

FGP LIMITED

**51st ANNUAL REPORT
2012-13**

Directors

Vimal Kejriwal

H.N.Singh Rajpoot

Kishore Shete (Wholetime Director)

Registered Office

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

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 Fifty First Annual General Meeting of the members of FGP Limited will be held in the auditorium of **SASMIRA**, Sasmira Marg, Worli, Mumbai 400 030 on Monday 30th September, 2013 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, 2013 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 being eligible, has offered himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

4. 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 Sections 198, 309, 310 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 hereby approves the payment of the revised remuneration for the financial year ending on March, 31, 2014 being the residual period (Including the remuneration to be paid in the event of loss or inadequacy of profits) to Mr.Kishore Shete the Wholetime Director of the Company, as set out in the explanatory statement annexed hereto .

"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 revised 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.4 above is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 24th September, 2013 to Monday, 30th September, 2013 (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

Kishore Shete
Wholetime Director

Registered Office:

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

Dated: 19th August, 2013

ANNEXURE TO NOTICE

Explanatory Statement under Section 173 of the Companies Act, 1956

Item No. 4

Mr. Kishore Shete was appointed as Wholetime Director of the Company for a period with effect from 15th November, 2011 to 31st March, 2014 by the Board of Directors at the remuneration approved by the Remuneration Committee and as detailed in the Agreement dated 1st March, 2012 entered into by the Company with him. The said appointment and payment of remuneration was approved by the members of the Company by a resolution passed at the Annual General Meeting of the Company held on 25th September, 2012.

The Board of directors, at their meeting held on 8th August, 2013 have revised as under the remuneration, as approved by the Remuneration Committee, payable to Mr. Kishore Shete, Wholetime Director of the Company during FY 2013-14.

1) a. Basic Salary and Special allowance:

	(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.
- A lumpsum amount of Rs.5,01,254 to Mr. Shete in lieu of contribution towards the Superannuation.

The above 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 Whole time 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, to the extent it is not taxable under the Income tax Act, 1961.
- Gratuity payable at the rate not exceeding half a month's current Salary for each completed year of service from the date of his joining in the employment of the Company.
- Earned privilege leave at the rate of one month's leave per year of service. The Whole time Director shall be entitled to encash the balance Earned Privilege Leave on retirement.

2. The other terms of the Agreement will remain unchanged.

The approval of the Members is being sought to the revision in the remuneration as aforesaid as required under sections 198, 309, 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956.

A special resolution is therefore proposed at item no. 4, of the accompanying notice.

A statement containing the general information etc as required under Schedule XIII is given hereunder:

Additional information required to be given along with a Notice calling General Meeting as per sub para (B) of para 1 of Section II of Part II of Schedule XIII of the Companies Act, 1956 is given hereunder:

I. GENERAL INFORMATION

(1) Nature of industry	Business Centre Activity		
(2) Date or expected date of commencement of commercial production.	The Company has been in the business for many years.		
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable		
(4) Financial performance based on given indicators.	2010-11 (Rs. in lacs)	2011-12 (Rs. in lacs)	2012-13 (Rs. in lacs)
Total Revenue	53.88	71.77	41.78
Net profit (as computed under section 198)	---	---	---
Net profit / (Loss) as per profit and loss account	(46.23)	(3.97)	(34.97)
Amount of Dividend paid	Nil	Nil	Nil
Rate of Dividend declared	N.A	N.A	N.A
Earning before interest, depreciation & taxes % of EBITD to total revenue.	(84.28)	(4.67)	(82.22)
(5) Export performance and net foreign exchange collaborations.	Nil	Nil	Nil
(6) Foreign investments or collaborators, if any.	N.A.	N.A.	N.A.

II. INFORMATION ABOUT THE APPOINTEE:

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) Background details | - Name: Mr. Kishore C. Shete
- Designation: Wholetime Director
- Father's name: Late Shri. Chandrakant S. Shete
- Nationality: Indian
- Date of Birth: 29. 11. 1947
- Qualifications: Electrical Engineer (LEE-VJTI)
- Experience: 43 years in the field of Manufacturing / Heavy duty engineering/ Factory Administration, IR and Commercial functions of large scale industries. |
| (2) Past remuneration | - The gross remuneration paid to him in the year 2012-13 was Rs. 13.30 lacs per annum. |
| (3) Recognition or awards | ----- |
| (4) Job profile and his suitability | The Wholetime Director is responsible for the management of the whole of the affairs of the Company and to do all acts and things, which, in the ordinary course of business, he considers necessary or proper or in the interest of the Company. |
| (5) Remuneration proposed | A lumpsum amount of Rs. 5,01,254/- instead of contribution to superannuation fund as stated in the resolution. |
| (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w. r. t. the country of his origin) | The remuneration proposed to be paid to Mr. Shete is very low, considering the industry and size of the Company and also the remuneration being paid by other industry constituents. |
| (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any. | The Wholetime Director has no other pecuniary relationship with the Company or with the managerial personnel except the remuneration being paid to him as Wholetime Director of the Company. |

III. OTHER INFORMATION

- | | |
|------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) Reasons of loss or inadequate profits | (i) Reduced demand for business center activity in Fort, Mumbai due to availability of bigger space in the suburbs at lower cost.
(ii) Expenses on old litigations for protections of the Company's properties / tax matter and expenses on the repairs and maintenance of business centre premises. |
| (2) Steps taken or proposed to be taken for improvement | Identification of the corporates who are desirous of having their offices in Fort area, Mumbai. |
| (3) Expected increase in productivity and profits in measurable terms. | Not Applicable |

IV. DISCLOSURES:

The remuneration package of Mr. Kishore Shete and other details such as remuneration, service contract, notice period etc. have been disclosed above and in the Corporate Governance Report. The Company does not have any scheme for grant of stock options.

The Board commends the approval by the members to the revision in remuneration of Mr. Kishore Shete as embodied in the special resolution.

The above may be treated as an abstract of the revision in the terms of appointment of Mr. Kishore Shete, the Wholetime Director of the Company.

Mr.Kishore Shete is concerned with or interested in the said Resolution at item no.4 of the accompanying Notice as it relates to payment of remuneration to him.

The Agreement dated March 1st, 2012 entered into with Mr.Shete is open for inspection by the members at the Registered Office of the Company between 11.00 a. m. to 1.00 p. m. on any working day of the Company except Saturday and Sunday.

Under the Authority of the Board of Directors

Kishore Shete
Wholetime Director

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

Dated: 19th August, 2013

DIRECTORS' REPORT

The Directors have pleasure in presenting the Fifty First Annual Report together with the Statement of Accounts for the year ended 31st March, 2013:

FINANCIAL RESULTS:

(Rs. in lakhs)

	2012- 13	2011-12
Loss after Tax	(34.97)	(3.97)
Add: Loss brought forward from previous year.	(1,788.73)	(1,784.76)
Loss carried to Balance sheet	(1,823.70)	(1,788.73)

DIVIDEND:

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

OPERATIONS:

The Business Centre activity had a modest demand during FY 2012-13. Therefore, the Company earned an income of Rs.13.76 lakhs as against Rs.13.91 lakhs for FY 2011-12.

Efforts are, however, being made to continue to strive for better occupancy rate in the current year.

Due to increased expenses on legal / professional charges incurred for protection of the Company's properties / old tax matters and also the increased expenses on repairs and maintenance of the business centre, the Company has incurred the loss of Rs. 34.97 lakhs during FY 2012-13 against the loss of Rs. 3.97 lakhs in FY 2011-12.

LISTING:

The Equity Shares of the Company are listed at the BSE Ltd. The Company has paid the Annual Listing Fees to the Stock Exchange, for the year 2013-14.

DIRECTORS:

Mr. Vimal Kejriwal retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

Brief resume of Mr.Kejriwal, nature of his experience in specific functional areas and names of the companies, in which he holds directorship and membership / chairmanship of Committees of the Board, as stipulated under clause 49 of the Listing Agreement with BSE Ltd, are given in the section on Corporate Governance in the Annual Report.

Your directors deeply mourn the sudden & sad demise of Mr. T.M. Elavia, Director of the Company on 18th August, 2013 and place on record their sincere appreciation for the invaluable guidance provided by him 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, 2013 and of the Loss made for the said financial year, i.e. 1st April, 2012 to 31st March, 2013.
- (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 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

Kishore Shete

Wholtime Director

Mumbai

Date: 19th August, 2013

MANAGEMENT DISCUSSION AND ANALYSIS

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

INDUSTRY STRUCTURE AND DEVELOPMENTS:

The main activity of the Company is business centre activity. Worldwide, this activity in general is widely used by the business enterprises. The concept is however not picking up in the same way in India. The economy has also registered a lower growth during the year under review. Hence, revenue of the Company has reduced to Rs.13.76 lacs during the year under review as compared to Rs.13.91 lacs for FY 2011-12

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 the corporates in this area, there is an opportunity for your Company to offer its business centre facility.

It has been observed that the corporates now prefer 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. This trend may impact the Company's business adversely in future. Moreover, the office space is available at much reasonable rates in the suburbs. Nevertheless, some of them would like to maintain their establishments in the Fort area, Mumbai which would be an opportunity to our 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 by and large been able to maintain its operations through judicious funds management and has taken necessary measures to control the operating cost, except legal costs where the Company does not have enough control.

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: 19th August, 2013