

38th ANNUAL REPORT 1999-2000

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FGP LIMITED

Directors

M. A. Bakre
T. M. Elavia
M. M. Sabharwal
Dr. K. K. Sharma
P. F. Simms

Manager

K. C. Shete

Registered Office

9, Wallace Street,
Fort, Mumbai 400 001

Solicitors & Advocates

Crawford Bayley & Co.

Auditors

A. F. Ferguson & Co.

Bankers

ANZ Grindlays Bank
State Bank of India

Registrars & Transfer Agents

Sharepro Services
Satam Estate, 3rd Floor
Cardinal Gracias Road,
Opp. Hindustan Lever Research Centre
Chakala, Andheri (East), Mumbai - 400 099.

NOTICE

FGP LIMITED

NOTICE is hereby given that the Thirty Eighth Annual General Meeting of the members of FGP Limited will be held at Sunville, Banquet and Conference Hall, 9, Dr. Annie Besant Road, Worli, Mumbai 400 018 on Thursday, September 21, 2000 at 11.00 a.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2000 and the Profit and Loss Account for the year ended on that date and the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Shri P.F.Simms who retires by rotation and is eligible for reappointment.
3. To appoint Auditors and to fix their remuneration and in this connection to pass with or without modifications, the following Resolution as an Ordinary Resolution, provided that in the event of the provisions of Section 224A of the Companies Act, 1956, becoming applicable to the Company on the date of holding of this meeting the same will be proposed as a Special Resolution:

"RESOLVED THAT M/s.A.F.Ferguson & Company, Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company, at a remuneration to be mutually agreed between the Board of Directors of the Company and the Auditors, in addition to reimbursement of all out of pocket expenses in connection with the audit of the Company".

SPECIAL BUSINESS :

4. To appoint a Director in place of Shri T.M.Elavia, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office upto the date of the forthcoming Annual General Meeting in accordance with Section 260 of the Companies Act, 1956, but who is eligible for appointment and in respect of whom the

Company has received a notice under section 257 of the Companies Act, 1956 in writing proposing his candidature for the office of Director.

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 387 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, including any Statutory modification or re-enactment thereof, for the time being in force, the Company in general meeting hereby approves the appointment of Shri Kishore C.Shete as Manager of the Company for a period of two years with effect from January 28, 2000 on the terms and conditions and remuneration (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) as set out in the explanatory statement which statement be and it is hereby specifically approved".

"FURTHER RESOVLED THAT the Board of Directors of the Company be and is hereby authorised to vary any of the terms of remuneration in consultation with Manager provided such variation is in accordance with the provisions in part II of Schedule XIII of the Companies Act, 1956 and/or the provisions of law as may be applicable thereto from time to time".

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

"RESOLVED THAT pursuant to the provisions of Section 31 of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered in the following manner:

The following Article be and is hereby inserted as Article 13A after the existing Article 13 thereof:

13A Notwithstanding anything contained in these Articles and in pursuance of

Sections 77A, 77AA and 77B of the Act, the Company may, when and if thought fit, buyback such of the Company's own shares or other securities as it may consider appropriate subject to such limits, restrictions, terms and conditions, and approvals as may be required under the provisions of the Act."

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

"RESOLVED THAT pursuant to the provisions of Section 149(2A) and other applicable provisions, if any, of the Companies Act, 1956, approval be and is hereby granted to the commencement by the Company of running and conducting the business of a Business Centre in any part of India as allowed by clause 34 of the object clause of Memorandum of Association of the Company".

NOTES :

1. The relative explanatory statement in respect of business at item Nos. 3 to 7 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
3. THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 21, 2000 to

Thursday, September 28, 2000 (both days inclusive).

5. The Company has already transferred all unclaimed dividend declared upto the Financial Year ended 31st March, 1995 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Those shareholders who have so far not claimed or collected their dividend upto the aforesaid Financial Year may claim their dividend from the Registrar of Companies, Maharashtra. Hakoba Mills Compound, 2nd floor, Kalachowki, Mumbai 400 033.
6. Pursuant to the provision of Section 205A of the Companies Act, 1956, as amended, dividend for the Financial Year ended 31st March, 1996 and thereafter, which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund (IEPF). Shareholders who have not encashed the Dividend Warrant(s) so far for the Financial Year ended 31st March, 1996 or any subsequent Financial Year are requested to make their claim to the office of the Registrar and Transfer Agents, M/s.Sharepro Services. It may also be noted that once the unclaimed dividend is transferred to the IEPF, as above,, no claim shall lie in respect thereof as against the Company.
7. Members are requested to notify promptly any change in their addresses to the Company's Registrars and Share Transfer Agents.
8. The shares of the Company are listed on the Stock Exchange, Mumbai and Hyderabad Stock Exchange. The Company has paid listing fees to both the Stock Exchanges for the year 2000-2001.

Under the Authority of the Board of Directors

Registered Office :
9, Wallace Street,
Fort, Mumbai - 400 001.
Dated : July 28, 2000.

K. C. Shete
Manager

ANNEXURE TO THE NOTICE**Explanatory statement under Section 173 of the Companies Act, 1956.**

1. In terms of Section 173 of the Companies Act, 1956, the following explanatory statements set out all material facts relating to Items 3, 4, 5, 6 & 7 of the accompanying Notice dated July 28, 2000.

2. **Item No.3 :** Section 224A of the Companies Act, 1956 provides that in the case of companies in which not less than 25% of the subscribed share capital of the Company, is held, whether singly or in any combination by Financial Institutions, Nationalised Banks, Insurance Companies and other Bodies specified in that section, the appointment of Auditors is to be made by a Special Resolution. The total shareholding of the aforesaid categories of Members as on the date of this Notice is close to 25% of the subscribed share capital of the Company. However, if by, or on the date of the Annual General Meeting, the shareholding of the aforesaid categories of Members goes up further and is 25% or more of the subscribed share capital of the Company, the Resolution for the appointment of Auditors shall be moved as a Special Resolution.

None of the Directors of the company is concerned or interested in the said Resolution.

3. **Item No.4 :** Shri T.M. Elavia was appointed as Additional Director of the Company by the Board of Directors on January 28, 2000. By virtue of Section 260 of the Companies Act, 1956 he holds office up to the date of the forthcoming Annual General Meeting and is eligible for appointment. The Company has received a notice under section 257 of the Companies Act, 1956 from a member of the Company proposing the name of Shri. T. M. Elavia as a candidate for the office of Director.

None of the Directors, except Shri. T. M. Elavia, is concerned or interested in the said Resolution.

4. **Item No.5 :** Shri Kishore C. Shete was appointed as Manager of the Company for a period of two years with effect from January 28, 2000. The principal terms and conditions of his appointment are as follows:

- a. Salary of Rs.20,100/- per month.
- b. Special Allowance of Rs.18,050/- per month.
- c. Perquisites : In addition to the above salary and special allowance, the Manager shall be entitled to the following perquisites:
 - (i) Residential Accommodation or House Rent Allowance at the rate of 60% of the basic salary, House Repairs & Maintenance, decoration and paintings together with utilities thereof, such as, gas, electricity, water, furnishings repairs, society charges and property taxes as may be approved by the Board.
 - (ii) Reimbursement of Medical Expenses incurred for self and family subject to a maximum of one month consolidated basic salary per annum and Hospitalisation benefit as per the Company's scheme.
 - (iii) Leave Travel Concession for self and family once in a year in accordance with the rules of the Company or as may be agreed to by the Board of Directors.
 - (iv) Fees of clubs/membership fees for professional bodies.
 - (v) Personal Accident Group Insurance policy in accordance with the rules of the Company.
 - (vi) Reimbursement of expenses towards books and periodicals as per the rules of the Company.

- (vii) Company's car with driver as per the rules of the Company.
- (viii) Telephone at the residence of the Manager.

The above perquisites shall be evaluated as per the Income tax rules wherever applicable. In the absence of such rules, perquisites will be evaluated at actual costs.

Where in any financial year during the currency of the tenure of Manager, the Company has made no profits or its profits are inadequate, the Company shall pay to the Manager the above salary and perquisites not exceeding the ceiling limits prescribed in Schedule XIII of the Companies Act, 1956 as Minimum Remuneration.

- d. The Manager shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified hereinabove:
 - i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961.
 - ii) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.
 - iii) Earned privilege leave at the rate of one month's leave for every eleven months of service. The Manager shall be entitled to encash leave at the end of his tenure as Manager.

The Board commends the approval by the members of the appointment of Manager and payment of remuneration to him.

- 5. **Item No.6 :** As per the provisions of Sections 77A, 77AA and 77B of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 1999, the Company can purchase its own shares and other securities subject to such restrictions and conditions as have been imposed in

the aforesaid provisions. At present, the Articles of Association of the Company do not permit the Company to purchase its own shares or securities. Therefore, the Articles of Association of the Company are proposed to be altered by inserting a new Article 13A as set out in the Special Resolution at Item No.6 of the accompanying Notice to enable the Company to purchase its own shares and/or securities.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations will be available for inspection by the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day except Saturday.

None of the Directors of the Company is interested in the said resolution.

- 6. **Item No.7 :** Clause 34 in the Object clause of the Company's Memorandum of Association, inter alia, authorises the Company to carry on any other business calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights or which it may be advisable to undertake with a view to improving, developing, rendering valuable or turning to account any property, real or personal, belonging to the Company or in which the Company may be interested and to do all or any of the above things either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with others, and either by or through agents, sub-contractors, trustees or otherwise. The Company has premises which it intends to put to productive use. For this purpose the Company proposes to commence the business of a Business Centre.

In accordance with the provisions of Section 149(2A) of the Companies Act, 1956, consent of the members by a Special

Resolution is required for commencing the said business as set out in the above clause of Memorandum of Association of the Company.

A printed copy of the Memorandum and Articles of Association of the Company will be

available for inspection by the members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day except Saturday.

None of the Directors of the Company is in any way concerned or interested in this Special Resolution.

Under the Authority of the Board of Directors

Registered Office :
9, Wallace Street,
Fort, Mumbai - 400 001.
Dated : July 28, 2000.

K. C. Shete
Manager

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DIRECTORS' REPORT

To,
The Members
FGP Limited

The Directors present their Thirty-Eighth Annual Report together with the Statement of Accounts for the year ended March 31, 2000.

Financial results

	(Rs. in Lakhs)	
	1999-2000	1998-1999
Gross Profit / (Loss)	(1335.38)	(2347.08)
Less : Provision for depreciation	28.18	371.04
(Loss) before tax	(1363.56)	(2718.12)
Add : Balance brought forward from last year	(1143.33)	-
Loss before appropriations	(2506.89)	(2718.12)
Amount transferred from General Reserve	-	1574.79
Balance Loss Carried to Balance Sheet	(2506.89)	(1143.33)

Dividend

In absence of profits, the Directors regret their inability to recommend dividend.

Operations

Pursuant to the Members' approval in the Annual General Meeting held on 29th September, 1999 regarding Thane properties, the Company has taken various steps to obtain the final approval from the State Government under Urban Land Ceiling Act, such as, providing vacant land for survey by demolishing the structures and disposing of the plant and machinery, submission of Development plans to Thane Municipal Corporation for obtaining relevant sanctions.

Deposits

The Company has repaid deposits amounting to Rs.26,91,000/- during the year and the balance amount of Rs.2,60,000/- is outstanding as on 31.03.2000.

Y2K Compliance

The present computerised system (both hardware and software) of the Company meets the requirement of Y2K compliance.

Dematerialisation of Shares

The Company is in the process of entering into an arrangement with National Securities Depositories Limited (NSDL) and Central Depositories Services Limited (CDSL) for dematerialisation of your Company's shares in accordance with the provisions of the Depositories Act, 1996. With this the members will have the option/discretion to hold their shares in demat form in the Company through NSDL or the CDSL.

Directors

Shri P.F.Simms would retire by rotation at the ensuing Annual General Meeting and is eligible for reappointment.

Shri A.D.Joshi, resigned as Director with effect from January 1, 2000 and Shri K. V. Gopalakrishnan, resigned as Manager with effect from January 10, 2000. The Board places on record its appreciation of the valuable advice and guidance given by Shri A.D.Joshi and the services rendered by Shri K.V.Gopalakrishnan during their association with the Company.

Shri T M Elavia was appointed Additional Director of the Company by the Board of Directors on January 28, 2000. By virtue of Section 260 of the Companies Act, 1956, he would hold office up to the date of the ensuing Annual General Meeting and is eligible for appointment.

Shri Kishore C. Shete was appointed as Manager of the Company for a period of two years with effect from January 28, 2000. Necessary resolution for approval by the shareholders of the said appointment will be proposed at the ensuing Annual General Meeting of the Company.

Particulars of Employees

The statement relating to particulars of employees of the Company in terms of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is annexed hereto and forms part of this report.