

FGP LIMITED

45TH ANNUAL REPORT
2006 - 2007

Directors

M. A. Bakre
T. M. Elavia
Vimal Kejriwal
H. N. Singh Rajpoot
P. F. Simms
R. Jhunhunwala
(Alternate Director to P.F.Simms)

Manager

Kishore Shete

Registered Office

9,Wallace Street,
Fort,Mumbai 400 001.

Solicitors & Advocates

Crawford Bayley & Co.
Desai & Chinoy.

Auditors

A. F. Ferguson & Co.

Bankers

ICICI Bank Ltd.

Registrars & Transfer Agents

Sharepro Services (India) Pvt. Ltd.

Satam Estate, 3rd Floor,
Above Bank of Baroda,
Cardinal Gracious Road,
Chakala, Andheri (East),
Mumbai - 400 099.

Index

Sr. No.	Description	Page No.
1	Notice	1
2	Directors' Report	3
3	Management Discussion and Analysis	6
4	Report on Corporate Governance	7
5	Auditors' Report	15
6	Financial Statements	20
7	Cash Flow Statement	34
8	Balance Sheet Abstract	36
9	Consolidated Financial Statements including Auditors' Report	37
10	Consolidated Cash Flow Statement	50
11	Summary Financials of Subsidiary	52

NOTICE

Notice is hereby given that the Forty Fifth Annual General Meeting of the members of FGP Limited will be held at Sasmira Hall, Sasmira Marg, Worli, Mumbai 400 030 on Friday, 28th September, 2007 at 11.00 a.m. to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2007 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 Mr. T. M. Elavia who retires by rotation and is eligible for reappointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

4. To appoint a Director in place of Mr. Vimal Kejriwal, who was appointed as a Director with effect from 28th June, 2005 in the casual vacancy caused by the resignation of Mr. Mahesh Gupta as a Director of the Company and who holds office upto the date of this Annual General Meeting pursuant to the provisions of Section 262 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director.

NOTES :

1. The relative explanatory statement under Section 173 of the Companies Act, 1956 in respect of the business at item No. 4 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 Friday, 21st September, 2007 to Friday, 28th September, 2007 (both days inclusive).
5. Members are requested to notify promptly any change in their addresses to the Company's Registrar and Share Transfer Agents, M/s. Sharepro Services (India) Pvt. Ltd., Satam Estate, 3rd Floor, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai 400 099.

Registered Office:

9, Wallace Street,
Fort, Mumbai 400 001.

Dated: June 28, 2007

Under the Authority of the Board of Directors

Kishore Shete
Manager

ANNEXURE TO NOTICE**Explanatory Statement under Section 173(2) of the Companies Act, 1956****ITEM NO.4:**

Mr. Vimal Kejriwal was appointed as a Director with effect from 28th June, 2005 in the casual vacancy caused by the resignation of Mr. Mahesh Gupta as a Director of the Company. By virtue of Section 262 of the Companies Act, 1956, Mr. Vimal Kejriwal will hold office upto the date of this Annual General Meeting and is eligible for

appointment. The Company has received a notice under Section 257 of the Companies Act, 1956 alongwith the requisite deposit from a member of the Company proposing his candidature for the office of Director.

The Board commends your approval to the said appointment.

None of the Directors of the company except Mr.Vimal Kejriwal is concerned or interested in the resolution for his appointment as Director of the Company.

Registered Office:

9, Wallace Street,
Fort, Mumbai 400 001.

Under the Authority of the Board of Directors

Dated: June 28, 2007

Kishore Shete
Manager

DIRECTORS' REPORT

The Directors have pleasure in presenting the Forty Fifth Annual Report together with the Statement of Accounts for the year ended March 31, 2007 :

FINANCIAL RESULTS:

(Rs. in lakhs)

	2006-2007	2005-2006
Gross Profit/(Loss)	20.63	3.55
Less : Depreciation	1.07	1.08
Profit/(loss) before Tax	19.56	2.47
Less: Fringe Benefit Tax	0.25	0.22
Add/(less): Taxation adjustment in respect of earlier year	-	17.00
Profit/(Loss) after Tax	19.31	19.25
Add : Balance brought forward from previous year	(1,547.61)	(1,566.86)
Profit/(loss) carried to Balance sheet	(1,528.30)	(1,547.61)

DIVIDEND:

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

OPERATIONS:

During the year under review, the Company earned income of Rs. 18.00 Lakhs from business centre activity towards service charges. For various reasons, the business centre activity has not picked up in India, which has affected the operations of the Company. But the Company would continue to strive for better occupancy rate in the current year.

DEPOSITS:

The balance amount of fixed deposits of Rs. 6,000/- was outstanding as on March 31, 2007.

LISTING:

The Equity Shares of the Company are listed at the Stock Exchange, Mumbai. The company has paid the Annual Listing Fees to the Stock Exchange, Mumbai for the year 2007-2008.

DIRECTORS:

Mr.T.M.Elavia would retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Mr. Vimal Kejriwal was appointed as a Director on 28th June, 2005 in the casual vacancy caused by the resignation of Mr. Mahesh Gupta as Director of the Company. He would hold office of Director upto the date of the ensuing Annual General Meeting of the Company and is eligible for appointment.

Brief resume of the above Directors, nature of their experience in specific functional areas and names of the companies in which they hold directorship and membership/ chairmanship of committees of the Board, as stipulated under clause 49 of the Listing Agreement with the stock Exchange are given in the section on Corporate Governance in the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

As specifically required under the Companies Act, 1956, your Directors state that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

- (ii) such accounting policies have been selected which have been applied consistently and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company in the Balance Sheet for the financial year ended March 31, 2007 and of the Profit made for the said financial year, i.e. April 1, 2006 to March 31, 2007;
- (iii) proper and sufficient care for the maintenance of adequate accounting records have been taken 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 Annual Accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE:

Pursuant to clause 49 of the Listing Agreement with the Stock Exchange, Reports on Management Discussion & Analysis and on Corporate Governance along with a certificate from the Auditors form part of this Annual Report.

PARTICULARS OF EMPLOYEES:

The Company does not have any employee whose particulars are required to be given pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

PARTICULARS UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956:

During the year, the Company had strict control on expenditure.

Foreign Exchange Earnings : Rs. NIL

Foreign Exchange Outgo : Rs. NIL

SUBSIDIARY COMPANY:

The consolidated financial statements of the Company and its subsidiary RPG Itochu Finance Limited have been prepared by the Company in accordance with the requirements of the Accounting Standards issued by the Institute of Chartered Accountants of India. The consolidated profit/(loss) before tax for the year 2006-07 was Rs. 20.28 Lakhs compared to Rs. (31.62) Lakhs in the previous year and the profit/(loss) after tax was Rs. 20.09 Lakhs compared to Rs. (14.84) Lakhs in the previous year.

On an application made by the Company under Section 212(8) of the Companies Act, 1956, the Central Government vide its letter dated 16th April, 2007 exempted the Company from attaching a copy of the Balance Sheet, Profit & Loss Account, Directors' Report and Auditors' Report of the Subsidiary Company and other documents required to be attached under Section 212(1) of the Act to the Balance Sheet of the Company. Accordingly, the said documents are not being attached with the Balance Sheet of the Company. A gist of the financial performance of the subsidiary Company is

contained in the Report. The Annual Accounts of the subsidiary company are open for inspection by any member/ investor and the Company will make available these documents/ details upon request by any Member of the Company or to any investor of its subsidiary company who may be interested in obtaining the same. Further, the annual accounts of the subsidiary company will also be kept for inspection by any investor at the Company's Registered Office and that of the subsidiary company concerned.

AUDITORS:

M/s. A. F. Ferguson & Co., Chartered Accountants, the Auditors of the company would retire at the ensuing Annual General Meeting and are eligible for reappointment.

Members are requested to appoint Auditors and to fix their remuneration.

ACKNOWLEDGEMENT:

The Board wishes to thank the employees and shareholders for their continued support and for the faith they have reposed in FGP.

Report



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For and on behalf of the Board of Directors

Mumbai
Date: June 28, 2007

T. M. Elavia
Director

H.N.Singh Rajpoot
Director

MANAGEMENT DISCUSSION AND ANALYSIS

This report is in compliance with Para IV of Clause 49 of the Listing Agreement with the Stock Exchanges, titled "Corporate Governance", which is required to be part of this Annual Report to the Shareholders.

INDUSTRY STRUCTURE AND DEVELOPMENTS:

The main activity of the Company is business centre activity. Positive trends are continuing in the economy and as expected the requirement of office space by the Corporate is promising which is further to increase in future and in turn will give boost to the Company's activity. Worldwide this activity is widely used by the business enterprises, the concept is not picking up in the same way in India.

However, your management has increased the business center activities by increasing the number of occupants during the year. Accordingly, the current year Business center income has been doubled during the year and the revenue from the same is increased to Rs.18.00 Lacs as compared to Rs. 9.05 Lacs last year.

OPPORTUNITIES AND THREATS:

Your Company's Business Centre is strategically located in Fort area of Mumbai. As there is a limitation for expansion of the office space by corporate in that area, there is an opportunity for your Company to offer its business centre facility.

On the other hand there is a preference by various corporate to shift their base to suburbs where there is greater scope to have a larger area keeping in mind their growth prospects and the springing up of major large and modern commercial complexes in the suburbs of Mumbai City. Moreover, the office space is available at much reasonable rates in the suburbs. However, some of them would like to keep a suitable establishment in the Fort area, which would be an opportunity to the Company.

The company has exploited this opportunity by increasing the number of occupants during the year. The company further expects the increase in the occupancy rate during the current year.

OUTLOOK:

Looking at the above-mentioned facts, the future prospects for the business centre activity are moderate.

RISKS AND CONCERNS:

There are no risks or concerns other than those, which are peculiar to your Company's business activity. Spiraling property prices and better infrastructure in suburbs has forced corporate to shift their base to suburbs. This is a potential risk for long term growth of the Company.

INTERNAL CONTROL SYSTEMS AND ADEQUACY:

The Company has established a well-defined internal control system to monitor the occupancy rate and operating cost, which are very critical factors from your Company's performance point of view. Any kind of adverse factors are immediately reported to Board for their analysis and necessary action.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

Company has taken necessary measures to control the operating cost and judiciously utilize its funds by making temporary investments whenever funds are available.

HUMAN RESOURCES:

Your Company recognizes the value of human resource, which plays a vital role in overall performance of the company. Your Company continues with the policy of outsourcing for all routine jobs to reduce the fixed costs.

CAUTIONARY STATEMENT:

As stated in the beginning, this Report to the Shareholders is, in compliance with the Corporate Governance Standard incorporated in the Listing Agreement with the Stock Exchange and as such cannot be construed as holding out for any forecasts, projections, expectations, invitations, offers, etc. within the meaning of applicable securities, laws and regulations. This report basically seeks to furnish information, as laid down within the different headings provided under the sub-head Management Discussions and Analysis to meet the Listing Agreement requirements.

Identified as having been approved by the
Board of Directors of FGP Limited

Kishore Shete
Manager

Mumbai - Date: June 28, 2007

REPORT ON CORPORATE GOVERNANCE

(Pursuant to clause 49 of the Listing Agreement)

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy of Corporate Governance is to protect the long-term

interest of the shareholders while respecting interest of other stakeholders and society at large.

The Company is committed to good corporate governance and transparency in its dealings and lays emphasis on integrity and regulatory compliance.

2. BOARD OF DIRECTORS

The present strength of the Board of Directors of the Company consists of six members. Composition and category of Directors are as follows:

Name of Director	No. of Board Meetings attended	Attendance at the last AGM	Directorship in other Companies excluding private companies in India	No. of Committees in which Chairman or Member	
				other than FGP Limited	
				Member	Chairman
Mr. M. A. Bakre	5	No	2	1	2
Mr. T. M. Elavia	5	Yes	3	2	Nil
Mr. P. F. Simms	Nil	No	Nil	N.A.	N.A.
Mr. Rabindranath Jhunjunwala	2	No	Nil	Nil	Nil
Mr. Vimal Kejriwal	5	No	1	1	Nil
Mr. H. N. Singh Rajpoot	4	Yes	7	2	Nil

All the above directors are Independent and Non Executive.

None of the directors of the company hold any equity shares in the company.

Board Meetings

Five Board Meetings were held during the year 2006-2007. The dates on which the said meetings were held are as follows:

April 28, 2006 / June 29, 2006 / July 27, 2006 / October 30, 2006 and January 29, 2007.

The company has a process to provide the information to the Board as required under Annexure IA to clause 49 of the Listing Agreement.

All the directors have made necessary disclosures about the committee positions, they occupy in other companies.

The company has not entered into any materially significant transactions during the year under report with promoters, directors, senior management personnel etc. other than