

**FGP LIMITED**

**48<sup>TH</sup> ANNUAL REPORT**  
**2009 - 2010**

## ***Directors***

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

## ***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 Eighth 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 Tuesday 28th September, 2010 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, 2010 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. Vimal Kejriwal who retires by rotation and is eligible for reappointment.
3. To appoint a Director in place of Mr. P.F. Simms who retires by rotation and is eligible for reappointment.
4. To consider and if thought fit to pass without modifications the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. Agarwal and Mangal, Chartered Accountants, Mumbai be and are hereby appointed as the Auditors of the Company in place of M/s. J.R. Sumondy & Co., Chartered Accountants to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration to be decided by the Board of Directors in consultation with the said Auditors plus out of pocket expenses, if any."

### SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 387 and other applicable provisions read with Schedule XIII 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 reappointment of Mr. Kishore Shete as Manager of the Company for a period of one year with effect from 1st April, 2010 to 31st March, 2011 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 Agreement dated

26th July, 2010 entered into between the Company and Mr. Kishore Shete which Agreement be and it is hereby specifically approved.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary any of the terms of remuneration in consultation with the 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."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all such steps as may be necessary or desirable to give effect to this resolution."

### 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 Wednesday, 22nd September, 2010 to Tuesday, 28th September, 2010 (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:

Commercial Union House,  
9 / Wallace Street,  
Fort, Mumbai - 400 001.  
Dated: 28th July, 2010

**Kishore Shete**  
Manager

## ANNEXURE TO NOTICE

### Explanatory Statement under Section 173 of the Companies Act, 1956

#### Item 4:

M/s. J.R. Sumondy & co., Chartered Accountants, the Auditors of the Company have informed the Company that they do not wish to seek reappointment as statutory Auditors of the Company for the financial year 2010-2011 at the ensuing Annual General Meeting of the Company. The Company has received a special notice from a member of the Company proposing the appointment of M/s. Agarwal & Mangal, Chartered Accountants, Mumbai as Auditors of the Company. M/s. Agarwal & Mangal, have confirmed that their appointment if made will be in accordance with the limits specified in Section 224(1B) of the Companies Act, 1956.

The Board recommends the appointment of M/s. Agarwal & Mangal, as Auditors of the Company.

#### Item 5:

Mr. Kishore Shete was re-appointed by the Board of Directors as Manager of the Company for a period of one year with effect from 1st April, 2010 to 31st March, 2011. The principal terms and conditions of the Agreement dated 26th July, 2010 entered into between the Company and Mr. Kishore Shete for his appointment as Manager are as follows:

##### (a) Basic Salary and Special Allowance:

	01.04.2010 to 31.03.2011 (Rs. Per Month)
Basic Salary	31,080
Special Allowance	24,865

##### (b) Perquisites:

In addition to the above salary and special allowance the Manager shall be entitled to the following perquisites.

- House Rent Allowance at the rate of 60% of the basic salary.
- Reimbursement of Medical Expenses incurred for self and family subject to a maximum of one month's basic salary per annum and Hospitalisation benefit as per the Company's scheme.
- Leave Travel Concession once in a year in accordance with the rules of the Company or as may be approved by the Board from time to time.
- Personal Accident Group Insurance policy in accordance with the rules of the Company.

v) Company's car and allowance for driver as per the rules of the Company.

vi) Telephone at the residence of Mr. Kishore Shete.

vii) Employees Deposit Link Insurance.

The remuneration will be subject to deduction of tax as per Income tax Act, 1961 and rules made thereunder.

- The remuneration, as determined aforesaid, from time to time, be paid and the perquisites provided to Mr. Kishore Shete, as minimum remuneration, in the event of loss or inadequacy of profit in any year, and the same shall be subject to such limits, as may be prescribed in Section II of Part II of Schedule XIII to the Companies Act, 1956, from time to time.
- The Manager shall also be entitled to the following perquisites, which shall not be included in the computation of the ceiling on minimum remuneration specified herein above.
  - 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.
  - Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.
  - Earned privilege Leave at the rate of one month's leave per year of service. The Manager shall be entitled to encash the balance Earned Privilege Leave on retirement.

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

The Agreement dated 26th July, 2010 for appointment of Mr. Kishore Shete as Manager is open for inspection by the members at the Registered Office of the Company on working days between 11.00 a.m. and 1.00 p.m.

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

Under the Authority of the Board of Directors

#### Registered Office:

Commercial Union House,  
9 / Wallace Street,  
Fort, Mumbai - 400 001.  
Dated: 28th July, 2010

**Kishore Shete**  
Manager

## DIRECTORS' REPORT

The Directors have pleasure in presenting the Forty-Eighth Annual Report together with the Statement of Accounts for the year ended 31st March, 2010:

### FINANCIAL RESULTS:

	(Rs. in lakhs)	
	2009- 2010	2008- 2009
Gross Profit/(Loss)	(42.19)	468.92
Less: Depreciation	0.92	1.04
Profit/(Loss) before Tax	(43.11)	467.88
Less: Fringe Benefit Tax	–	0.39
Profit/(Loss) after Tax	(43.11)	467.49
Add: Balance brought forward from previous year	(1,695.42)	(2,162.91)
Profit/(Loss) carried to Balance Sheet	(1,738.53)	(1,695.42)

### 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 2010-2011.

### DIRECTORS:

Mr. Vimal Kejriwal and Mr. P.F. Simms 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.

### DIRECTORS' RESPONSIBILITY STATEMENT:

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- 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, 2010 and of the Loss made for the said financial year, i.e. 1st April, 2009 to 31st March, 2010.

- 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;
- 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:

During the financial year the Company has sold off its stake in its only subsidiary company. As on 31st March, 2010, the Company does not have a subsidiary company.

### AUDITORS:

M/s. J.R. Sumondy & Co., Chartered Accountants, the Auditors of the Company have informed the Company that they do not wish to seek reappointment as statutory Auditors of the Company for the financial year 2010-2011 at the ensuing Annual General Meeting of the Company. The Company has received a special notice from a member of the Company proposing the Appointment of M/s. Agarwal & Mangal, Chartered Accountants, Mumbai as Auditors of the Company, M/s. Agarwal & Mangal, have confirmed that their appointment if made will be in accordance with the limits specified in Section 224(1B) of the Companies Act, 1956.

The Board recommends the appointment of M/s. Agarwal & Mangal, as Auditors of the Company.

### 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

**Vimal Kejriwal**  
Director

Mumbai

Date: 28th July, 2010

## **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 centre 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 corporates 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. Spiralling 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 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: 28th July, 2010

## 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, 2010 consisted of six 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 and Foreign Companies	No of Committees in which Chairman or Member (Other than FGP Limited)	
				Member	Chairman
Mr. M.A. Bakre *	1	No	—	—	—
Mr. T.M. Elavia	5	Yes	1	Nil	Nil
Mr. P.F. Simms	Nil	No	Nil	N.A.	N.A.
Mr. Rabindranath Jhunjunwala (Alternate to Mr. P.F. Simms)	3	No	1	—	—
Mr. Vimal Kejriwal	2	No	Nil	Nil	Nil
Mr. H.N. Singh Rajpoot	5	Yes	8	4	Nil
Mr. Ajit Singh Chouhan	5	Yes	4	Nil	Nil

\*Mr. M.A. Bakre expired on 24th May, 2009

All the above directors are Independent and Non-Executive.

None of the directors of the Company holds any equity shares in the Company.

#### Board Meetings

Five Board Meetings were held during the year 2009-2010. The dates on which the said meetings were held are as follows:

May 19, 2009/June 29, 2009/July 24, 2009/October 30, 2009 and January 28, 2010.

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. Vimal Kejriwal**

- Qualifications:  
B.Com./F.C.A./F.C.S./D.T.M

Mr. Kejriwal is a Chartered Accountant, having secured 8th rank in all India merit list. He is also a Qualified Company Secretary and also an Alumni of Kellogg School of Management, USA.

- Experience:

Mr. Kejriwal has vast experience of more than 27 years in Corporate Finance / Investment Banking/ General Management having worked in the Pharmaceutical, Fertilizer, Oil & Gas industries. He is at present an Executive Director – International Projects in KEC International Ltd.

- Other Directorships:

- KEC Power India Pvt. Ltd.
- RPG Transmission Nigeria Limited
- Hilltop Infrastructure, Inc. USA
- KEC Global Fz LLC

- Other Membership of Committees:  
- Nil

Mr. Vimal Kejriwal does not hold any equity shares in the Company.

### 2. Name: **Mr. P.F. Simms**

- Qualifications:  
Lib (Law Degree)

- Experience:

Wide experience in legal field. He is a CEO of Citi Legal Consultants Limited and holding directorship on the London based Companies.

- Other Directorships:

- Nil

- Other Membership of Committees:

- Nil

Mr. P.F. Simms 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.

A certificate to this effect given by Mr. Kishore Shete, Manager of the Company is attached to this report.

## 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 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.

Five meetings of the Committee were held during the year 2009-2010. The dates on which the meetings were held are as follows:

May 19, 2009/June 29, 2009/July 24, 2009/October 30, 2009 and January 28, 2010.

Composition and category of members is as follows:

Name of Director	Category	No. of Meetings Attended
Mr. H.N. Singh Rajpoot	Chairman	5
Mr. T.M. Elavia	Member	5
Mr. Vimal Kejriwal	Member	2

## 5. SUBSIDIARY COMPANY

During the financial year, the Company sold off its stake in its only subsidiary company. As on 31st March, 2010, the Company does not have a subsidiary Company.

## 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 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. During the financial year 2009-2010, the Committee met once on 28th January, 2010.