



# **TIMES GUARANTY LIMITED**

## **22nd ANNUAL REPORT**

**For the year ended March 31, 2012**

## REPORT AND ACCOUNTS

*For the year ended March 31, 2012*

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### **BOARD OF DIRECTORS**

Dr. Bhaskar Das     *Chairman*  
Mr. D. N. Shukla     *Director*  
Mr. S. Sivakumar     *Director*  
Mr. Avinash Jain     *Director*  
Mr. Arun Arora     *Director*

### **COMPANY SECRETARY**

Ms. Swapna Ranade

### **BANKERS**

HDFC Bank Ltd.  
United Bank of India

### **AUDITORS**

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

### **INTERNAL AUDITORS**

M/s. Shrikant Kulkarni & Associates  
Chartered Accountants

### **REGISTRAR & TRANSFER AGENTS**

M/s. Sharepro Services (India) Pvt. Ltd.  
13AB, Samhita Warehousing Complex,  
II<sup>nd</sup> Floor, Sakinaka Telephone Exchange Lane,  
Off Andheri Kurla Road, Sakinaka,  
Andheri (E), Mumbai - 400 072.

### **REGISTERED OFFICE**

Trade House 1<sup>st</sup> Floor, Kamala Mills Compound,  
Senapati Bapat Marg, Lower Parel,  
Mumbai - 400 013. Tel. : (022) 65131731

**Website : [www.timesguarantylimited.com](http://www.timesguarantylimited.com)**

## ***Annual Report 2011-2012***

### **NOTICE OF THE ANNUAL GENERAL MEETING**

#### **TIMES GUARANTY LIMITED**

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

**NOTICE** is hereby given that the twenty second Annual General Meeting of the members of Times Guaranty Limited will be held at 11.00 A.M. on Wednesday, September 26, 2012, at Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Industry & Agriculture, 'Oricon House', 6<sup>th</sup> Floor, 12, K. Dubhash Marg, Fort, Mumbai 400 001 to transact the following business :

#### **Ordinary Business:**

1. To receive, consider and adopt the Balance Sheet as at March 31, 2012 and the Statement of Profit & Loss for the financial year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Avinash Jain, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. D. N. Shukla, who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to authorise the Board of Directors to fix their remuneration. M/s. V.B. Goel & Co., Chartered Accountants, whose term expires at this Annual General Meeting, are eligible for re-appointment.

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

Mumbai  
May 22, 2012

**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 17, 2012 to September 26, 2012 (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 22, 2012

**S. SIVAKUMAR**  
*Director*

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

##### **Item No. 2 & 3**

##### **Details of Directors Seeking Re-Appointment**

**Mr. Avinash Jain** , 46, B.Com(Hons), FCA, is a practicing Chartered Accountant who has over 24 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.

**Mr. D.N. Shukla** , 84, B.Com., C.A. I.I.B, has 45 years of experience in the Banking Industry with internal 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 Dyestuff (India) Ltd., Zenith Securities & Investments Ltd., Homi Mehta & Sons Pvt. Ltd. and Bharti Polytex Pvt. Ltd.

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

Mumbai  
May 22, 2012

**S. SIVAKUMAR**  
*Director*

## **TIMES GUARANTY LIMITED**

### **DIRECTORS' REPORT**

Your Directors are pleased to present the 22<sup>nd</sup> Annual Report along with the audited accounts for the financial year ended March 31, 2012.

#### **Management Discussion & Analysis**

The summary of financial results, as indicated below, compares the financial performance of your Company for the year ended March 31, 2012 with the results for the year ended March 31, 2011:

[Rs. in lacs]

<b>Particulars</b>	<b>Year ended March 31, 2012</b>	<b>Year ended March 31, 2011</b>
Total Income	<b>119.30</b>	61.19
Total Expenses	<b>26.47</b>	34.20
Gross Profit	<b>92.83</b>	26.99
Profit Before Tax	<b>92.83</b>	26.99
Provision for Taxation	<b>0.01</b>	(3.24)
Profit for the Year after Tax	<b>92.82</b>	30.23
Profit for the Year after Adjustments	<b>92.82</b>	30.23

Total Income increased to Rs.119.30 lacs for the year ended March 31, 2012 as compared to Rs. 61.19 lacs., mainly due to maturity period of schemes falling in this year. The main source of income during the year was dividend income from mutual fund investments made by the Company.

For the year ended March 31, 2012 expenses were Rs. 26.47 lacs as compared to Rs. 34.20 lacs for the previous year and the Management is trying to reduce the cost of operation to maximum possible extent.

From last few years, your Company has concentrated on recovery of the asset portfolio. Now since almost all the recoverable portfolio is recovered, your Company is examining various options of commencing new activities but the current condition of the economy like increase in interest rates, inflation and political factors compel management to give second thought before starting any new activity.

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.

#### **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:

- (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, 2012 and of the profit of the Company for the year ended March 31, 2012.
- (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.

## ***Annual Report 2011-2012***

### ***Stock Exchanges***

The Equity Shares of your Company are currently listed with BSE Ltd. and The National Stock Exchange of India Ltd. The listing fees for the financial year 2012-13 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. Avinash Jain and Mr. D. N. Shukla, Directors of your Company, retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

Mr. Avinash Jain, 46, B.Com(Hons), FCA, is a practicing Chartered Accountant who has over 24 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.

Mr. D. N. Shukla, 84, B.Com., C.A. I.I.B, has 45 years of experience in the Banking Industry with internal 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 Dyestuff (India) Ltd., Zenith Securities & Investments Ltd., Homi Mehta & Sons Pvt. Ltd. and Bharti Polytex Pvt. Ltd.

### ***Appointment of Auditors***

M/s.V. B. Goel & Co., Chartered Accountants, the 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. Shrikant Kulkarni & Associates, Chartered Accountants, have been re-appointed 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	<b>DR. BHASKAR DAS</b>	<b>S. SIVAKUMAR</b>
May 22, 2012	Chairman	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. The Code of Corporate Governance & the Company's code of conduct are available on the Company's website namely [www.timesguarantylimited.com](http://www.timesguarantylimited.com)

#### **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. Three Directors are independent Directors.

<b>Director</b>	<b>Executive / Non-Executive/ Independent</b>	<b>No. of Outside Directorship(s)/Board Committees (Other than Times Guaranty Ltd.)</b>	
		<b>Directorships</b>	<b>Committees</b>
Dr. Bhaskar Das	Chairman, Non-Executive	15	3
Mr. S. Sivakumar	Non-Executive	13	2
Mr. D.N. Shukla	Non-Executive and Independent	4	-
Mr. Avinash Jain	Non-Executive and Independent	-	-
Mr. Arun Arora	Non-Executive and Independent	6	-

##### ***Number of Board Meetings***

Four Board Meetings were held during the financial year 2011-2012. The dates on which the Board Meetings were held were as follows:

May 16, 2011, July 29, 2011, October 21, 2011 and January 24, 2012.

Attendance of each Director at the Board Meetings held during the financial year 2011 - 2012 and at the last Annual General Meeting:

<b>Directors</b>	<b>No. of Board Meetings held after the appointment of respective Directors / till resignation of the Directors</b>		<b>Attendance at the Last AGM</b>
	<b>Held</b>	<b>Attended</b>	
Dr. Bhaskar Das	4	3	Yes
Mr. S. Sivakumar	4	4	Yes
Mr. Arun Arora	4	2	No
Mr. D. N. Shukla	4	4	Yes
Mr. Avinash Jain	4	4	Yes

##### ***Details of Directors Seeking Re-Appointment***

**Mr. Avinash Jain**, 46, B.Com(Hons), FCA, is a practicing Chartered Accountant who has over 24 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.

**Mr. D.N. Shukla**, 84, B.Com., C.A. I.I.B, has 45 years of experience in the Banking Industry with internal 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 Dyestuff (India) Ltd., Zenith Securities & Investments Ltd., Homi Mehta & Sons Pvt. Ltd. and Bharti Polytex Pvt. Ltd.

### **3. CODE OF CONDUCT**

The Board of Directors play 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
- 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 2011-12.

### **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.

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During Financial Year 2011-12, 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:

<b>Name</b>	<b>Number of meetings attended</b>
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 comprised of its Directors, Dr. Bhaskar Das, Mr. S. Sivakumar to consider transfer of shares and redressing shareholders' and investors' complaints. Dr. Bhaskar Das, a Non-executive Director, is the Chairman of the Committee and Mr. S. Sivakumar as the member of the Committee.

#### ***Name and Designation of Compliance Officer:***

Ms. Swapna Ranade, Company Secretary.

#### ***Number of Complaints:***

During the year 2011-12, Company's Registrar & Share transfer agent, M/s. Sharepro Services (India) Pvt. Ltd. received 11 complaints, and all have been resolved. There was no transfer of shares pending as on March 31, 2012.

### **7. DISCLOSURES**

- (A) There are no materially significant related party transaction made by the Company with its Promoters, Directors or the Management, their subsidiaries or relative etc. that may have potential conflict with the interests of the Company at large. The transactions with the related parties are disclosed in Note No. 27, of the Notes to 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 review 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:

- 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.
- 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



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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 22, 2012.

### **9. GENERAL BODY MEETINGS:**

<b>AGM/ EGM</b>	<b>Date</b>	<b>Venue</b>	<b>Time</b>	<b>No. of Special Resolutions passed</b>
AGM	September 22, 2011	Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Industry & Agriculture, 'Oricon House', 6th Floor, 12, K. Dubash Marg, Fort, Mumbai 400 001	11.00A.M.	Nil
AGM	September 21, 2010	Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Industry & Agriculture, 'Oricon House', 6th Floor, 12, K. Dubash Marg, Fort, Mumbai 400 001	11.00A.M.	Nil
AGM	September 18, 2009	Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Industry & Agriculture, 'Oricon House', 6th 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', 6th Floor, 12, K. Dubash Marg, Fort, Mumbai 400 001	11.00A.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 : Yes. The Company website,  
www.timesguarantylimited.com
- Whether it also displays any official news releases : Yes.
- Presentations made to Institutional Investors or to Analyst: : No
- Whether Management Discussion & Analysis is a part of Annual Report or not : Yes

## **TIMES GUARANTY LIMITED**

### **11. GENERAL SHAREHOLDER INFORMATION**

#### **AGM Date and Time**

September 26, 2012, - Wednesday,  
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, 2013

#### **Date of Book Closure**

#### **Dividend Payment Date**

#### **Listing on Stock Exchanges**

#### **Name of Stock Exchange**

BSE Ltd.

National Stock Exchange of India Ltd.

The Company has paid annual listing fees to each of the above Stock Exchanges for the Financial Year 2012-2013.

The Demat ISIN No. for NSDL and CDSL is: INE289C01025

#### **Market Price Data:**

#### **Monthly Highs and Lows for the period April 2011 to March 2012**

Month	BSE Ltd.			National Stock Exchange of India Ltd.		
	High (Rs.)	Low (Rs.)	Volume	High (Rs.)	Low (Rs.)	Volume
Apr-2011	51.45	36.05	23,125	51.35	38.00	13,491
May-2011	46.75	35.00	14,556	44.05	36.00	3,846
Jun-2011	42.95	34.25	15,260	41.00	35.00	4,792
Jul-2011	39.80	31.80	26,244	40.10	32.15	23,739
Aug-2011	38.35	29.55	6,311	36.70	29.90	3,949
Sep-2011	40.25	27.55	25,700	40.00	28.00	21,274
Oct-2011	30.00	23.15	19,587	29.50	23.30	12,375
Nov-2011	28.50	19.05	13,053	27.40	19.55	8,663
Dec-2011	23.55	17.15	21,006	24.10	17.25	24,676
Jan-2012	27.40	16.90	17,211	26.00	16.80	3,997
Feb-2012	29.05	22.15	14,565	29.65	21.90	8,452
Mar-2012	30.00	19.15	19,253	28.70	19.30	15,209