

**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.

**Index**

<b>Sr. No.</b>	<b>DESCRIPTION</b>	<b>Page No.</b>
<b>1</b>	<b>Notice</b>	<b>3</b>
<b>2</b>	<b>Directors' Report</b>	<b>5</b>
<b>3</b>	<b>Management Discussion and Analysis</b>	<b>6</b>
<b>4</b>	<b>Report on Corporate Governance</b>	<b>7</b>
<b>5</b>	<b>Auditors' Report</b>	<b>13</b>
<b>6</b>	<b>Financial Statements</b>	<b>16</b>
<b>7</b>	<b>Cash Flow Statement</b>	<b>23</b>
<b>8</b>	<b>Balance Sheet Abstract</b>	<b>28</b>

**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.

- i) House Rent Allowance at the rate of 60% of the basic salary.
- ii) 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.
- iii) 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.
- iv) 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.
- (c) 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.
  - (d) 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.
    - i) 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.
    - ii) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.
    - iii) 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 Jhunjhunwala (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.

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

Name of Director	Sitting Fees (Rs.)
Mr. M.A. Bakre	2,000
Mr. T.M. Elavia	10,000
Mr. P.F. Simms	Nil
Mr. Vimal Kejriwal	4,000
Mr. H.N. Singh Rajpoot	10,000
Mr. Rabindranath Jhunjhunwala	6,000
Mr. Ajit Singh Chouhan	10,000
<b>Total</b>	<b>42,000</b>

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.

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. T.M. Elavia	Chairman	5
Mr. Vimal Kejriwal	Member	2
Mr. H.N. Singh Rajpoot	Member	5

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.

The Shareholders'/Investors' Grievance Committee has delegated the power of approving transfer/transmission of shares to Share Transfer Committee which met on fortnightly basis during the year 2009-10 (also see Para 11.9).

The total number of complaints received and replied to the satisfaction of shareholders during the year under review was 32. Outstanding complaints as on 31st March, 2010 were Nil. No requests for transfers were pending for approval as on 31st March, 2010.

## 8. GENERAL BODY MEETINGS

Location and time of last THREE Annual General Meetings:

Year	Venue	Day, Date	Time	Special Resolution, if any
2006-2007	Sasmira Hall, Sasmira Marg, Worli, Mumbai - 400 030.	Friday, 28th Sept., 2007	11.00 a.m.	Nil
2007-2008	Textiles Committee Complex, P. Balu Road, Prabhadevi, Mumbai - 400 025.	Tuesday, 30th Sept., 2008	11.00 a.m.	Nil
2008-2009	Textiles Committee Complex, P. Balu Road, Prabhadevi, Mumbai - 400 025.	Wednesday, 30th Sept., 2009	11.00 a.m.	Yes*

\* Resolution u/s 163 of the Companies Act, 1956 was passed to keep the Register of Members, Index of Members and other related books 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 - 400 072.

No postal ballots were used for voting at these meetings. At the ensuing Annual General Meeting, there is no item on the agenda that needs approval by postal ballot.

## 9. DISCLOSURES

### (A) Related Party Transactions

There were no transactions of material nature with Directors or the management, their relatives, etc. during the year that may have potential conflict with the interests of the Company at large.

The transactions with the related parties as per Accounting Standard AS-18, are set out in notes to account in the Annual Report and were placed before the audit committee periodically.

### (B) Risk Management

The Company has adopted a risk management policy. The Board of Directors have been informed from time to time of the business risks faced by the Company and the steps taken by the management to face them.

### (C) Proceeds from Initial Public Offerings (IPOs) etc.

The Company has not made any IPO during the year.

### (D) Management

The Management Discussion and Analysis Report forms part of this Annual Report.

There were no instances of non-compliance by the Company on any matter related to capital markets during the last

three years and no penalties/strictures have been imposed against the Company.

Clause 49 of the Listing Agreement mandates to obtain a certificate from either the Auditors or Practicing Company Secretaries regarding compliance of conditions of corporate governance stipulated in the clause and annex the certificate with the Directors' report, which is sent annually to all the shareholders. The Company has obtained a certificate from the Auditors of the Company to this effect and the same is given as an annexure to Directors' Report.

The Company has not framed whistle blower policy. However, no personnel has been denied access to the Audit Committee.

The Company has not adopted non-mandatory requirements of clause 49. However the particulars relating to Remuneration Committee are given in this report.

#### CEO/CFO Certification:

A certificate from the Manager (designated as Chief Executive Officer and Chief Financial Officer by the Board of Directors for this purpose) of the Company in terms of clause 49 V of the Listing Agreement was placed at the Board meeting held on 28th May, 2010 to approve the audited annual accounts for the year ended 31st March, 2010.

## 10. MEANS OF COMMUNICATION

The half-yearly and quarterly results are regularly submitted to the Stock Exchange in accordance with the Listing Agreement and are published in newspapers like Free Press Journal (English) and Navshakti (Marathi). These are not sent individually to the shareholders.

The quarterly results of the Company are displayed on the Company's Website [www.fgpltd.in](http://www.fgpltd.in)

The Company provides information to the Stock Exchange where the shares of the Company are listed as per the Listing Agreement entered into with the Stock Exchange.

- Website: [www.fgpltd.in](http://www.fgpltd.in)
- e-mail ID for Investor Grievances: [fgpltd03@indiatimes.com](mailto:fgpltd03@indiatimes.com)

There were no presentations made to the institutional investors or analysts.

## 11. GENERAL SHAREHOLDER INFORMATION

### 11.1 Annual General Meeting:

- Date: **Tuesday, 28th September, 2010**
- Time: 11.00 a. m.
- Venue: Auditorium of TEXTILES COMMITTEE Complex, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai - 400 025.

### 11.2 Financial Year: April to March

- First quarter results – By last week of July\*
  - Second quarter results – By last week of October\*
  - Third quarter results – By last week of January\*
  - Fourth quarter results – By last week of April\*
- \*Tentative

### 11.3 Date of Book Closure:

- From - Wednesday, 22nd September, 2010
- To - Tuesday, 28th September, 2010  
(both days inclusive)

### 11.4 Dividend Payment Date: Not applicable

### 11.5 Listing on Stock Exchange:

At the Bombay Stock Exchange Limited

### 11.6 (a) Stock Code – Physical: 500142 at BSE

(b) ISIN Number in NSDL: ISIN No. INE512A01016 and CDSL

### 11.7 Market Price Data:

Table below gives the monthly highs and lows of the Company's shares on the Bombay Stock Exchange Limited (BSE).

High and Low prices of the Company's shares on BSE with corresponding BSE Sensex April 2009 to March 2010.

Months	High		Low	
	FGP Price (Rs.)	BSE Sensex	FGP Price (Rs.)	BSE Sensex
April 2009	2.56	11,492.10	1.49	9,546.29
May 2009	2.74	14,930.54	1.74	11,621.30
June 2009	3.57	15,600.30	2.6	14,016.95
July 2009	3.67	15,732.81	2.85	13,219.99
August 2009	4.38	16,002.46	3.28	14,684.45
September 2009	4.99	17,142.52	3.95	15,356.72
October 2009	6.07	17,493.17	4.01	15,805.20
November 2009	5.63	17,290.48	3.83	15,330.56
December 2009	4.44	17,530.94	3.6	16,557.78
January 2010	6.1	17,790.33	4	15,982.08
February 2010	7.25	16,669.25	4.25	15,651.99
March 2010	6.19	17,793.01	3.76	16,438.45

### 11.8 Registrar & 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.

## 11.9 Share Transfer System:

Share transfers are registered and duly transferred share certificates are returned to the lodger within a period of thirty days from the date of receipt, if the documents are otherwise in order.

The Share Transfer Committee meets as often as possible to approve transfers and related matters as may be required.

## 11.10 Distribution of shareholding as on 31st March, 2010:

Sr. No.	Range	No. of Share-holders	% of Total Holders	No. of Shares Held	% of Capital
1	1 to 500	19634	90.764	1879731	15.803
2	501 to 1,000	1082	5.002	923347	7.763
3	1,001 to 2,000	477	2.205	765319	6.434
4	2,001 to 3,000	166	0.767	432868	3.639
5	3,001 to 4,000	63	0.291	228541	1.921
6	4,001 to 5,000	69	0.319	333786	2.806
7	5,001 to 10,000	81	0.375	582903	4.900
8	10,001 & above	60	0.277	6748556	56.734
	<b>Total</b>	<b>21632</b>	<b>100.000</b>	<b>11895051</b>	<b>100.000</b>

## 11.11 Categories of Shareholders as on 31st March, 2010:

Category	No. of Shares Held	Percentage of Total Share Capital
Foreign Holding (FIIs, OCBs and NRIs)	2854752	24.00
Financial Institutions/Banks/ Insurance Companies	771167	6.48
Mutual Funds and UTI	23781	0.20
Corporate Bodies	2341255	19.68
Directors and their Relatives	Nil	Nil
Public	5904096	49.64
<b>Total</b>	<b>1,18,95,051</b>	<b>100.00</b>

## 11.12 Dematerialization of shares and Liquidity

As on 31st March, 2010 – **50.66%** of the paid up share capital has been dematerialized.

The shares of the Company are not traded frequently.

Outstanding GDRs/ADRs/Warrants or any convertible instruments conversion date and likely impact on equity: Nil

## 11.13 Plant Locations: Not Applicable

## 11.14 Address for Correspondence

- **Registrar and Share Transfer Agents:**

**Sharepro Services (India) Pvt. Ltd.**

**Unit: FGP Limited**

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

Tel.: 91 22 67720300

Fax: 91 22 28591568

- **Compliance Officer:**

**Mr. Kishore Shete**

**Manager**

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

Tel.: 91 22 22070273

91 22 22015269

Fax: 91 22 22008074

## NON-MANDATORY REQUIREMENTS:

Remuneration Committee:

As stated earlier, the Board has already constituted a Remuneration Committee, the details of which are given in para 6 above.

Identified as having been approved by  
the Board of Directors

**Kishore Shete**  
Manager

Mumbai

Dated: 28th July, 2010

## DECLARATION

As provided under clause 49 of the Listing Agreement with the Stock Exchange, the Board members and the senior management personnel have affirmed compliance with the code of conduct for the Board of directors and senior management for the year ended 31st March, 2010.

For **FGP Limited**  
**Kishore Shete**  
Manager

Mumbai

Dated: 28th July, 2010

---

**Auditors' certificate to the members of FGP Limited on compliance of the conditions of Corporate Governance for the year ended 31st March, 2010, under Clause 49 of the Listing Agreement with the Bombay Stock Exchange., Mumbai.**

---

We have examined the compliance of the conditions of corporate governance by FGP Limited for the year ended 31st March, 2010, as stipulated in clause 49 of the listing agreement of the said Company with the Bombay Stock Exchange Ltd., Mumbai. (hereinafter referred to as clause 49).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the directors and the management, we certify that the Company has complied with the conditions of corporate governance as stipulated in clause 49.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Mumbai: July 28, 2010

**For J.R. SUMONDY & CO.**  
Chartered Accountants  
**JAWAHAR R. SUMONDY**  
Proprietor  
Membership No. 41900  
Firm Regn. No. 110553W

---

**REPORT OF THE AUDITORS TO THE MEMBERS OF FGP LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010**

---

1. We have audited the attached balance sheet of FGP Limited, as at 31st March, 2010 and also the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that:
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - (c) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- (e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) in the case of the balance sheet, of the state of affairs of the Company as at 31st March, 2010;
  - ii) in the case of the profit and loss account, of the loss for the year ended on that date; and
  - iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.
5. We further report, on the basis of written representations received from the directors, as on 31st March, 2010, and taken on record by the Board of Directors, that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For J.R. SUMONDY & CO.**  
Chartered Accountants

**JAWAHAR R. SUMONDY**  
Proprietor  
Membership No. 41900  
Firm Regn. No. 110553W

Mumbai: Date: May 28, 2010

**ANNEXURE TO THE REPORT OF THE AUDITORS TO THE MEMBERS OF FGP LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010 (referred to in paragraph 3 of our report of even date)**

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management once during the year, which in our opinion is reasonable. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the Company has not disposed off any of its fixed assets during the year, therefore the question of reporting on clause 4(i)(c) of the Companies (Auditor's Report) Order, 2003, [hereinafter referred to as the said Order] does not arise.
- ii) According to the information and explanations given to us and having regard to the Company's business, the question of reporting on clauses 4(ii)(a), 4(ii)(b) and 4(ii)(c) (relating to inventory) of the said Order does not arise.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 [hereinafter referred to as the Act].
- (b) In view of the foregoing, the question of reporting on clauses 4(iii)(b), 4(iii)(c) and 4(iii)(d) of the said Order does not arise.
- (c) According to the information and explanations given to us, the Company has not taken any loans from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (d) In view of the foregoing, the question of reporting on clauses 4(iii)(f) and 4(iii)(g) of the said Order does not arise.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to sale of services (there are no purchases of inventory and fixed assets and sale of goods). During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v) (a) According to the information and explanations given to us, we are of the opinion that there are no contracts or arrangements that need to be entered into the register maintained under section 301 of the Act.
- (b) In view of the foregoing, the question of reporting on clause 4(v)(b) of the said Order does not arise.
- vi) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- vii) According to the information and explanations given to us, maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act, hence the question of reporting under Clause 4(viii) of the said Order does not arise.
- viii) (a) According to the records of the Company, undisputed statutory dues including provident fund, investor education and protection fund, income-tax, wealth-tax and other material statutory dues applicable to it have been regularly deposited with the appropriate authorities. Further, as explained to us, no undisputed statutory dues were in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income-tax, wealth-tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any dispute, except as stated below:

**ANNEXURE TO THE REPORT OF THE AUDITORS TO THE MEMBERS OF FGP LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010 (referred to in paragraph 3 of our report of even date) (Contd.)**

Sr. No.	Nature of the Dues	Amount (Rs.) in Lakhs)	Period to which the Amount Relates	Forum where dispute is pending
<b>1. The Central Sales Tax Act, 1956:</b>				
	Sales Tax	21.10	A.Y. 1995-96	Deputy Commissioner of Sales Tax (Appeals), Mumbai
<b>2. The Central Excise Act, 1944:</b>				
	Excise Duty	3.58	A.Y. 1991-95	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
<b>3. The Income Tax Act, 1961:</b>				
	Penalty	9.53	A.Y. 1997-1998	Commissioner of Income-Tax (Appeals), Mumbai
	Income Tax	211.77	A.Y. 1999-2000	High Court - Bombay
	Penalty	310.00	A.Y. 1999-2000	High Court - Bombay
	Income Tax	25.79	A.Y. 2003-04	Income-Tax Appellate Tribunal, Mumbai
	Penalty	55.79	A.Y. 2003-04	Income- Tax Appellate Tribunal, Mumbai
	Income Tax	86.29	A.Y. 2004-05	Income- Tax Appellate Tribunal, Mumbai
	Income Tax	113.45	A.Y. 2005-06	Income- Tax Appellate Tribunal, Mumbai
	Income Tax	16.73	A.Y. 2006-07	Commissioner of Income-Tax (Appeals), Mumbai
	Income Tax	35.08	A.Y. 2007-08	Commissioner of Income- Tax (Appeals), Mumbai

- ix) The Company has accumulated losses in excess of fifty percent of its net worth as on 31st March, 2010. The Company has incurred cash losses during the financial year covered by our audit but not in the immediately preceding financial year.
- x) The Company has not taken any loans from financial institutions, banks or debenture holders. Accordingly, the question of our reporting on default in repayment of such dues does not arise.
- xi) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xii) The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of Clause 4(xiii) of the said Order are not applicable to the Company.

- xiii) The Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the said Order are not applicable to the Company.
- xiv) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- xv) The Company has not obtained any term loans. Accordingly, the question of our reporting on its application does not arise.
- xvi) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not raised any short-term funds. Hence, the question of reporting on its application does not arise.
- xvii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. Accordingly, the question of reporting on whether the price at which such shares have been issued is prejudicial to the interest of the Company does not arise.
- xviii) The Company has not issued any debentures. Accordingly, the question of creating security or charge for such debentures does not arise.
- xix) The Company has not raised any money by public issues during the year. Accordingly, the question of disclosure of end use of such monies does not arise.
- xx) According to the information and explanations given to us, no fraud on or by the Company has been reported during the course of our audit.

**For J.R. SUMONDY & CO.**  
Chartered Accountants

**JAWAHAR R. SUMONDY**  
Proprietor  
Membership No. 41900  
Firm Regn. No. 110553W

Mumbai: Date: May 28, 2010



## BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	As at 31st March, 2010 Rs. '000	As at 31st March, 2009 Rs. '000
<b>SOURCES OF FUNDS:</b>			
<b>SHAREHOLDERS' FUNDS:</b>			
Share Capital	1	118,951	118,951
Reserves and Surplus	2	174,925	174,925
<b>TOTAL</b>		<b>293,876</b>	<b>293,876</b>
<b>APPLICATION OF FUNDS:</b>			
<b>FIXED ASSETS</b>			
Gross Block	3	11,688	11,688
Less: Depreciation		9,371	9,279
Net Block		2,317	2,409
<b>INVESTMENTS</b>	4	20,331	109,996
<b>CURRENT ASSETS, LOANS AND ADVANCES:</b>			
<b>CURRENT ASSETS</b>			
Interest accrued on Bank Deposits, Bonds, Inter Corporate Deposits and Advances		132	979
Sundry Debtors		54,426	3,160
Cash and Bank Balances		46,970	11,863
		101,528	16,002
<b>LOANS AND ADVANCES</b>	6	4,919	4,292
		106,447	20,294
<b>Less: CURRENT LIABILITIES AND PROVISIONS</b>	7		
Current Liabilities		8,268	7,605
Provisions		804	760
		9,072	8,365
<b>NET CURRENT ASSETS</b>		97,375	11,929
Debit balance in Profit and Loss Account		173,853	169,542
<b>TOTAL</b>		<b>293,876</b>	<b>293,876</b>
Notes to the Accounts	11		

Per our report attached

**For J.R. SUMONDY & CO.**  
Chartered Accountants

**JAWAHAR R. SUMONDY**  
Membership No.: 41900  
Proprietor

Mumbai: May 28, 2010

For and on behalf of the Board of Directors

**H.N. Singh Rajpoot**  
Director

**Vimal Kejriwal**  
Director

**Kishore Shete**  
Manager

Mumbai: May 28, 2010

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

		Year ended 31st March, 2010 Rs. '000	Year ended 31st March, 2009 Rs. '000
<b>INCOME:</b>			
Income from Business Centre		1,866	1,866
Provision for doubtful debts/accrued interest written back		-	36,534
Provision for diminution in investments written back		-	13,596
Other Income	8	3,990	4,976
		<b>5,856</b>	<b>56,972</b>
<b>EXPENDITURE:</b>			
Employee Costs	9	1,233	1,121
Other Expenditure	10	8,842	8,959
Depreciation		92	104
		<b>10,167</b>	<b>10,184</b>
<b>PROFIT / (LOSS) BEFORE TAX</b>		<b>(4,311)</b>	<b>46,788</b>
Less: Provision for Fringe Benefit Tax		-	39
<b>PROFIT / (LOSS) AFTER TAX</b>		<b>(4,311)</b>	<b>46,749</b>
Debit balance brought forward		<b>(169,542)</b>	(216,291)
Debit balance carried to Balance Sheet		<b>(173,853)</b>	(169,542)
Notes to the Accounts	11		
Basic, as well as diluted, earning per equity share (Rs.)		<b>(0.36)</b>	3.93
Numerator - Profit (Loss) after tax (Rs. '000)		<b>(4,311)</b>	46,749
Denominator - Number of equity shares (no change during the period 1-4-2007 to 31-3-2009)		<b>11,895,051</b>	1,18,95,051
Nominal value per equity share (Rs.)		<b>10.00</b>	10.00

Per our report attached to the Balance Sheet

**For J.R. SUMONDY & CO.**  
Chartered Accountants

**JAWAHAR R. SUMONDY**  
Membership No.: 41900  
Proprietor

Mumbai: May 28, 2010

For and on behalf of the Board of Directors

**H.N. Singh Rajpoot**  
Director

**Vimal Kejriwal**  
Director

**Kishore Shete**  
Manager

Mumbai: May 28, 2010

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

	As at 31st March, 2010 Rs. '000	As at 31st March, 2009 Rs. '000
<b>SCHEDULE 1 – SHARE CAPITAL</b>		
<b>Authorised:</b>		
1,50,00,000 equity shares of Rs. 10 each	150,000	150,000
50,00,000 preference shares of Rs. 10 each	50,000	50,000
	<b>200,000</b>	<b>200,000</b>
<b>Issued:</b>		
1,18,95,811 equity shares of Rs. 10 each	118,958	118,958
<b>Subscribed:</b>		
1,18,95,051 equity shares of Rs. 10 each fully paid-up	118,951	118,951

(Of the above shares:

1,50,000 equity shares are allotted as fully paid-up pursuant to a contract without payment being received in cash;

1,27,998 equity shares are allotted to ICICI Limited (now ICICI Bank Limited) in exercise of their option to convert part of their loans into shares;

6,73,520 equity shares are allotted against convertible portion of Debentures; and

24,96,757 equity shares are allotted as fully paid-up by way of bonus shares by capitalisation of Rs. 242.36 lakhs from General Reserve and Rs. 7.32 lakhs from Share Premium)

### SCHEDULE 2 – RESERVES AND SURPLUS

**Capital Reserve:**

As per last Balance Sheet

6

6

**Share Premium Account:**

As per last Balance Sheet

174,919

174,919

**174,925**

**174,925**

### SCHEDULE 3 – FIXED ASSETS

(Rs. '000)

Assets	Gross Block				Depreciation				Net Block	
	1st April, 2009	Additions	Deductions	31st March, 2010	1st April, 2009	For the Year	On Deductions	31st March, 2010	As at 31st March, 2010	As at 31st March, 2009
<b>Buildings and Roads:</b>										
i) Owned	535	-	-	535	59	9	-	68	467	476
ii) Tenancy rights acquired	2,500	-	-	2,500	693	41	-	734	1,766	1,807
Equipment	223	-	-	223	220	3	-	223	-	3
Vehicles	416	-	-	416	293	39	-	332	84	123
<b>At Business Centre</b>										
– Improvement to premises	1,295	-	-	1,295	1,295	-	-	1,295	-	-
– Equipment	1,826	-	-	1,826	1,826	-	-	1,826	-	-
– Furniture and Fittings	4,893	-	-	4,893	4,893	-	-	4,893	-	-
<b>Total</b>	<b>11,688</b>	<b>-</b>	<b>-</b>	<b>11,688</b>	<b>9,279</b>	<b>92</b>	<b>-</b>	<b>9,371</b>	<b>2,317</b>	
Previous Year	11,688	-	-	11,688	9,175	107	-	9,175		2,409

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

	As at 31st March, 2010	As at 31st March, 2009	As at 31st March, 2009	As at 31st March, 2009
	Rs. '000	Rs. '000	Rs. ' 000	Rs. ' 000
<b>SCHEDULE 4 – INVESTMENTS</b>				
<b>LONG TERM – TRADE (quoted)</b>				
30,396 shares of Rs. 10 each of RPG Cables Limited		1,086		1,086
<b>LONG TERM - TRADE (unquoted)</b>				
<b>(IN A SUBSIDIARY)</b>				
800 (Previous Year: 49,78,800) shares of Rs. 10 each of RPG Itochu Finance Limited	8		36,684	
Add/(Less) Provision for diminution in value of Investments written back	—		13,596	
		<u>8</u>		<u>50,280</u>
		<u>1,094</u>		<u>51,366</u>
<b>OTHER THAN TRADE (unquoted unless otherwise stated):</b>				
<b>LONG TERM INVESTMENTS</b>				
3,600, 5.33% NABARD Capital Gains Bonds of Rs. 10,000 each of National Bank for Agriculture and Rural Development		—		36,000
		—		<u>36,000</u>
<b>CURRENT INVESTMENTS (unquoted)</b>				
<b>Units of Mutual Funds:</b>				
5,64,571 Units (Previous Year: 5,46,008 Units) of Rs. 10 each in DSP Merrill Lynch Short Term Weekly - Dividend [18,563 Units Purchased during the year]		5,751		5,562
5,75,660 Units (Previous Year: 5,41,085 Units) of Rs. 10 each in Reliance Short Term Fund - Retail Plan - Dividend Plan [34,575 Units Purchased during the year]		6,086		5,719
6,712 Units (Previous Year: 7,882 Units) of Rs. 10 each in Templeton India Short Income Plan - Weekly Dividend [692 Units Purchased during the year] [1,862 Units Sold during the year]		7,290		8,546
10,982 Units (Previous Year: 2,79,315 Units) of Rs. 10 each in TFLD Tata Floater Fund-Daily Dividend [5,691 Units Purchased during the year] [2,74,024 Units Sold during the year]		<u>110</u>		<u>2,803</u>
		<u>20,331</u>		<u>109,996</u>
Aggregate amount of quoted investments Cost		1,086		1,086
Market value Rs. 836 thousand (2008-09: Rs. 271 thousand)				
Aggregate amount of unquoted investments		<u>19,245</u>		<u>108,910</u>
		<u>20,331</u>		<u>109,996</u>

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

	As at 31st March, 2010		As at 31st March, 2009	
	Rs. '000	Rs. '000	Rs. ' 000	Rs. ' 000
<b>SCHEDULE 5 – CURRENT ASSETS</b>				
Interest accrued on Bank Deposits, Bonds, Inter-Corporate Deposits and Advances				
Considered good	132		979	
Considered doubtful	<u>8,759</u>		<u>8,759</u>	
		<b>8,891</b>		9,738
Less: Provision for interest, doubtful of recovery		<u>8,759</u>		<u>8,759</u>
		<u>132</u>		<u>979</u>
<b>SUNDRY DEBTORS (Unsecured)</b>				
<b>Over six months:</b>				
Considered good		53,914		2,628
Considered doubtful		<u>2,396</u>		<u>2,396</u>
		<u>56,310</u>		<u>5,024</u>
<b>Other Debts:</b>				
Considered good		512		532
		<u>56,822</u>		<u>5,556</u>
Less: Provision for doubtful debts		<u>2,396</u>		<u>2,396</u>
		<u>54,426</u>		<u>3,160</u>
<b>CASH AND BANK BALANCES</b>				
Cash on hand		9		29
Balances with Scheduled Banks:				
On Current Accounts		65		800
On Deposit Accounts		<u>46,896</u>		<u>11,034</u>
		<u>46,970</u>		<u>11,863</u>
<b>SCHEDULE 6 – LOANS AND ADVANCES</b>				
(Unsecured, Considered good unless otherwise stated)				
Advances recoverable in cash or in kind or for value to be received:				
Considered good [includes Rs. Nil (Previous Year Rs. Nil) advances to a Subsidiary Company]		950		504
Considered doubtful [includes Rs. 18,14,000 (Previous Year Rs. 18,14,000) advanced to a Subsidiary Company]		<u>18,474</u>		<u>18,474</u>
		<u>19,424</u>		<u>18,978</u>
Less: Provision for doubtful advances		<u>18,474</u>		<u>18,474</u>
		<u>950</u>		<u>504</u>
Inter Corporate Deposits:				
Considered doubtful		8,186		8,186
		<u>8,186</u>		<u>8,186</u>
Less: Provision for doubtful deposits		<u>8,186</u>		<u>8,186</u>
		—		—
Advance payments of income-tax less provisions thereagainst		<b>3,969</b>		3,788
Balance with Central Excise on Current Accounts (considered doubtful)		113		113
Less: Provision for balance doubtful of recovery		<u>(113)</u>		<u>(113)</u>
		—		—
		<u>4,919</u>		<u>4,292</u>

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010**

	As at 31st March, 2010 Rs. '000	As at 31st March, 2009 Rs. ' 000
<b>SCHEDULE 7 – CURRENT LIABILITIES AND PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors (no dues to micro enterprises and small enterprises) *	<u>8,268</u>	<u>7,605</u>
	<u>8,268</u>	<u>7,605</u>
<b>PROVISIONS</b>		
Income-tax less payments thereagainst	103	103
Gratuity	296	278
Compensated absences	<u>405</u>	<u>379</u>
	<u>804</u>	<u>760</u>
	<u>9,072</u>	<u>8,365</u>

\* None of the creditors has informed the Company of its status as a micro enterprises and small enterprises.

## SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Year Ended		Year Ended	
	31st March, 2010		31st March, 2009	
	Rs. '000	Rs. '000	Rs. ' 000	Rs. ' 000
<b>SCHEDULE 8 – OTHER INCOME</b>				
Dividends (gross) on current investments (non-trade)		1,357		1,739
Interest (gross) on:				
- Long-term investments (non-trade)	1,911		1,929	
- Bank Deposits, Bonds, Inter-Corporate Deposits and Advances (tax deducted at source Rs. 1.80 lakhs; 2008-09: Rs. 6.04 lakhs)	684		1,151	
Others	38		157	
		<u>2,633</u>		<u>3,237</u>
		<u>3,990</u>		<u>4,976</u>
<b>SCHEDULE 9 – EMPLOYEE COSTS</b>				
Salaries, Wages, Allowances and Bonus		933		933
Contribution to Provident Fund		50		50
Gratuity		18		18
Welfare Expenses		232		120
		<u>1,233</u>		<u>1,121</u>
<b>SCHEDULE 10 – OTHER EXPENDITURE</b>				
Electricity		1,381		1,453
Rent		101		126
Repairs and Maintenance:				
- Building		212		409
- Others		159		171
Insurance		11		10
Rates and Taxes		14		8
Professional Fees		5844		5,458
Telephones, Cables and Postage		60		60
Shares/Debenture Handling Charges		148		148
Travelling Expenses		123		277
Motor Vehicle Expenses		157		156
Printing and Stationery		34		36
Bank Charges		8		9
Miscellaneous Expenses		590		638
Royalty Receivable written off	—		3,164	
Less: Provision held	—	—	3,164	—
		<u>8,842</u>		<u>8,959</u>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	2009-10		2008-09	
	Rs. '000	Rs. '000	Rs. ' 000	Rs. ' 000
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>				
NET PROFIT/(LOSS) BEFORE TAX		(4,311)		46,788
Adjusted for:				
Depreciation	92		104	
Provision for doubtful debts written back	—		(36,534)	
Dividend income	(1,357)		(1,739)	
Provision for diminution in the value of investments	—		(13,596)	
Interest Income	(2,633)		(3,237)	
		<u>(3,898)</u>		<u>(55,002)</u>
OPERATING LOSS BEFORE WORKING CAPITAL CHANGES AND OTHER ADJUSTMENTS		(8,209)		(8,214)
Changes in:				
Trade and other receivables	(51,602)		35,746	
Trade payables	663		2	
Provisions - Compensated absences/gratuity	44		44	
		<u>(50,895)</u>		<u>35,792</u>
CASH GENERATED FROM/(USED IN) OPERATIONS		(59,104)		27,578
Direct taxes paid (net of refunds)		(291)		(953)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES (a)		<u>(59,395)</u>		<u>26,625</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchase of investments		(1,357)		(38,424)
Proceeds from sale/redemption of investments		91,022		939
Dividend received		1,357		1,739
Interest received		3,480		5,169
NET CASH FROM/(USED IN) INVESTING ACTIVITIES (b)		<u>94,502</u>		<u>(30,577)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (a + b)		<u>35,107</u>		<u>(3,952)</u>



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010**

	2009-10		2008-09	
	Rs. '000	Rs. '000	Rs. ' 000	Rs. ' 000
CASH AND CASH EQUIVALENTS AS AT THE COMMENCEMENT OF THE YEAR, COMPRISING:				
Cash on hand		29		20
Balance with scheduled banks on current accounts and fixed deposit accounts		11,834		15,795
			11,863	15,815
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR, COMPRISING:				
Cash on hand		9		29
Balance with scheduled banks on current accounts and fixed deposit accounts		46,961		11,834
			46,970	11,863
NET INCREASE/(DECREASE) AS DISCLOSED ABOVE			35,107	(3,952)

Notes: 1. Figures in brackets are outflows/deductions.

2. Previous year's figures have been re-grouped wherever necessary.

Per our report attached to the Balance Sheet

**For J.R. SUMONDY & CO.**  
Chartered Accountants

**JAWAHAR R. SUMONDY**  
Proprietor  
Membership No.: 41900

Mumbai: May 28, 2010

For and on behalf of the Board of Directors

**H.N. Singh Rajpoot**  
Director

**Vimal Kejriwal**  
Director

**Kishore Shete**  
Manager

Mumbai: May 28, 2010

## SCHEDULE FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

### SCHEDULE 11 – NOTES TO THE ACCOUNTS

#### 1. Significant Accounting Policies:

##### (a) Basis of Accounting:

The financial statements are prepared under the historical cost convention on an accrual basis and are in accordance with the requirements of the Companies Act, 1956, and comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the said Act.

##### (b) Fixed Assets and depreciation:

All fixed assets are stated at cost of acquisition, including any attributable cost for bringing the asset to its working condition for its intended use, less accumulated depreciation.

Depreciation is provided on the straight line method at the rates prescribed under Schedule XIV to the Companies Act, 1956 except that depreciation on fixed assets at the Business Centre is provided at the rate of 33 1/3 per cent on the straight line method.

##### (c) Investments:

- i) Long term investments are stated at cost. Provision for diminution is made to recognise a decline, other than temporary, in value of long term investments where applicable.
- ii) Current investments are stated at lower of cost and fair value.

##### (d) Employee Benefits:

The Company has only one employee who has attained the age of superannuation.

1. Short term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

##### 2. Long –term benefit

##### i) Defined Contribution Plan:

##### (a) Provident Fund:

The eligible employee of the Company is entitled to receive post employment benefits in respect of provident fund, in which both employee and the Company make monthly contribution at a specified

percentage of the employee's eligible salary (currently 12% of employee's eligible salary). The contribution is made to Employees Provident Fund Organisation. Provident Fund is classified as Defined Contribution Plan as the Company has no further obligation beyond making the contribution. The Company's contribution to Defined Contribution Plan is charged to profit and loss as incurred.

##### (b) Superannuation:

The Company has made provision @ 15% of employee's eligible salary every year and no contribution is presently made since the employee has crossed the age of superannuation. The same will be paid to the employee on his separation.

##### (ii) Defined Benefit Plan:

##### (a) Gratuity:

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employee. The plan provides a lump sum payment to vested employee at retirement/separation, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. The Gratuity Fund benefits are administered by a trust formed for this purpose through the Group Schemes of the Life Insurance Corporation of India (LIC). The Company has made provision on arithmetical basis considering funds lying with LIC for this purpose.

##### (b) Compensated absences:

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employee is entitled to accumulate leave for future encashment/availment. The liability is recognized based on the number of unutilized leave at each balance sheet date on an arithmetic basis.

## SCHEDULE FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

### SCHEDULE 11 – NOTES TO THE ACCOUNTS (Contd.)

#### 2. Contingent Liabilities not provided for:

	As at 31st March, 2010 Rs. '000	As at 31st March, 2009 Rs . '000
(a) Claims against the Company not acknowledged as debts estimated at	3,704	7,621
(b) Income-tax matters	86,443	58,285
(c) The Company has received various show cause notices and an order from Excise and Customs Authorities, which have been replied to by the Company. The contingent liability, if any, on the basis of such notices/demands, except for those which have become time barred are estimated at	358	358

**Note:** The Company is contesting matters stated in (a), (b), and (c) above at various forums and outflow of resources, if any, will depend on outcome of these matters.

#### 3. Auditor's Remuneration (including service tax where applicable)

	Year Ended 31st March, 2010 Rs. '000	Year Ended 31st March, 2009 Rs . '000
i) Audit Fees	28	28

#### 4. Managerial Remuneration

##### (a) Manager's Remuneration

	Year Ended 31st March, 2010 Rs. '000	Year Ended 31st March, 2009 Rs . '000
i) Salary	671	671
ii) Contribution to Provident Fund	50	50
iii) Value of Perquisites	367	371
<b>Total</b>	<b>1,088</b>	<b>1,092</b>

##### (b) Director's Fees

	Year Ended 31st March, 2010 Rs. '000	Year Ended 31st March, 2009 Rs . '000
Director's Fees	42	40

5. As the Company's activity falls within a single business and geographical segment viz. Business Centre, the disclosure requirements of Accounting Standard 17 "Segment Reporting" notified by the Companies Act, 1956 is not applicable.

6. Information relating to Related Party Transactions as per Accounting Standard 18 "Related Party Disclosures" notified by the Companies Act, 1956 is given below:

##### (a) Related party relationship where control exists:

RPG Itochu Finance Limited, subsidiary company.

<b>i) Inter-Corporate Deposits:</b>	
Amount converted into capital	- Rs. Nil thousand (2008-09: Rs. 34,800)
<b>ii) Interest accrued thereon:</b>	
Amount converted into capital	- Rs. Nil thousand (2008-09: Rs. 1,734 thousand)
Balance as at year end	- Rs. 4,192 thousand (2008-09 Rs. 4,192 thousand)
Provision thereagainst	- Rs. 4,192 thousand (2008-09: Rs. 4,192 thousand)
<b>iii) Advance given:</b>	
During the year	- Rs. Nil (2008-09: Rs. 200 thousand)
Amount converted into capital	- Rs. Nil (2008-09: Rs. 150)
Balance as at year end	- Rs. 1,864 thousand (2008-09: Rs. 1,864 thousand)
Provision thereagainst	- Rs. 1,814 thousand (2008-09: Rs. 1,814 thousand)

##### (b) Key Management Personnel:

Mr. K.C. Shete, Manager.

Transaction during the year with Mr. K.C. Shete, is in the nature of remuneration paid/payable to him and is disclosed in the Note 4 (a).

## SCHEDULE FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

### SCHEDULE 11 – NOTES TO THE ACCOUNTS (Contd.)

Amount payable to him as at 31st March, 2010 is Rs. 57 thousand (2008-09: Rs. 76 thousand).

No amount pertaining to these parties have been written off or written back during the year.

7. The Company has substantial carry forward of business losses under Income-tax Act, 1961. However, as the availability of sufficient future taxable income against which such depreciation and losses can be set-off cannot be stated to be virtually certain, the deferred tax asset has not been recognised.

8. These accounts have been prepared on a going concern basis, notwithstanding the debit balance of Rs. 1,73,853 thousand (2008-09: Rs. 1,69,542 thousand) in the profit and loss account as at the year end, since the Directors are confident that the realisable value of the assets are sufficient to discharge its liabilities in the ordinary course of business.

9. Based on information available with the Company, there are no amounts due to the suppliers under the Micro, Small and Medium Enterprises Development Act, 2006. This has been relied upon by the auditors.

#### 10. Employee benefits:

Effective April 1, 2007 the Company has adopted revised Accounting Standard 15 (AS-15) 'Employee Benefits'. Pursuant to the adoption, no adjustment was requested to be made to general reserve as there is no impact of revised AS-15.

#### (a) Defined Contribution Plan

Contribution to Defined Contribution Plan in the statement of profit and loss account under payments to and provisions for employee, in Schedule -7 for the year are as under:

	As at 31st March, 2010 Rs. '000	As at 31st March, 2009 Rs . '000
Employer's contribution to Provident Fund	50	50

#### (b) Defined Benefit Plan

Gratuity as per arithmetic basis considering funds lying with LIC as on 31st March, 2010.

	As at 31st March, 2010 Rs. '000	As at 31st March, 2009 Rs . '000
i) Net assets/(liabilities) recognized in the Balance Sheet.	296	278
ii) Expenses recognised in the income statements	18	18

11. Previous year's figures have been re-grouped where necessary.

For and on behalf of the Board of Directors

**H.N. Singh Rajpoot**  
Director

**Vimal Kejriwal**  
Director

**Kishore Shete**  
Manager

Mumbai: May 28, 2010

## ANNEXURE REFERRED TO IN NOTE 11 OF NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

### Balance Sheet Abstract and Company's General Business Profile

#### I. Registration Details

State Code	1 1		
Registration No.	1 2 4 0 6		
Balance Sheet Date	Date	Month	Year
	31	03	2010

#### II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

#### III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	2 9 3 8 7 6	Total Assets	2 9 3 8 7 6
<b>Sources of Funds</b>			
Paid-Up Capital	1 1 8 9 5 1	Reserves and Surplus	1 7 4 9 2 5
Secured Loans	NIL	Unsecured Loans	NIL
<b>Application of Funds</b>			
Net Fixed Assets	2 3 1 7	Investments	2 0 3 3 1
Net Current Assets	9 7 3 7 5	Accumulated Losses	7 3 8 5 3
Misc. Expenditure	NIL		

#### IV. Performance of Company (Amount in Rs. Thousands)

Turnover	5 8 5 6	Total Expenditure	1 0 1 6 7
Profit/(Loss) Before Tax	- 4 3 1 1	Profit/(Loss) After Tax	- 4 3 1 1
Earning per share in Rs.	- 0 . 3 6	Dividend	NIL

#### V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Service Description	Business Centre
Item Code No.	Not Applicable

For and on behalf of the Board of Directors

**H.N. Singh Rajpoot**  
Director

**Vimal Kejriwal**  
Director

**Kishore Shete**  
Manager

Mumbai: May 28, 2010

Mumbai: May 28, 2010

**FGP LIMITED**

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

**ATTENDANCE SLIP FOR 48th ANNUAL GENERAL MEETING**

**Date: September 28, 2010 – Time: 11.00 a.m.**

**Place: TEXTILES COMMITTEE complex, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai - 400 25.**

Signature of the Shareholder/Proxy present:

Folio No./Client ID:

Only Shareholders or their proxies will be allowed to attend the meeting.



**FGP LIMITED**

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

**PROXY FORM**

I / We -----

of -----

being a Member/Members of FGP Limited holding shares in Folio No./Client ID-----

----- hereby

appoint ----- of-----

of failing him ----- of-----

of failing him ----- of-----

as my / our proxy to attend and vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on Tuesday, September 28, 2010 and at any adjournment thereof.

AS WITNESS my hand/or hands this ----- day of----- 2010

Signed by the Said -----

Affix  
Revenue  
Stamp

**NOTE:**

THE PROXY FORM MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT COMMERCIAL UNION HOUSE, 9 / WALLACE STREET, FORT, MUMBAI-400 001, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

# BOOK-POST



*If undelivered please return to:*

**FGP LIMITED**

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