



TIMES GUARANTY LIMITED

23rd ANNUAL REPORT

For the year ended March 31, 2013

REPORT AND ACCOUNTS

For the year ended March 31, 2013

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BOARD OF DIRECTORS

Dr. Bhaskar Das,	Chairman (Upto September 28, 2012)
Mr. D.N. Shukla,	Director (Upto April 20, 2013)
Mr. S. Sivakumar,	Director
Mr. Avinash Jain,	Director
Mr. Arun Arora,	Director
Mr. Shrijeet Mishra,	Additional Director (w.e.f. October 29, 2012)

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,
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. : (022) 65131731

Website : www.timesguarantylimited.com

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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 23rd Annual General Meeting of the members of Times Guaranty Limited will be held at 11.00 A.M. on Wednesday, 25th Day of September, 2013, 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 businesses :

Ordinary Business:

1. To receive, consider and adopt the Balance Sheet as at and the Statement of Profit & Loss for the financial year ended March 31, 2013 and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Arun Arora, who retires by rotation and is eligible 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 fix their remuneration.

Special Business :

4. To consider and, if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Shrijeet Mishra, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation."

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

Place : Mumbai
Date : May 29, 2013

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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORMS DULY COMPLETED SHOULD BE DEPOSITED AT ITS CORPORATE OFFICE NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE ANNUAL GENERAL MEETING.**
2. Relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business, as set out above is annexed hereto.
3. The Register of Members and the Share Transfer Book of the Company will remain closed from September 16, 2013 to September 25, 2013 (both days inclusive).
4. Corporate Members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
5. Directors :
The information to be provided under Clause 49 of the Listing Agreement in respect of the Directors seeking appointment / re-appointment is given in the Corporate Governance section of this Annual Report.
6. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.

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

Place : Mumbai
Date : May 29, 2013

S. SIVAKUMAR
Director

TIMES GUARANTY LIMITED

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

The following explanatory statement sets out the material facts relating to the business mentioned in Item No. 4 of the accompanying Notice dated May 29, 2013.

Item No. 4

Mr. Shrijeet Mishra, has a Bachelor's degree in Economics and is a Post Graduate diploma holder in Business Management and has completed Advanced Management program at Wharton USA, in 2004. He has 24 years of renowned experience ranging from previous stints in HUL and Unilever. He is Executive Director of Bennett, Coleman & Co., Limited. He is also Director of Times VPL Limited, Times Centre for Learning Limited, Vardhaman Publishers Ltd., Brand Equity Treaties Limited, Centre for Excellence in Management Training And Development, Times Global Broadcasting Company Limited, Times Conferences Limited, Zoom Entertainment Network Ltd. and Mind Games Shows Private Limited. He is also the Director of Bombay Chamber of Commerce and Industry. He is a member of the Management Committee and Investments & Loans Committee of Bennett, Coleman & Co. Ltd. He is a member of the Shareholders' Grievance Committee of your Company.

Mr. Shrijeet Mishra was appointed as an Additional Director of the Company w.e.f. October 29, 2012. Having been so appointed, Mr. Shrijeet Mishra holds office till the date of ensuing Annual General Meeting by virtue of Section 260 of the Companies Act, 1956 and is eligible for appointment.

None of the Directors of the Company except Mr. Shrijeet Mishra is, in any way, concerned or interested in the resolution.

The Board of Directors recommends the resolution for approval of the Shareholders.

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

Place : Mumbai
Date : May 29, 2013

S. SIVAKUMAR
Director

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DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 23rd Annual Report along with the audited accounts for the financial year ended March 31, 2013.

MANAGEMENT DISCUSSION & ANALYSIS:

Financial Results:

The financial results of the Company, for the year ended March 31, 2013 is summarised below:

[Rs. in lacs]

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Total Income	238.37	119.30
Total Expenses	25.85	26.47
Gross Profit	212.52	92.83
Profit Before Tax	212.52	92.83
Provision for Taxation	18.86	0.01
Profit for the Year after Tax	193.66	92.82
Profit for the Year after Adjustments	193.66	92.82

Financial Performance:

During the year under review, your Company has earned total income of Rs.238.37 lacs as against Rs. 119.30 lacs for the previous year. After accounting for the expenditure of Rs. 25.85 lacs (previous year Rs. 26.47 Lacs), your Company earned a net profit after tax of Rs. 193.66 lacs.

The main source of income during the year was dividend income received from mutual fund investments made by the Company. During the current year, your Company has recovered Rs.68.57 lacs from Maxworth India Ltd by way of selling land situated at Chennai which was received under settlement by the Company.

The reason for increase in income is due to the maturity period of schemes falling in this year. Further, the management is constantly trying to reduce the cost of operation to the maximum possible extent which can be evidenced from the figures of expenses compared with that of figures of previous year. During the year the total expenditure amounted to Rs. 25.85 lacs as compared to that of Rs.26.47 lacs for the previous year, resulting into decrease in amount of expenditure by Rs. 0.62 lacs.

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.

Subsidiary Company

There are no subsidiaries of your Company.

BOARD OF DIRECTORS:

Director's Re-appointment:

Mr. Arun Arora retires by rotation and being eligible offers himself for re-appointment at this Annual General Meeting of the Company. The Board of Directors have recommended his re-appointment for consideration of the Shareholders.

Director's Appointment:

Mr. Shrijeet Mishra was appointed as an Additional Director of the Company with effect from October 29, 2012 in accordance with Section 260 of the Companies Act, 1956.

Mr. Shrijeet Mishra holds office up to the date of the ensuing Annual General Meeting of the Company. The requisite notice together with necessary deposit has been received from members pursuant to Section 257 of the Companies Act, 1956, proposing the election of Mr. Shrijeet Mishra as Director of the Company.

The Board of Directors have recommended his appointment for consideration of the Shareholders.

Cessation:

Dr. Bhaskar Das, Chairman of the Board of Directors of your Company resigned from the Board with effect from September 28, 2012.

Mr. D.N. Shukla, Director of the Company resigned from the Board of Directors of your Company with effect from April 20, 2013.

The Board of Directors place on record their deep appreciation of the valuable services rendered as well as advice and guidance provided by Dr. Bhaskar Das and Mr. D.N. Shukla during their tenure.

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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 have 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, 2013 and of the profit of the Company for the year ended March 31, 2013.
- (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.

APPOINTMENT OF INTERNAL AUDITORS:

M/s. Shrikant Kulkarni & Associates, Chartered Accountants, have been re-appointed as Internal Auditors of the Company.

AUDITOR'S AND AUDITOR'S REPORT:

M/s. V.B. Goel & Co., Chartered Accountants, the Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have indicated their willingness to accept reappointment and have further furnished necessary Certificate in terms of Section 224 (1B) of the Companies Act, 1956.

The observations made by the Auditors in their Report referring to the Notes forming part of the Accounts are self-explanatory and therefore, do not require any further comments under Section 217(3) of the Companies Act, 1956.

LISTING:

The Company's Equity Shares are presently listed with BSE Limited and The National Stock Exchange of India Ltd. The listing fees for the financial year 2013-14 have been paid to both the Stock Exchanges.

CORPORATE GOVERNANCE:

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report. The requisite Certificate from Ms. Dipti Mehta, Practicing Company Secretary, confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is annexed hereto and forms part of this report.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS:

The particulars as required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 on conservation of energy and technology absorption is not applicable to your Company, since your Company is not a manufacturing Company.

There were no foreign exchange earnings or outgo during the year.

PARTICULARS OF EMPLOYEES:

During the year, no employee of the Company was in receipt of remuneration exceeding the sum prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

ACKNOWLEDGMENTS:

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

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

Place : Mumbai **S.SIVAKUMAR** **SHRIJEET MISHRA**
Date : May 29, 2013 Director Director

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.

2 BOARD OF DIRECTORS

Composition and Size of the Board

The present strength of the Board is four out of which two Directors are independent Directors. All the Directors are non-executive Directors. The composition of the Board and the category of the Directors as well as details of their directorship in other companies/ committees are given below:

Director	Executive / Non-Executive/ Independent	No. of Other Directorship(s)/Board Committees	
		Directorships@	Committees #
Dr. Bhaskar Das (Upto September 28, 2012)	Chairman,	N.A.	N.A.
Mr. S. Sivakumar	Non-Executive	9	3
Mr. D.N. Shukla (Upto April 20, 2013)	Non-Executive	N.A.	N.A.
Mr. Avinash Jain	and Independent	-	-
Mr. Arun Arora	Non-Executive	6	-
Mr. Shrijeet Mishra (w.e.f. October 29, 2012)	and Independent	11	2
	Non-Executive		

1. @ Includes Alternate Directorships, Directorships in Private Limited Companies and Companies registered under Section 25 of the Companies Act, 1956

2. #Memberships of all Board Committees have been considered

Number of Board Meetings

Four Board Meetings were held during the financial year 2012-2013. The dates on which the Board Meetings were held were as follows:

May 22, 2012, July 27, 2012, October 29, 2012 and January 29, 2013.

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Attendance of each Director at the Board Meetings held during the financial year 2012 - 2013 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 (Upto September 28, 2012)	2	2	Yes
Mr. S. Sivakumar	4	4	Yes
Mr. Arun Arora	4	4	No
Mr. D. N. Shukla (Upto April 20, 2013)	4	4	Yes
Mr. Avinash Jain	4	4	Yes
Mr. Shrijeet Mishra (w.e.f. October 29, 2012)	2	2	NA

Details of Directors Seeking Re-Appointment

Mr. Arun Arora : Mr. Arun Arora was appointed as a Director of the Company at the Annual General Meeting held on September 22, 2011. Mr. Arun Arora is a Harvard alumnus, a Chemical Engineer, fellow of Indian Institute of Chemical Engineers, and is currently the Chairman Emeritus - World HR Congress and Founder Chairman - Edvance Pre-schools Pvt. Ltd. In the past, Mr. Arun Arora was CEO of The Times of India Group, founder CEO of Sony Entertainment Television, Chairman - United News of India, Vice-Chairman - Radio Mirchi and Vice-Chairman - Times of Money Ltd. He has had a thirty-five year long illustrious career in the media and is on the boards of several companies. Mr. Arun Arora was involved in setting up many new businesses across media platforms in print, radio, television, music and home entertainment. Brands launched by him include Times Music, Zoom, Times Multimedia and Planet M. He is also Director of Edvance Online Pvt. Ltd., Setco Automotive Ltd., SE TransStadia Pvt. Ltd., Edvance Learning Pvt. Ltd., Edvance Pre-Schools Pvt. Ltd. and Worldwide Media Pvt. Ltd. He spearheaded the formation of various joint ventures of Bennett, Coleman & Co. Ltd. Worldwide Media Pvt. Ltd. was formed as a JV with BBC Worldwide to become the dominant magazine publishing company in India. Times Global Broadcasting Company Ltd. (earlier Times Global Broadcasting Pvt. Ltd.) was established as a JV with Reuters to launch Times Now.

Details of Additional Director to be appointed as Director :

Mr. Shrijeet Mishra : Mr. Shrijeet Mishra was appointed as an Additional Director of the Company in the meeting of the Board of Directors held on October 29, 2012. His term of office expires at the ensuing Annual General Meeting of the Company. The Company has received notice under Section 257 of the companies Act, 1956 proposing his appointment as a Director of the Company along with the requisite deposit.

Mr. Shrijeet Mishra has a Bachelor's degree in Economics and is a Post Graduate diploma holder in Business Management and has completed Advanced Management program at Wharton USA, in 2004. He has 24 years of renowned experience ranging from previous stints in HUL and Unilever. He is Executive Director of Bennett, Coleman & Co., Limited. He is also Director of Times VPL Limited, Times Centre for Learning Limited, Vardhaman Publishers Ltd., Brand Equity Treaties Limited, Centre for Excellence in Management Training And Development, Times Global Broadcasting Company Limited, Times Conferences Limited, Zoom Entertainment Network Ltd. and Mind Games Shows Private Limited. He is also the Director of Bombay Chamber of Commerce and Industry. He is a member of the Management Committee and Investments & Loans Committee of Bennett, Coleman & Co. Ltd. He is a member of the Shareholders' Grievance Committee of your Company.

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.

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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 management 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 management 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 Director 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 management in respect of the financial year 2012-13.

4. AUDIT COMMITTEE

At present, the Audit Committee comprises of Mr. S. Sivakumar and Mr. Avinash Jain pursuant to the resignation of Mr. D.N. Shukla from the Board of Directors of the Company as well as as the Chairman of the Audit Committee of the Company on April 20, 2013.

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 2012-13, the Audit Committee met four times. The dates on which the Audit Committee Meetings were held were as follows:

May 22, 2012, July 27, 2012, October 29, 2012 and January 29, 2013.

The Statutory auditors and Internal auditors were invitees to the Audit Committee Meetings. Details of members of the Committee and their attendance are given below:

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Name	Number of meetings attended
Mr. D. N. Shukla, Chairman of the Audit Committee (Non-executive and Independent Director) (upto April 20, 2013)	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 Mr. S. Sivakumar and Mr. Shrijeet Mishra as its members. Mr. S. Sivakumar has acted as the Chairman during the Committee meetings after Dr. Bhaskar Das ceased to be the Chairman of the Committee on his resignation from the Company w.e.f. September 28, 2012. The Committee considered transfer of shares and redressed shareholders' and investors' complaints.

Name and Designation of Compliance Officer:

Ms. Swapna Ranade, Company Secretary.

Number of Complaints:

During the year 2012-13, Company's Registrar & Share transfer agent, M/s. Sharepro Services (India) Pvt. Ltd. received 1 complaint which has been resolved. There was no transfer of shares pending as on March 31, 2013.

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 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.
- (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 design or operation of internal controls, if any, of which she is aware and the steps she has taken or proposes to take to rectify these deficiencies.