statutory Auditors M/s Haribhakti & Co., Chartered Accountants, who have expressed their unwillingness to be reappointed as statutory Auditors, and to fix their remuneration

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

Mumbai
May 28, 2010

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 9, 2010 to September 21, 2010 (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.

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

Mumbai
May 28, 2010

S. SIVAKUMAR
Director

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

Mr. D.N. Shukla, 83, B.Com, C.A. I.I.B. and has 43 years of experience in the Banking Industry with international exposure. He retired as Executive Director of Bank of India. He was appointed as additional Director of the Company on November 26, 2001. He is the Chairman of the Audit Committee of the Company. He is also Director of Jaysynth Anthraquinones Ltd., Shree Vindya Paper Mills Ltd., Jaysynth Impex Ltd., Jaysynth Dyestuff (I) Ltd., Zenith Securities & Investments Ltd. Homi Mehta & Sons Pvt. Ltd. Bharti Polytext Pvt. Ltd.

Mr. P. M. Rao, 57, is a B.Com., LLB. (Gen) and FCS. He has over 32 years experience in the Secretarial & Legal functions in several industries. He is the Company Secretary of Bennett, Coleman & Co. Ltd. He was appointed Director of your Company on June 28, 2001. He is also Director of Aadidev Properties Limited, . Anagha Estates Limited, Aryabhata Properties Limited, Ashoka Marketing Limited, Banhem Estates & IT Parks Limited, Centre for Excellence in Management Training and Development, Dharmayug Investments Limited, Mirchi Movies Limited, Shubhan Properties Limited, Suryashankar Properties Limited, Sushena Properties Limited, Vaidehi Estates Limited and Vardhaman Publishers Limited, He is a member of Shareholders' Grievance Committee of your Company. He is a member of the Audit Committee of Dharmayug Investments Ltd., He is a Chairman of the Audit Committee of Vardhaman Publishers Limited. He is a member of the Investment & Loan Committee of Bennett, Coleman & Co. Limited.

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

Mumbai
May 28, 2010

S. SIVAKUMAR
Director

TIMES GUARANTY LIMITED

DIRECTORS' REPORT

Your Directors are pleased to present the 20th Annual Report along with the audited accounts for the financial year ended March 31, 2010.

Management Discussion & Analysis

The summary of financial results, as indicated below, compares the financial performance of your Company for the year ended March 31, 2010 with the results for the year ended March 31, 2009:

[Rs. in lacs]

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Total Income	211.91	219.44
Total Expenses	38.05	74.05
Gross Profit	173.86	145.39
Prior Period Income and expenses	0.54	0.00
Depreciation	(0.14)	(0.10)
Profit Before Tax	174.26	145.29
Provision for Taxation	(4.45)	(15.11)
Profit for the Year after Tax	169.81	130.18
Profit for the Year after Adjustments	169.81	130.18

During the year under review, your Company focused primarily on 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, 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 repossessions.

Total Income decreased to Rs.211.91 lacs for the year ended March 31, 2010 as compared to Rs. 219.44 lacs. 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 mutual fund investments.

For the year ended March 31, 2010 expenses were Rs. 38.05 lacs as compared to Rs. 74.05 lacs for the previous year. Profit Before Tax has increased to Rs.174.26 lacs for the year ended March 31, 2010 from Rs. 145.29 lacs for the previous year.

After providing for taxation of Rs. 4.45 lacs, Profit After Tax has increased to Rs. 169.81 lacs for the year ended March 31, 2010 from Rs. 130.18 lacs for the previous year.

Recovery of assets depends to a large extent on the continued revival in business 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.

Your Company is examining various options of commencing new activities.

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 your Company's business, the current employee strength is considered adequate.

Change of Registered Office of the Company:

Your Company has shifted its registered office from Ground Floor, Matulya Mills Compound, S.B. Marg, Lower Parel (West), Mumbai- 400 013 to Trade House, 1st Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400 013, a place situated within the jurisdiction of the Registrar of Companies, Maharashtra, Mumbai with effect from June 29, 2010 for operational convenience and efficiency.

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.

Directors' Responsibility Statement

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

- In the preparation of the annual accounts, the applicable

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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, 2010 and of the profit of the Company for the year ended March 31, 2010.
- (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 2010-11 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. D. N. Shukla, and Mr. P. M. Rao, 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, the Statutory Auditors of the Company retire at the ensuing Annual General

Meeting and have expressed their unwillingness to be appointed as the Statutory Auditors of the Company for the financial year 2010-11 at the ensuing Annual General Meeting of the Members of the Company.

Therefore, it is proposed to appoint, M/s. V.B. Goel & Co., Chartered Accountants, Mumbai, as the Statutory Auditors of the Company for the Financial Year ending on 31st March 2011 to hold the office of the Statutory Auditors of the Company from the conclusion of the twentieth Annual General Meeting until the conclusion of the twenty first Annual General Meeting of the Company on a remuneration to be decided by the Board of Directors.

M/s. V.B. Goel & Co., Chartered Accountants, have consented to such appointment. They have also confirmed their eligibility for appointment as Statutory Auditors of the Company under Section 224(1B) of the Companies Act, 1956.

The Board of Directors of your Company recommends the appointment of M/s. V.B. Goel & Co., Chartered Accountants, Mumbai, as the Statutory Auditors of the Company for the Financial Year ending on 31st March, 2011 at the ensuing Annual General Meeting.

Acknowledgments

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

For and on behalf of the Board of Directors

Mumbai
May 28, 2010

P.M. RAO
Director

S. SIVAKUMAR
Director

TIMES GUARANTY LIMITED

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.

Directors	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	3
Mr. D.N. Shukla	Non-Executive and Independent	7	1
Mr. Avinash Jain	Non-Executive and Independent	-	-

Number of Board Meetings

Five Board Meetings were held during the financial year 2009-2010. The dates on which the Board Meetings were held were as follows:

May 21, 2009, June 30, 2009, July 29, 2009, October 30, 2009 and January 29, 2010.

Attendance of each Director at the Board Meetings held during the financial year 2009-10 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	5	5	No
Mr. S. Sivakumar	5	5	Yes
Mr. P.M. Rao	5	4	Yes
Mr. D.N. Shukla	5	4	Yes
Mr. Avinash Jain	5	5	Yes

Details of Directors Seeking Re-Appointment

Mr. D.N. Shukla, 83, B.Com, C.A. I.I.B. and has 43 years of experience in the Banking Industry with international exposure. He retired as Executive Director of Bank of India. He was appointed as additional Director of the Company on November 26, 2001. He is the Chairman of the Audit Committee of the Company. He is also Director of Jaysynth Anthraquinones Ltd., Shree Vindya Paper Mills Ltd., Jaysynth Impex Ltd., Jaysynth Dyestuff (I) Ltd., Zenith Securities & Investments Ltd. Homi Mehta & Sons Pvt. Ltd. Bharti Polytex Pvt. Ltd.

Mr. P. M. Rao, 57, is a B.Com., LLB. (Gen) and FCS. He has over 32 years experience in the Secretarial & Legal functions in several industries. He is the Company Secretary of Bennett, Coleman & Co. Ltd. He was appointed Director of your Company on June 28, 2001. He is also Director of Aadidev Properties Limited, Anagha Estates Limited, Aryabhata Properties Limited, Ashoka Marketing Limited, Banhem Estates & IT Parks Limited, Centre for Excellence in Management Training and Development, Dharmayug Investments Limited, Mirchi Movies Limited, Shubhan Properties Limited, Suryashankar Properties Limited, Sushena Properties Limited, Vaidehi Estates Limited and Vardhaman Publishers Limited. He is a member of Shareholders' Grievance Committee of your Company. He is a member of the Audit Committee of Dharmayug Investments Ltd., He is a Chairman of the Audit Committee of Vardhaman Publishers Limited. He is a member of the Investment & Loan Committee of Bennett Coleman & Co. Limited.

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 its 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

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- 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 2009-10.

4. AUDIT COMMITTEE

Audit Committee comprises of Mr. D. N. Shukla, Mr. S. Sivakumar, and Mr. Avinash Jain.

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 2009-10, the Audit Committee met four times. The Statutory auditors and Internal auditors were invitees 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)	4

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

Shareholders' Grievance Committee comprises 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 2009-10, Company's Registrar & Share transfer agent, M/s. Sharepro Services (India) Pvt. Ltd. received 22 complaints, and all have been resolved. There were no transfer of shares pending as on March 31, 2010.

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. 12 of Schedule 11 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

Senior Manager, Accounts & Finance of your Company has certified to the Board of Directors that:

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- a) She has reviewed the financial statements and the cash flow statement for the year and to the best of her knowledge and belief:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 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.
- 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 May 28, 2010.

9. GENERAL BODY MEETINGS:

AGM / EGM	Date	Venue	Time	No. of Special Resolutions passed
AGM	September 18, 2009	Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Industry & Agriculture, 'Oricon House', 6 th Floor, 12, K. Dubash Marg, Fort, Mumbai 400 001	11.00A.M.	One
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	11.00A.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	11.00A.M.	Nil
AGM	September 15, 2006	Convention Hall, 4 th Floor, Y.B.Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai 400 021	10.00A.M.	Nil

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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

11. GENERAL SHAREHOLDER INFORMATION

AGM Date and Time

September 21, 2010 - Tuesday
11.00 a.m.

Venue

Babasaheb Dahanukar Hall
Maharashtra Chamber of Commerce,
Industry & Agriculture
'Oricon House', 6th Floor
12, K. Dubash Marg
Fort, Mumbai 400 001

Financial Calendar

First Quarter results
Half yearly results
Third quarter results
Results for the last quarter & for the year
ending March 31, 2011

(April 2010-March 2011)

July 2010
October 2010
January 2011
May 2011

Date of Book Closure

September 9 to September 21, 2010 (both days inclusive)

Dividend Payment Date

Dividend not declared

Listing on Stock Exchanges

The Company's securities are listed on the following 2 Stock Exchanges in India:

Name of Stock Exchange

Bombay Stock Exchange Ltd.
National Stock Exchange of India Ltd.

Stock Code

511559
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The Company has paid annual listing fees to each of the above Stock Exchanges for the Financial Year 2010-2011.

The Demat ISIN No. for NSDL and CDSL is:

INE289C01025