

FGP LIMITED

47TH ANNUAL REPORT
2008 - 2009

Directors

T.M.Elavia
Vimal Kejriwal
H.N.Singh Rajpoot
P.F.Simms
R.Jhunjunwala
(Alternate Director to P.F.Simms)
Ajit Singh Chouhan

Manager

Kishore Shete

Registered Office

9,Wallace Street,
Fort,Mumbai 400 001

Solicitors & Advocates

Crawford Bayley & Co.
D'Lima & Associates

Auditors

J.R.Sumondy & Co.

Bankers

ICICI Bank Ltd.

Registrars & Transfer Agents

Sharepro Services (India) Pvt.Ltd.
13AB/2nd Floor,
Samhita Warehousing Complex,
Sakinaka Telephone Exchange Lane,
Off. Andheri Kurla Road,
Sakinaka, Andheri (East),
Mumbai - 400 072.

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NOTICE

Notice is hereby given that the Forty Seventh Annual General Meeting of the members of FGP Limited will be held in the auditorium of TEXTILES COMMITTEE complex, P.Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai, 400 025, on Wednesday, 30th September, 2009 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, 2009 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. H. N. Singh Rajpoot who retires by rotation and is eligible for reappointment.
3. To appoint a Director in place of Mr. T. M. Elavia who retires by rotation and is eligible for reappointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 163 and all other applicable provisions, if any, of the Companies Act, 1956 the Register of Members, Index of Members and other related books be kept at the premises of the Company's Registrar and Transfer Agents viz. Sharepro Services (India) Private Limited, at 13AB / 2nd Floor, Samhita Warehousing Complex, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai-400072 and also at 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai-400021."

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 A PROXY NEED NOT BE A MEMBER.
2. 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.
3. The relevant Explanatory Statement under Section 173 of the Companies Act, 1956 in respect of the special business at item no.5 above is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday,

24th September, 2009 to Wednesday, 30th September, 2009 (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) Private Limited, at 13AB / 2nd Floor, Samhita Warehousing Complex, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai-400072.

Under the Authority of the Board of Directors

Registered Office:

9, Wallace Street
Fort, Mumbai 400 001.
Dated: July 24, 2009

Kishore Shete
Manager

ANNEXURE TO NOTICE**Explanatory Statement under Section 173 of the Companies Act, 1956****Item 5:**

Under the provisions of the Companies Act, 1956, (the Act) certain documents such as the Register and Index of Members, other related books and papers etc., are required to be kept at the Registered Office of the Company. However, these documents can be kept at any other place within the city, town or village in which the Registered Office of the Company is situated, with the approval of the members to be accorded by a Special Resolution.

M/s. Sharepro Services (India) Private Limited, Mumbai are the Registrar and Transfer Agents of the Company (RTA), who have been providing depository related services for the shares held in demat mode and also acting as the Share Transfer Agent for the shares held in physical segment. Hence, the approval of the members is sought in terms of Section 163(1) of the Act, for keeping the aforementioned Registers and documents at the premises of the RTA as stated in the resolution.

The Board of Directors recommend the resolution as set out at item 5 of the accompanying Notice for your approval.

Under the Authority of the Board of Directors

Registered Office:

9, Wallace Street
Fort, Mumbai 400 001.
Dated: July 24, 2009

Kishore Shete
Manager

DIRECTORS' REPORT

The Directors have pleasure in presenting the Forty Seventh Annual Report together with the Statement of Accounts for the year ended 31st March, 2009:

FINANCIAL RESULTS:

(Rs. in lakhs)

	2008- 2009	2007- 2008
Gross Profit / (Loss)	468.92	(633.18)
Less : Depreciation	1.04	1.07
Profit / (Loss) before Tax	467.88	(634.25)
Less: Fringe Benefit Tax	0.39	0.19
Add / (Less): Income Tax in respect of earlier year	—	0.17
Profit / (Loss) after Tax	467.49	(634.61)
Add : Balance brought forward from previous year	(2,162.91)	(1,528.30)
Profit / (Loss) carried to Balance sheet	(1,695.42)	(2,162.91)

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. 18.66 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.

LISTING:

The Equity Shares of the Company are listed at the Bombay Stock Exchange Ltd. The company has paid the Annual Listing Fees to the Stock Exchange, for the year 2009-2010.

DIRECTORS:

Mr. H. N. Singh Rajpoot and Mr. T. M. Elavia would retire by rotation at the ensuing Annual General Meeting and are eligible for re-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.

Mr. Madhukar A. Bakre, Director of the Company expired on 24th May, 2009. The Board places on record its appreciation of the valuable advice and guidance given by Mr. Bakre during his tenure as Director of the Company.

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 31st March, 2009 and of the Profit made for the said financial year, i.e. 1st April, 2008 to 31st March, 2009.
- (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 alongwith 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 2008-09 was Rs. 642.64 Lakhs compared to Rs. (540.05) Lakhs in the previous year and the profit / (loss) after tax was Rs. 642.25 Lakhs compared to Rs. (540.34) Lakhs in the previous year.

During the year under report the Company subscribed for 36,68,400 Equity Shares of Rs. 10/- each aggregating to Rs.3,66,84,000/- against the Rights issue of shares made by the subsidiary RPG Itochu Finance Limited.(RPG Itochu) The loan given by the Company to the subsidiary was adjusted to that extent towards the subscription amount of the said rights equity shares.

On an application made by the Company under Section 212(8) of the Companies Act, 1956, the Central Government vide its letter dated 14th July, 2009 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 RPG ITOCHU is contained in the Report. The Annual Accounts of RPG ITOCHU 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 RPG ITOCHU who may be interested in obtaining the same. Further, the annual accounts of the said company will also be kept for inspection by any investor at the Company's Registered Office and that of the RPG ITOCHU.

The company has since sold all of the shares held by it in RPG Itochu Finance Limited and consequently, RPG Itochu Finance Limited has ceased to be a subsidiary of the Company.

AUDITORS:

M/s. J. R. Sumondy & 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.

For and on behalf of the Board of Directors

H.N.Singh Rajpoot
Director

T.M.Elavia
Director

Mumbai

Date: July 24 , 2009

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 though this activity is widely used by the business enterprises, the concept is not picking up in the same way in India. The business center activities continue to be the same.

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.

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 corporates 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:

The Company's performance for the year under review has been in line with the previous years performance. The 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: July 24, 2009

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 total strength of the Board of Directors of the Company as on 31st March, 2009 consisted of seven members including one alternate Director.

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	6	Yes	6	4	3
Mr. P. F. Simms	Nil	No	Nil	N.A.	N.A.
Mr. Rabindranath Jhunjhunwala (Alternate to Mr.P.F.Simms)	Nil	No	Nil	N.A.	N.A.
Mr.Vimal Kejriwal	3	No	1	Nil	Nil
Mr.H.N.Singh Rajpoot	4	Yes	11	5	2
Mr.Ajit Singh Chouhan	2	Yes	4	Nil	Nil

* Expired on 24th May, 2009

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

Six Board Meetings were held during the year 2008-2009. The dates on which the said meetings were held are as follows:

April 30, 2008 / June 30, 2008 / July 7, 2008 / July 30, 2008 / October 20, 2008 and January 21 2009.

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 transactions if any, entered into in the normal course of company's business.

Information required under clause 49 IV-G of the Listing Agreement:

The particulars of Directors, who are proposed to be appointed / re-appointed at the forthcoming Annual General Meeting, are given below, as required pursuant to clause 49 of the Listing Agreement:

1. Name : Mr. T.M.Elavia

- Profession :
Advocate
- Qualifications :
LL.B, D.T.M, ACIS, FCS
- Experience :

Mr.T.M.Elavia has over 45 years of experience in Corporate Laws and Administration

- Other Directorships :
 - Bijur Delimon India Private Limited
 - Brabourne Enterprises Limited
 - CHI Investments Limited
 - e-RPG Ventures Limited
 - Octav Investments Limited
 - Summit Securities Limited
- Membership of Committees:
 - Brabourne Enterprises Limited
 - CHI Investments Limited
 - Octav Investments Limited
 - Summit Securities Limited

Mr.T.M.Elavia does not hold any equity shares in the company.

2. Name : Mr. H.N.Singh Rajpoot

- Qualifications :
M.A. (Eco.), BSc., LLB, AICWA, MIMA, FCS.
- Experience :

Mr.Rajpoot has experience of more than 31 years in Corporate Laws, Finance & Commercial Functions. He has worked in Senior Position in Organisations like National Textile Corporation Ltd., The Pradeshia Industrial & Investment Corporation of U.P.Limited (a State Financial Institution) & RPG Group Companies. He is presently, working as a Company Secretary & General Manager-Legal / Secretarial of CEAT Limited.

- Past Memberships

Member of Finance & Banking Committee of PHD Chambers of Commerce & Industry. Secretary/ Chairman of Kanpur and Lucknow, Chapters of the Institute of Company Secretaries of India and Vice Chairman of Professional Development Committee of Northern India, Regional Council of The Institute of Company Secretaries of India, New Delhi.

- Other Directorships :

- Atlantic Holdings Limited
- Basic Tele Services Limited
- Brabourne Enterprises Limited
- CHI Investments Limited
- Duncan Insurance Agency Limited
- e-RPG Ventures Limited
- Ice Stone Coffee & Desserts Limited
- Instant Holdings Limited
- Malabar Coastal Holdings Limited
- RPG Paging Services Limited
- RPG Telephone Limited

- Membership of Committees :
 - Brabourne Enterprises Limited
 - CHI Investments Limited
 - Instant Holdings Limited
 - RPG Paging Services Limited
 - RPG Telephone Limited

Mr.H.N.Singh Rajpoot does not hold any equity shares in the company.

3. CODE OF CONDUCT

The Board has laid down a code of conduct for all Board members and senior management personnel of the company which is posted on the company's website. All the board members and senior management personnel have affirmed compliance with the said code of conduct.

4. AUDIT COMMITTEE

The Audit Committee comprised solely of Qualified, Independent & Non-Executive Directors. The terms of reference to the Audit Committee cover the matters specified under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956 such as overseeing of the company's financial reporting process; recommending the appointment /

reappointment of statutory auditors; reviewing with the management annual financial statements; quarterly financial statements and other matters as covered under role of audit committee in clause 49. The audit committee has powers, inter-alia, to investigate any activity within its terms of reference and to seek information from any employee of the company/ company's subsidiary as well as seek outside legal and professional advice.

The members of audit committee have knowledge on financial matters and majority of them have accounting or related financial management expertise. The Chairman of the audit committee is an independent director.

The statutory auditors and finance personnel are invitees to the meetings of the audit committee.

The audit committee reviews all the information that are required to be mandatorily reviewed by it under corporate governance.

Six meetings of the committee were held during the year 2008-2009. The dates on which the meetings were held are as follows:

April 30, 2008 / June 30, 2008 / July 7, 2008 / July 30, 2008 / October 20, 2008 and January 21, 2009.

Composition and category of members is as follows:

Name of Director	Category	No. of Meetings Attended
Mr. H. N. Singh Rajpoot	Chairman	4
Mr. T. M. Elavia	Member	6
Mr. Vimal Kejriwal	Member	3

5. SUBSIDIARY COMPANY

The company has no material non-listed Indian subsidiary company. The company had one subsidiary company, the financial statements of which were regularly reviewed by the audit committee. As on date the company does not have a subsidiary.

6. REMUNERATION COMMITTEE

The Remuneration Committee comprised solely of Independent & Non-Executive Directors namely Mr. T. M. Elavia, Mr. Vimal Kejriwal and Mr. H. N. Singh Rajpoot.

Mr. H.N.Singh Rajpoot is the Chairman of the remuneration committee.

The remuneration committee deals with the matters specified in clause 49 of the Listing Agreement and

also reviews the overall compensation structure and policies of the company. No meeting of the committee was held during the year.

Since no Director is drawing any remuneration, details of the remuneration paid to the Directors are not given. However, following sitting fees are paid to the Directors for attending meetings of the Board of Directors.

Name of Director	Sitting Fees (Rs.)
Mr. M. A. Bakre	10,000
Mr. T. M. Elavia	12,000
Mr. P. F. Simms	Nil
Mr. Vimal Kejriwal	6,000
Mr. H.N.Singh Rajpoot	8,000
Mr. Rabindranath Jhunjunwala	Nil
Mr. Ajit Singh Chouhan	4,000
Total	40,000

The company does not have a scheme for grant of stock options.

7. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The Shareholders' / Investors' Grievance Committee comprised solely of Independent and Non -Executive Directors viz: Mr. T. M. Elavia, Mr. Vimal Kejriwal and Mr. H. N. Singh Rajpoot. Mr. T. M. Elavia is the Chairman of the Committee.

Six meetings of the committee were held during the year 2008-2009. The dates on which the meetings were held are as follows:

April 30, 2008 / June 30, 2008 / July 7, 2008 / July 30, 2008 / October 20, 2008 and January 21, 2009.

Composition and category of members is as follows:

Name of Director	Category	No. of Meetings Attended
Mr. T. M. Elavia	Chairman	6
Mr. Vimal Kejriwal	Member	3
Mr. H. N. Singh Rajpoot	Member	4

The queries received from investors are being regularly attended to and are being resolved. The committee also reviews these queries. Mr. Kishore Shete, Manager has been appointed as Compliance Officer of the company.