

**FGP LIMITED**

**50<sup>TH</sup> ANNUAL REPORT**  
**2011 - 2012**



***Directors***

T.M. Elavia

Vimal Kejriwal

H.N. Singh Rajpoot

Kishore Shete (Wholetime Director)

***Registered Office***

9, Wallace Street,  
Fort, Mumbai - 400 001.

***Solicitors & Advocates***

Crawford Bayley & Co.  
D'Lima & Associates

***Auditors***

Agarwal & Mangal

***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 Fiftieth Annual General Meeting of the members of FGP Limited will be held in the auditorium of **TEXTILES COMMITTEE complex**, P.Balu Road, Prabhadevi Chowk, Mumbai - 400 025, on **Tuesday, 25th September, 2012 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, 2012 and the statement of Profit and Loss 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 re-appointment.
3. To appoint a Director in place of Mr. H.N. Singh Rajpoot who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors and to fix their remuneration.

**SPECIAL BUSINESS:**

5. To appoint a Director in place of Mr. Kishore C. Shete, who was appointed as an Additional Director of the Company with effect from November 15, 2011, by the Board of Directors and who holds office upto the date of this Annual General Meeting pursuant to the provisions of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member alongwith requisite deposit proposing his candidature for the office of Director.
6. To consider and if thought fit, to pass with or without modification, the following resolution as a ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 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 appointment of Mr. Kishore C. Shete as the Wholetime Director of the Company for a period with effect from 15th November, 2011 to 31st March, 2014 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 1st March, 2012 entered into between the Company and Mr. Kishore C. Shete which Agreement be and it is hereby specifically approved.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter, increase and vary the remuneration including perquisites and allowances in consultation with the Wholetime

Director provided the total remuneration including perquisites and other allowances shall be within the maximum limits as laid down in Section II of part II of Schedule XIII to the Companies Act, 1956 and / or the provisions of law as may be applicable thereto from time to time."

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company, the Wholetime Director will be paid the above remuneration including the increased remuneration from time to time as minimum remuneration subject to the maximum limits provided in Section II of Part II of Schedule XIII of the Companies Act, 1956.

"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 Tuesday, 18th September, 2012 to Tuesday, 25th September, 2012 (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: 13th August, 2012

**Kishore Shete**  
Wholetime Director

## ANNEXURE TO NOTICE

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

#### Items 5 and 6:

Mr. Kishore C. Shete was appointed as an Additional Director of the Company by the Board of Directors effective from 15th November, 2011. By virtue of Section 260 of the Companies Act, 1956 Mr. Kishore Shete 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 requisite deposit from a member of the Company proposing his candidature for the office of Director.

Mr. Kishore Shete ceased to be the Manager with effect from 15th November, 2011 and was appointed by the Board of Directors as the Wholetime Director of the Company for a period with effect from 15th November, 2011 to 31st March, 2014. The Company has entered into an Agreement on 1st March, 2012 for his appointment as the Wholetime Director of the Company. The principal terms and conditions of the said Agreement are as follows:

#### 1) a. Basic Salary and Special allowance:

	15.11.2011 to 31.03.2014 (Rs. Per Month)
Basic Salary	33,600
Special Allowance	26,900

#### b. Perquisites:

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

- House Rent Allowance at the rate of 60% of the basic salary.
- Company maintained car and allowance for driver for official use as per the rules of the Company.
- Telephone at the residence of Mr. Shete for official use.
- 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.
- 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 be paid and the perquisites provided to Mr.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 Wholetime Director 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 Wholetime Director shall be entitled to encash the balance Earned Privilege Leave on retirement.

- This Agreement shall terminate automatically on the date, Mr.Shete completes his term as per the this Agreement, unless extended by the Company for any other period, in writing.
- Mr. Shete shall be responsible for day-to-day management of the business and affairs of the Company,
- Mr. Shete shall observe and also ensure observance of all Statutes, Rules and Regulations applicable to the Company, including Ethics, Code of Conduct and other Policies.
- This Agreement may be terminated by either party by giving to the other party not less than three months' notice, in writing, or by payment of three months' basic salary in lieu of notice without assigning any reason.
- Upon expiry or termination of this Agreement, Mr.Shete shall deliver to the Company all documents, properties, including of its Customers, in his possession or under his control.
- Mr. Shete shall not directly or indirectly, for the term of this Agreement and for a period of two years following the expiry or termination of this Agreement.
  - carry on business that directly or indirectly competes with the business of the Company.
  - approach any customer or supplier of the Company for his benefit or for the benefit of any other person carrying on business in competition with the business of the Company.
  - seek to contract with or engage in such a way as to adversely affect the Company.
- Mr. Shete will not at any time disclose or divulge, to any person outside the Company any confidential information concerning the past, current or future business, activities and operations of the Company.
- In case of any dispute or difference between the Parties as to the interpretation of this Agreement such dispute or difference shall be referred to the Arbitrator pursuant to and in accordance with the provisions of the Arbitration & Conciliation Act, 1996.

The Board commends the approval by the members to the appointment of Mr. Kishore Shete as the Director and the Wholetime Director and payment of remuneration to him.

The Agreement dated 1st March, 2012 for appointment of Mr.Kishore Shete as Wholetime Director 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.

The above may be treated as an abstract of the terms of appointment of Mr.Kishore Shete under section 302 of the Companies Act, 1956.

Mr.Kishore Shete is concerned or interested in the said resolutions. No other Director is interested in these resolutions.

Under the Authority of the Board of Directors

#### Registered Office:

Commercial Union House,  
9 / Wallace Street,  
Fort, Mumbai - 400 001.

**Kishore Shete**  
Wholetime Director

Dated: 13th August, 2012

## DIRECTORS' REPORT

The Directors have pleasure in presenting the Fiftieth Annual Report together with the Statement of Accounts for the year ended 31st March, 2012:

### FINANCIAL RESULTS:

	(Rs. in lakhs)	
	2011-2012	2010-2011
Profit / (Loss) after Tax	(3.97)	(46.23)
Add : Balance brought forward from previous year	(1,784.76)	(1,738.53)
Profit / (Loss) carried to Balance sheet	(1,788.73)	(1,784.76)

### 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.13.91 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. Efforts are, however, being made to 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 2012-2013.

### DIRECTORS:

Mr. Vimal Kejriewal and Mr.H.N.Singh Rajpoot retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

Mr. P. F. Simms has resigned as a director of the company with effect from 2nd August, 2012. Consequent to the resignation of Mr. P.F. Simms, Mr. Rabindranath Jhunhunwala has also ceased to be an alternate director to Mr. P. F. Simms with effect from 2nd August, 2012. Your directors place on record their appreciation of the valuable service rendered by them during the tenure of their directorship with the Company.

Mr. Kishore Shete was appointed by the Board as an Additional Director of the Company with effect from 15th November, 2011. He would hold office of Director upto the date of the ensuing Annual General Meeting and is eligible for appointment.

Mr. Kishore Shete ceased to be the Manager of the Company with effect from 15th November, 2011 and has been appointed by the Board as the Wholetime Director of the Company for a period from 15th November, 2011 to 31st March, 2014. Members are requested to approve the said appointment and payment of remuneration to him.

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 31st March, 2012 and of the Loss made for the said financial year, i.e. 1st April, 2011 to 31st March, 2012.
- (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

**AUDITORS:**

M/s. Agarwal & Mangal, 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: 13th August, 2012



## 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:

Worldwide, the business centre activity is used by business enterprises. However, the concept has not picked up in the same way in India. As such, the business centre activity has not grown to the extent in the recent past as the Company had expected.

Further, the demand for office space is also impacted by the economic growth of the country. As the economy is expected to grow only @ 6.50% during the current year, the demand for office space is expected to be sluggish.

### 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 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:

The Company has maintained its operation through judicial funds management and has taken necessary measures to control the operating cost.

The Company has improved its performance through reduced spending and improved income, though the level of business centre activity by and large, remained the same during the year under review.

### 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**  
Wholetime Director

Mumbai

Date: 13th August, 2012