

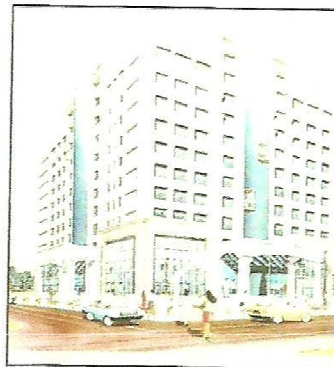
fact

enterprise limited

18TH

ANNUAL REPORT

2010



Building, Constructions & Media

Bombay Stock Exchange Listed co.
(ISO 9001 : 2000)

2011



FACT ENTERPRISE LIMITED

18 TH

ANNUAL REPORT

2010-2011



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Rajiv Kashyap	- Chairman cum Managing Director
Mr. Kunal Patil	- Director
Mr. Praful Sadanand Rane	- Director
Mr. Varun S.Gautam	- Director

REGISTERED OFFICE 51, Juhu Supreme Shopping Centre,
Gulmohar Cross Road No.9, Andheri (W), Mumbai – 400 049.

AUDITORS M.V. DAVE & CO.
Chartered Accountants, Mumbai

BANKERS Allahabad Bank, J.V.P.D Scheme
Oriental Bank of Commerce, Kandivali, Mumbai
Union Bank of India, Ville Parle (E), Mumbai
Union Bank of India, Malad (W), Mumbai

**REGISTRAR &
SHARE TRANSFER
AGENT** Big Share Services Pvt. Ltd, E-2/3, Ansa Industrial Estate,
Saki-Vihar Road, Saki Naka, Andheri (E), Mumbai – 400 072.

**CORPORATE
IDENTIFICATION
NUMBER(CIN)** L67190MH1993PLC071166

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CHAIRMAN'S ADDRESS TO SHAREHOLDERS

Dear Shareholders,



It gives me great pleasure to welcome all of you at the 18th Annual General Meeting of YOUR COMPANY.

The fortunes of every sectors of business and industry is virtually depends upon infrastructure. Without offices, retail shops, trade zones, roads, airports and other various infrastructure related activities without which economy will strive to achieve its goal.

We are seeing continuously global financial crisis across the world. India, being a 3rd largest Economy in the World has shown a good corporate performance which has driven the growth of our economy. Real estate sector have seen a phenomenal demand for good commercial as well as residential projects which helped companies like us to survive in the economic downturn.

By now you have had the opportunity to go through the audited annual accounts for financial year 2009-2010.

In the Financial Year 2009-2010, YOUR COMPANY'S performance had post a Net profit of Rs. 96.68 lacs with the Earning Per Share of Rs. 1.02. As we know the fact that slowdown in global economy has led to decrease in Turnover as well in profits. I would like to present in front all of you financial figures of this financial year 2010-11 where YOUR COMPANY'S Turnover has gone down and Earning Per Share has gone down to Rs. 0.01 from Rs. 1.02 of last year. I assure that YOUR Company's next financial performance will be substantially high in terms of Profits and turnover. Company has also raised Rs. 350 to 400 lacs by issuing equity shares on preferential basis which has resulted a lower Earning Per Share.

YOUR COMPANY under trying circumstances was focused on execution and demonstrated its capability by launching various construction projects. Company as also ventured into Media Segment where Company has successfully launched various teen pageants like "Fact Universal Teen Pageant", Fact Supermodels.

CHAIRMAN'S ADDRESS TO SHAREHOLDERS

Company has tied up with one of the known production house to produce movies. Company has started production process of Movie 'Main Krishna Hoon.' This diversification in media industry will give us good results and returns in years to come.

M/s. Fact Enterprise Limited enjoys excellent relations with its clients and with numerous institutions in and outside India. The Company has tremendous financial and managerial capabilities and our main stream of business is construction. The quality and reliability of the business has earned the Company an enviable reputation and goodwill. We believe in successfully completing all the assignments in a fixed and precise time frame.

Synergy and combination of capital intensive and time extensive projects gives YOUR COMPANY good profits and value for money. Due to this unique combination, costs of our projects are very low and the profits are high.

At the end, I would like to reinforce the uniqueness of our business model and various strategies will be to focus on executions and create wealth for shareholders. I take this opportunity to thank all the shareholders, customers, suppliers, bankers and employees for their continued support and co-operation. We share an everlasting bond with each other. I thank all my colleagues on the Board for their unanimous support and immense encouragement.

I am sure that with your best wishes and confidence shown in our capabilities, the Company will achieve new milestones.

With Best Wishes,

Sd/-

Chairman
Place: Mumbai

Date: 2nd September, 2011.



NOTICE TO THE MEMBERS

Notice is hereby given that the Eighteenth Annual General Meeting of **FACT ENTERPRISE LIMITED** will be held on Friday, 30th September, 2011 at 10.00 A.M. at the Conference Hall, Juhu Supreme Shopping Centre, JVPD Scheme, Andheri (w), Mumbai – 400049 to transact the following business:

ORDINARY BUSINESS:

1. To consider, approve and adopt the audited Balance Sheet as on 31st March 2011 and the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint Director in place of Mr. Varun Sadashiv Gautam, who retires by rotation and being eligible offers himself for re-appointment.
3. To reappoint Auditors and fix their remuneration.

SPECIAL BUSINESSES:

4. Appointment of Mr. Kunal Patil as Director:

To consider and, if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

“**RESOLVED THAT** Mr. Kunal Patil has been appointed as an Additional Director of the Company with effect from 14th May, 2011 and who in terms of Section 260 of the Companies Act, 1956, holds office of Directorship upto the date of this Annual General Meeting and in respect of whom the Company has received Notice in writing from a member under Section 257 of the Companies Act, 1956 signifying his intention to propose him as a candidate for the office of Director, be and is hereby appointed as a Director of the Company .”

FOR AND ON BEHALF OF THE BOARD

Sd/-

**(RAJIV KASHYAP)
MANAGING DIRECTOR**

Place: Mumbai

Date: 2nd September, 2011

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY, TO ATTEND AND VOTE IN HIS OR HER PLACE AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and the Share Transfer Register of the Company shall remain closed from 28th September 2011 to 30th September 2011 (both days inclusive).
3. Members are requested to notify immediately any change in their address along with pin code numbers to the Company or the share transfer agent of the Company Registrar & Share Transfer Agent, Big Share Services Pvt. Ltd. E-2/3, Ansa Industrial Estate, Saki-Vihar Road, Saki Naka, Andheri (E), Mumbai – 400 072.
4. Individual shareholders can take the facility of nomination. For further detail in this regard shareholders may contact share transfer agent of the Company.
5. The shares of the Company are transacted in compulsory dematerialized form. Shareholders are requested to convert their shares in Demat form at the earliest possible.
6. Members are requested to quote their account/folio no. in all correspondence with the Company.
7. Members attending the annual general meeting are requested to bring along their copies of the annual report, as the same will not be distributed at the meeting.
8. Members desiring any information on the Accounts are requested to write to the Company at least one week before the meeting so as to enable the management to keep the information ready at the meeting.

BY ORDER OF THE BOARD,
For FACT ENTERPRISE LTD

Sd/-

Place: Mumbai
Dated: 2nd September, 2011.

Mr. RAJIV KASHYAP
CHAIRMAN & MANAGING DIRECTOR

ANNEXURE TO THE NOTICE:

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACTS, 1956.

The following Explanatory Statement sets out the material facts relating to the business under items 4 of the accompanying Notice:

Mr. Kunal Patil was appointed as an Additional Director by the Board of Director w.e.f. May 14, 2011 in accordance with the provisions of Section 260 of the Companies Act, 1956.

Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing her candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

The Board feels that presence of Mr. Kunal Patil on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 4 for adoption.

None of the Directors, except Mr. Kunal Patil is concerned or interested in this resolution.

The Board recommends resolutions under Item No. 4 to be passed as ordinary resolution.

For Fact Enterprise Limited

Place: Mumbai
Date: 2nd September, 2011

Sd/-
Rajiv Kashyap
Managing Director



**DETAILS OF THE DIRECTORS
SEEKING APPOINTMENT/RE-APPOINTMENT
AT THE FORTHCOMING ANNUAL GENERAL MEETING**

(In pursuance of Clause 49(VI) (A) of the Listing agreement)

DIRECTORS SEEKING RE-APPOINTMENT

Name of the Director:	Mr. Varun Sadashiv Gautam
Date of Birth:	28-11-1966
Date of Appointment:	28-11-2005.
Expertise in any specific functional area:	Mr. Varun Sadashiv Gautam has extensive experience in media and journalism field for more than 21 years.
Qualification:	B.COM
Directorships held in other companies: (excluding foreign Companies)	NIL
Committee Positions held in other Companies:	NIL

DIRECTORS SEEKING APPOINTMENT

Name of the Director:	Mr. Kunal P. Patil
Date of Birth:	20.12.1983
Date of Appointment:	14.05.2011.
Expertise in any specific functional area:	He is good experience in Construction related activities.
Qualification:	Diploma in Civil Engineer
Directorships held in other companies: (excluding foreign and Pvt. Ltd. Companies)	NIL
Committee Positions held in other Companies:	NIL

BY ORDER OF THE BOARD,
For **FACT ENTERPRISE LTD.**

Sd/-

Place: Mumbai
Dated: 2nd September, 2011

Mr. RAJIV KASHYAP
CHAIRMAN & MANAGING DIRECTOR

To,

The Members of **Fact Enterprise Limited**

Your Directors are pleased to present the 18th Annual Report together with the Audited Accounts for the year ended 31st March 2011.

I. FINANCIAL HIGHLIGHTS:

Particulars	Year ended 31-3-2011 (Rs. in Lacs)	Year ended 31-3-2010 (Rs. in Lacs)
Turnover	34.59	343.39
Profit before Interest, Depreciation and Tax	2.56	100.70
Less:		
(i) Interest:	1.22	3.77
(ii) Depreciation	0.24	0.24
Profit after Interest and Depreciation	1.10	96.68
Profit before Taxation	1.10	96.68
Provision for Taxation (after adjustment of deferred Tax)	0.03	(0.36)
Profit after Tax	1.07	97.10
Add: Amount brought Forward from last year	465.52	373.59
Amount Available for Appropriation	466.59	470.69
Less: Appropriations:		
Amount Transferred to General Reserve	0.00	0.00
Interim Dividend / Proposed Dividend	0.00	9.47
Provision for tax on proposed Dividend	0.00	1.61
Balance carried to Balance Sheet	466.59	465.52

DIRECTORS' REPORT

II FINANCIAL PERFORMANCE AS A MEASURE OF OPERATIONAL PERFORMANCE:

In this challenging environment & recession your Company has managed to post profits in the financial year 2010-2011. Following table depicts the financial performance of the Company in brief:

Particulars	AS ON 31-3-2011 (Rs. In Lacs)	AS ON 31-3-2010 (Rs. In Lacs).
Working Capital	29907.65	4167.50
Total Income	34.59	343.39
Net Profit After Tax	1.07	97.10

III DIVIDEND

To conserve the resources, Your directors do not recommend the dividend on equity shares.

IV DIRECTORS RESPONSIBILITY STATEMENT:

As required under Section 217(2AA) of the Companies Act 1956 your Directors confirm that:

- (i) In the preparation of annual accounts, the applicable accounting standards have been followed.
- (ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2010-2011 and of the profit & loss of the Company for the period ended 31st March, 2011.
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records 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 Directors have prepared the annual accounts on going concern basis.

V DIRECTORS:

In accordance with the provisions of the Companies Act' 1956 and Articles of Association of the Company, Mr. Varun Gautam retires by rotation and being eligible, offers himself for reappointment. **During the year Mr. Kunal Patil has been appointed as a director and Mr. Dattapal Neroy has resigned from the Company.**

VI AUDITORS:

M/s M.V. Dave & Co, Chartered Accountants, retire as the Auditors of your Company at the forthcoming Annual General Meeting and being, eligible, offer themselves for reappointment. The Company has received an eligibility certificate from the said M.V. Dave & Co, Chartered Accountants under section 224(1) of the Companies Act 1956.

VII. AUDITORS' REPORT:

Observations made in the Auditors Report are self explanatory and therefore do not call for comments under Section 217(3) of the Companies Act 1956.

VIII CORPORATE GOVERNANCE:

A separate report on Corporate Governance is furnished as a part of the Directors' Report and a certificate from the Auditors regarding the compliance of the conditions of Corporate Governance is annexed to the said Report.

IX FIXED DEPOSIT:

During the year under review, your Company has not invited any deposit from the public.

X PARTICULARS OF EMPLOYEES:

Your Company does not have any employee whose particulars are 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).

XI. SHARE CAPITAL:

Your Company has issued 1,02,25,000 warrants under preferential allotment which were converted into equity shares and subsequently, your Company's paid up capital has increased from Rs. 9,47,28,000/- as on 31st March, 2010 to Rs. 152,728,000/- as on 31.3.2011.

DIRECTORS' REPORT

XII ADDITIONAL INFORMATION:

Information pursuant to section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is furnished hereunder

A. CONSERVATION OF ENERGY:

Your Company is regularly finding out the areas from where the energy can be conserved. As your Company is basically in construction of building so there is no power and fuel requirement as such.

B. TECHNOLOGY ABSORPTION:

Your Company is regularly finding out ways used in the process of adoption of new technology in the construction of building.

C. ENVIRONMENT:

Your Company is not involved in any type of activity hazardous to the environment and does not discharge any type of trade effluents (solid, liquid or gaseous) causing pollution.

D. FOREIGN EXCHANGE EARNING & OUTGO:

There were no foreign exchange earnings or outgo by way of either imports, exports or expenses during the year.

XIII ACKNOWLEDGEMENT:

The Board of Directors wishes to place on record their sincere appreciation and acknowledges with gratitude to the companies valued clients, Bankers, Securities Exchange Board of India and the Share holders for their continued co-operation and support. The Directors also wish to place on record their sincere appreciation of the Company employees at all levels for their sincere efforts and commitment in their duties without which the results achieved by your Company would not have been possible and look forward to their continued support.

For and on behalf of Board

Sd/-

Mumbai
DATED: 2nd September 2011

Mr. RAJIV KASHYAP
CHAIRMAN & MANAGING DIRECTOR

(A) ORGANIZATION PROFILE:

YOUR COMPANY is an ISO 9001:2000 certified real estate development Company in India, engaged in business of construction, development and redevelopment of buildings, shopping complexes, etc., mainly in Mumbai and its suburbs. Our focus is mainly on real estate redevelopment, which includes Society redevelopment, private redevelopment and redevelopment of Cess Properties, which gives the Company the benefit of lower initial expenses on land acquisitions. Our projects includes both commercial malls/shopping Complexes as well as residential projects. We have an integrated team of professionals.

Starting with Construction, Fact Enterprise Limited pursued a strategy of vertical integration and diversified in media, for the future prospects of this Company. With reference to our entry into the field of media and entertainment, YOUR COMPANY has been successful in conducting a 2nd addition of beauty pageant for teenage girls by the name of FACT UNIVERSAL TEEN PAGEANT. YOUR COMPANY also launched another show called Fact Supermodel which was telecasted worldwide in one of the famous TV channel. Both of these shows got good response from the audience in terms of the TRP which enhances the brand value of the Company in the media industry. Your Company has also tied up with the some production house to produce movies. Company has already started pre-production process to launch new movie called “Main Krishna Hoon”.

(B) Overall View:

India continues to be second fastest growing economy in the Asia Pacific Region. Despite the global meltdown effect of the past two years, the growth rate of Indian economy is estimated to be around 8% and it is expected to sustain the same until year 2020. Infrastructure development integrated with real estate development has been the backbone of such sustained growth and continues to be the focal point for our economy. Your Company has sustained growth and aspires to do so in the coming years.

Real estate sector witnessed a turnaround with signs of economic stabilization and moderate growth in global economic performance during the fiscal year. Property markets in India began to exhibit for a short while signs of revival during the time. With the return on liquidity in the real estate sector and firm prices in the recent months, cash flows of realty players improved resulting in resumption of construction of stalled projects and a few new launches as well.

Presently industry is facing lack of director and confidence, and is in consolidation phase. Post sub prime crisis in the west and meld down in Middle East, Asia continues to be growth area of the global economy. Reserve bank of India’s recent increase in lending rates will invariably lead to higher cost of funds for both developers as well as for end users. This coupled with slowdown in demand and a tightening liquidity situation will keep capital values under pressure.

The city of Mumbai is one of the prime business and commercial centers in the world. Mumbai city is bestowed with the problems of old buildings, slums & chawls which appear as dark spots on its white sheet creating infrastructure bottle necks. Fact Enterprise Limited has aimed to utilize these extra incentives to construct and generate FSI in years to come. Fact Enterprise Limited has established itself into the western suburban of Mumbai city where the population has witnessed a steep rise in the recent past. The Company has identified some of its projects of construction of commercial/residential retail malls for which Company plans to augment long term resources of near about to 35 to 40 Crores.

Media, the fourth estate, when entwined with the entertainment component represents an effective facet of consumers in India. Technology has played a key role in influencing the entertainment industry, by redefining its products, cost structure and distribution.

(C) Segment-wise Performance:

Your Company has identified segments reporting in terms of AS 17 issued by Institute of Chartered Accountants of India (ICAI), these are Construction/Property, Construction/Finance & Media. The Company has made an investment of Rs. 2275.43 Lacs in the field of Consultancy/Finance/Investments/Media. Rs. 379.50 lacs in construction &/or property development activities and Rs. 27.07 lacs in media segment in the current financial year.

(D) Outlook for the Company:

Your Company shall continue to lay thrust for obtaining optimum results and minimize expenses in their business ventures to achieve better results in the coming years.

(E) Opportunities and threats:

1) Opportunities

- Introduction of new projects in the gamut of Company's activities.
- Improvement in the Global Economic Situation
- Various Stimulus packages by Governments globally for growth for the Infrastructure Sector.
- Launch of various Beauty Pageant Shows
- Production of Part Animated Movie which has been untouched avenue in entertainment segment



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

- Increasing disposable income in the hand of young individuals thereby leading a huge viewer ship space
- Marketing of DVD, CD as home Video segment has becoming more profitable.

2) Threats

- Lack of Brand presence
- Depressed prices has affected Real Estate Market during the year and there Could be a Spill over effect.
- Variations in viewer's taste and preferences.
- Competition from the peers.
- Valuation methodology and accounting practice in broadcasting business may change.
- Spat of New TV Channels has been launched every year.

(F) Risks & Concerns:

- Macro Economic factors including economic and political developments
- Natural Calamities which affect the Industrial Sector Generally
- Dependence on availability and performance of subcontractors.
- Lack of geographical presence as operations are only Mumbai based.
- Lack of adequate infrastructure Facility Long gestation period (life cycle) of projects from land acquisition to completion of the project. Lack of accuracy in estimating overall risks, market cycles, revenue or costs in respect of a project, may adversely affect our projects too.
- Delay in execution of redevelopment projects due to unavoidable delay in receiving required consents from the concerned authorities.
- Volatility of share prices on listing.

(G) Future Outlook:

Mumbai being the commercial hub of India, need for housing has been on an upwards trend since years. As the standard of living of masses has improved, need for good and permanent housing has also increased. This situation has given an impetus to real estate developers like YOUR COMPANY, as our main focus is on slum rehabilitation, a boost to provide permanent dwellings to slum rehabilitants.

(H) Company's Strategy:

- Our projects are self financing i.e. Sales and bookings begin at the initial stage of our projects which facilitates us to construct the projects and develop new projects without taking any help of external finances.
- Maintaining a tight control over costs, improving cost to income ratios
- Increasing productivity across all functions.
- We tend to enter into joint ventures with experienced concerns for handling bigger projects for building brand equity and expansion of our business. We do not have any technical or other collaboration.
- We hire contractors who bring in necessary equipments, plant and machinery etc. as per the project requirements.
- We focus on building superior infrastructure, using best quality and most cost effective economic materials. The Contractors hired are experienced and use technology evolving in construction sector and hence implement new projects faster and in a more efficient manner.
- We conduct marketing of our projects through real estate agencies, site office. Advertisement mediums like: bill boards, newspapers, participation in property exhibitions and most convincing word of mouth through our existing customers.

(I) Internal Control Systems and their Adequacy:

Your Company has a proper and adequate system of internal controls, to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposal and commercial transactions are authorized. Recorded and reported correctly. The internal controls is supplemented by an extensive programme of internal, external audits and periodic review by the management. The system is designed to adequately ensure that financial and other records are reliable for presenting financial information and other data and maintaining accountability of assets.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(J) Human Resources:

Human resource is the most performing asset of any organizations. We believe that business is a byproduct of relationships. Regular training and development programmes are conducted for the employees to help them in improving their performance levels and in ultimately increasing the level of performance of the Company. Good congenial environment prevails in Your Company.

Performance appraisal of employees is done on a regular basis. Our employees have an Opportunity of participation for giving suggestions towards various management decisions. This helps them to improve their decision making power, increases their motivation and morale which ultimately results into increasing their productivity.

(H) AWARDS AND RECOGNITIONS

- Indian Economic Studies has conferred upon M/s. Fact Enterprise Limited an excellence award for its incredible performance and also has graced Mr. Rajiv Kashyap., Managing Director of the Company by granting Udyog Ratna Award.
- All India Achiever's Foundation has conferred upon Mr.Rajiv Kashyap, an All India Achiever's Award.
- Mr. Rajiv Kashyap has also been graced with awards like Best Citizen Awards, Best Corporate Citizen Award.
- Mr. Rajiv Kashyap has been honored with Pride of Asia Award which was organized by the Integration of Peace Society at Dubai (UAE)

For and on behalf of Board

Sd/-

Mumbai
DATED: 2nd September, 2011

Mr. RAJIV KASHYAP
CHAIRMAN & MANAGING DIRECTOR

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on code of Corporate Governance:

In the era of good corporate governance, your Company believes in attainment of highest levels of transparency in all facets of its operations. The Company is committed to maximize the shareholders value by adopting the principles of good corporate governance in line with provisions stipulated in the listing agreement.

2. Board of Directors:

The details of directors including the details of their Board Directorships and committee are given below:

Name of the Director	Category	No. of Directorships held in other Companies (excluding Pvt. Ltd.)	No. of Board Committee memberships held in other Companies
Mr. Rajiv Kashyap	Chairman & Managing Director (Promoter)	2	Nil
Mr. Dattapal Chandrakant Neroy*	Independent & Non Executive Director	Nil	Nil
Mr. Praful S. Rane	Independent Director & Non Executive Director	Nil	Nil
Mr. Varun Sadashiv Gautam	Independent Director & Non Executive Director	Nil	Nil
Mr. Kunal P. Patil	Independent Director & Non Executive Director	Nil	NIL

*ceased to be director w.e.f. 14th May, 2011

Meetings and Attendance:

During the year ended 31st March 2011, **6 (Six)** Board Meetings were held on the following Dates: 28th April, 2010, 23rd June, 2010, 31st July, 2010, 23rd October, 2010, 31st October, 2010, and 25th March, 2011.

CORPORATE GOVERNANCE REPORT

Attendance of Directors at the Board Meeting and at the Annual General Meeting (AGM) (16th August 2010)

Name of Director	No. of Board Meeting Attended	Whether attended AGM on 16/08/2010
Mr. Rajiv R. Kashyap	6	Yes
Mr. Dattapal C Neroy	6	Yes
Mr. Varun Sadashiv Gautam	6	Yes
Mr. Praful Sadanand Rane	6	Yes

Code of Conduct:

The Company has formulated a code of conduct for the members of the Board and senior management of the Company.

3. Committees of the Board:

(a) Audit Committee:

Terms of Reference:

The role of the Audit Committee broadly includes periodic discussions with the statutory Auditors concerning the accounts of the Company and internal control systems, recommending appointment /removal of statutory auditors and fixing their remuneration, reviewing the financial statement before submission to the Board, reviewing adequacy of internal control systems.

Composition & Meeting:

The Audit Committee consists of the following Directors:

1. Mr. Dattapal C Neroy* Chairman (Independent & Non Executive Director)
2. Mr. Varun Sadashiv Gautam Member (Independent & Non Executive Director)
3. Mr. Praful Rane Member (Independent & Non Executive Director)

*ceased to be director w.e.f. 14/05/2011.

The managing Director is a permanent invitee to the Audit Committee.

During the year ended 31st March 2011, meetings of the Audit Committee were held on the following dates: 30th June 2010, 31st July 2010, 31st October 2010, 31st January 2011.

The attendances of the members of the meeting were as follows:

Name of the Member	Status	No. of Meetings Attended
Mr.Dattapal Chandrakant Neroy	Independent & Non Executive Director	4
Mr. Varun Sadashiv Gautam	Independent & Non Executive Director	4
Mr. Praful Sadanand Rane	Independent & Non Executive Director	4

(b) Remuneration Committee:

The Remuneration Committee of the Company has been constituted in the following manner:

1. Mr. Dattapal Chandrakant Neroy :Chairman (Independent & Non Executive Director)
2. Mr. Praful S. Rane Member (Independent & Non Executive Director)
- 3 Mr. Varun Sadashiv Gautam Member (Independent & Non Executive Director)

The role of the Committee is to consider the Company’s policy on specific remuneration packages for Executive Directors and determine the same within the overall limits provided in the Companies Act 1956. The decisions of the Committee are placed before the Board of Directors at the next meeting for approval.

(c) Investor Grievance Committee and Share Transfer Committee:

(i) Terms of Reference:

The existing Share Transfer Committee of the Company has been constituted as the Investor Grievance and Share Transfer Committee. The brief terms of reference of the Committee include redressing shareholders and investor complaints like transfer and transmission of shares, non-receipt of Balance sheet, non-receipt of dividend etc. Approving transfer of shares transmission of shares, dematerialization of shares, issuance of duplicate share certificate, splitting and consolidation of shares etc.

DETAILS OF INVESTORS COMPLAINTS RECEIVED DURING THE YEAR:

Sr. No.	Nature of Complaints	Received	Disposed	Pending
1.	Non receipt of Dividend Warrants.	1	1	NIL
	others.			
	TOTAL	1	1	NIL

(ii) Composition:

The Committee at present consists of the following Directors:

- | | |
|---------------------------|----------|
| Mr. Rajiv Kashyap | Chairman |
| Mr. Varun Sadashiv Gautam | Member |
| Mr. Praful S. Rane | Member |

CORPORATE GOVERNANCE REPORT

4. General Body Meeting:

The last three Annual General Meetings of the Company were held as under:

Financial Year	Date	Time	Location
2009-10	16-08-2010	12.30 noon	Conference Hall, Juhu Supreme Shopping Centre,,J.V.P.D.Scheme, Andheri(w), Mumbai-400 049.
2008-09	30-09-2009	12.00 noon	Conference Hall, Juhu Supreme Shopping Centre,,J.V.P.D.Scheme, Andheri(w), Mumbai-400 049.
2007-08	05-09-2008	12.00 noon	Conference Hall, Juhu Supreme Shopping Centre,,J.V.P.D.Scheme, Andheri(w), Mumbai-400 049.

Special resolution passed in the previous three Annual General Meetings are as below :

2007-08	- Nil
2008-09	- Nil
2009-10	- Nil

Extraordinary General Meetings held in Last Three Years

2009-10	- Preferential Allotment of Equity Shares
2008-09	- Nil
2007-08	- Nil

5. Disclosures:

(i) Related Party Transactions:

The Company has entered into transactions in ordinary course of business with Managing Director only and no other transactions with any other promoters, the Directors or the management, their subsidiary or Relative etc. However, these transactions are such that they do not have any potential conflict with the interest of the Company.

(ii) Compliance by the Company:

The Company has complied with the requirements of the Stock Exchanges SEBI and other statutory authorities on all matters related to capital markets.

No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities.

The Company has obtained a certificate from Auditors of the Company regarding compliance with the provisions relating to the corporate governance laid down in clause 49 of the listing agreement with the Stock Exchanges. This certificate is annexed to the report.

CORPORATE GOVERNANCE REPORT

6. CEO/CFO Certification:

A certificate from the Managing Director regarding the financial statements and accounting policies etc. of the Company was placed before the Board.

7 Means of Communication

1. In compliance with the requirements of Listing Agreement, the Company regularly intimates un-audited as well as audited financial results to the Stock Exchanges immediately after they are taken on record by the Board and the same is published in the newspapers. The results are not sent individually to the shareholders.

2. Management Discussion and Analysis Report forms part of the Report of the Directors

8. General Shareholder Information:

(a) Annual General Meeting:

Date: 30th September, 2011
Time: 10:00
Venue: Conference Hall, Juhu Supreme Shopping Centre,
J.V.P.D.Scheme, Andheri (West), Mumbai-400049

(b) Book Closures: 28th September 2011 to 30th September (both days inclusive).

(c) Financial Calendar for 2011-12

Financial Year Ending	31st March 2012
First Quarter Results	By July 2011
Second Quarter Results	By October 2011
Third Quarter Results	By January 2012
Fourth Quarter Results	By April 2012

(d) Listing of Equity Shares

The Company's Shares is listed in the Bombay Stock Exchange.

(e) Stock Code:

The Stock Exchange, Mumbai (BSE) **511668**

Under depository system, the International Securities Identification No (ISIN) allotted to the Company's Share is **INE 923D01019**

CORPORATE GOVERNANCE REPORT

(f) Stock Market Price for the financial year April 2010 to March 2011:

BSE

Month	High (Rs)	Low (Rs.)
April' 10	41.35	32.10
May' 10	39.50	32.25
June' 10	41.90	32.10
July' 10	41.50	35.20
Aug' 10	42.00	33.80
Sep' 10	38.40	32.35
Oct' 10	37.00	32.00
Nov' 10	38.00	23.00
Dec' 10	29.90	22.75
Jan' 11	29.45	17.35
Feb' 11	24.80	15.15
Mar' 11	25.80	16.00

(g) Registrar & Share Transfer Agent:

M/s Big Share Services Private Ltd is the Registrar & Share Transfer Agent of the Company.

Correspondence Address: M/s Big Share Services P. Ltd,

E/2, Ansa Industrial Estate, Saki-Vihar Road, Saki Naka, Andheri (East), Mumbai-400 072.
Phone No.- 022-40430200

(h) Shareholding of Non Executive Directors

The shareholding in the Company by the Non Executive Directors in their own name is NIL

(i) Share Transfer System:

Presently the share transfers which are received in physical form are processed and the share certificates returned within a period of 10 to 15 days from the date of receipt, subject to the documents being valid and complete in all respects. As regards the dematerialized shares the same can be effected through the demat accounts of the transferor(s) and or transferee(s) maintained with the recognized Depository participants.

(i) Dematerialization of Shares:

The Company's shares are traded in the Stock Exchange in demat mode. As on 31st March 2011, 14,221,685 Equity shares of the Company forming 93.12% of the total shares of the Company stand dematerialized. It is advised to those shareholders, who still hold the shares in physical form to get their shares converted to DEMAT to avail various advantages such as quick delivery on transfers, minimizing the risk on loss in transit, bad deliveries etc.

CORPORATE GOVERNANCE REPORT

(j) Distribution of Shareholding as on 31st March 2011

Range in Rs.	Number of shareholders	Percentage of Shareholders	Total Holding in Rs.	Percentage of Capital
Upto 5000	1354	66.5356	2328090.00	1.5243
5001-10000	186	9.1400	1559730.00	1.0212
10001-20000	118	5.7985	1849600.00	1.2110
20001-30000	63	3.0958	1644890.00	1.0770
30001-40000	33	1.6216	1225100.00	0.8021
40001-50000	45	2.2113	2162610.00	1.4160
50001-100000	103	5.0614	8934740.00	5.8501
100001 and above	133	6.5356	133023240.00	87.0981
Total	2035	100.00	152728000.00	100.00

(k) Pattern of Shareholding as on 31st March 2011

Category	No. of Shares Held	Percentage of Shareholding
1. Regular	9417342	61.6609
2. Promoters	112194	0.7346
3. Private Corporate Bodies	5698095	37.3088
4. NRI	3963	0.0259
5. FIIs	25000	0.1637
6. Clearing Members	16206	0.1061
Grand Total:	15272800	100.00

9. Address for Correspondence:

Registered Office: 51/ 54 Juhu Supreme Shopping Centre,
Gulmohar Cross Road No:9,
J.V.P.D. Scheme, Andheri (West), Mumbai- 400 049.

10. Compliance Officer: Mr. Rajiv Kashyap.

51/ 54 Juhu Supreme Shopping Centre,
Gulmohar Cross Road No:9,
J.V.P.D. Scheme, Andheri (West), Mumbai- 400 049.
Tel: 26705025/27/. Fax No: +91 22 2623 2208
E-Mail: fel_2006@rediffmail.com. Website: www.factent.com.

For and on behalf of the Board of Directors

Date : 2nd September, 2011
Place: Mumbai

Sd/-
Mr. RAJIV KASHYAP
CHAIRMAN & MANAGING DIRECTOR



CORPORATE GOVERNANCE REPORT

DECLARATION:

I, Rajiv Rajaram Kashyap, Managing Director of Fact Enterprise Limited hereby affirm and declare, to the best of my knowledge and belief, and on behalf of the Board of Directors of the Company and senior management personnel, that:

The Board of Directors has laid down a code of conduct for all Board members and senior management of the Company [‘the code of conduct’];

The code of conduct has been complied with;

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT:

The Board of Directors has laid down the Code of Conduct for all the Board Members and members of Senior Management of the Company. Certificate from the Managing Director affirming compliance of the said Code by all the Board Members and members of Senior Management of the Company to whom the code is applicable is annexed separately to this report.

POSTAL BALLOT:

The provision relating to Postal Ballot will be complied with in respect of matters, wherever applicable.

For and on behalf of the Board of Directors

Sd/-

Mr. RAJIV KASHYAP
CHAIRMAN & MANAGING DIRECTOR

Date: 2nd September, 2011
Place: Mumbai



AUDITORS' CERTIFICATE

To
The Members Of
FACT ENTERPRISE LIMITED

We have examined the compliance of conditions of Corporate Governance by **Fact Enterprise Limited** for the year ended 31ST March, 2011 as stipulated in clause 49 of the listing Agreement of the said Company with The Stock Exchange, Mumbai.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and the 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 information and according to the explanations given to us, and the representations made by the directors and management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2011, no investor grievances are pending against the Company as per the records maintained by the Company and presented to the Shareholders / Investor Grievance Committee of the Company.

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.

For M.V.DAVE & CO.
Chartered Accountants
FRN No. 102183W

SD/-

MAHESH DAVE
Proprietor
M.No. 17637

MUMBAI: 31st August 2011

AUDITORS' REPORT

To
The Members Of
FACT ENTERPRISE LIMITED

1. We have audited the attached Balance Sheet of **FACT ENTERPRISE LIMITED** as on 31ST March 2011 and also the Profit & Loss Account 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 have conducted our audit in accordance with auditing standards generally accepted in India. Those 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 the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003, as amended by the Companies (Auditors Report) (Amendment) Order, 2004 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose as Annexure, a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to 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 purpose of our audit;
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, Profit & 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 & Loss Account and Cash Flow Statement dealt with by this report and comply with the Accounting Standards referred to in Section 211 (3C) of The Companies Act, 1956.
 - e) On the basis of written representations received from the Directors, as on 31ST March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31ST March, 2011 from being appointed as a Director in terms of Section 274 (1) (g) of The Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read together with the other notes in Schedule '17' give the information required by The Companies Act, 1956 in the manner so required and give a true and fair view:



AUDITORS REPORT

- I.** In the case of the Balance-Sheet, of the state of affairs of the Company as on **31st March 2011**;
- II.** In the case of the Profit & Loss Account, of the **Profit** of the Company for the period ended on that date; and
- III.** In the case of the Cash Flow Statement, of the **Cash Flow** for the year ended on that date.

For M.V.DAVE & CO.
Chartered Accountants
FRN No. 102183W

SD/-

MAHESH DAVE
Proprietor
M.No. 17637

MUMBAI: 31st August 2011

ANNEXURE TO THE AUDITORS REPORT

(Referred to in paragraph 3 of our Report of even date)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) All the Fixed Assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.

(c) During the year, the Company has not disposed off any Fixed Assets.
2. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. (a) The Company has not granted loans secured or unsecured to companies, firms or other parties covered in the register maintained U/s 301 of the Companies Act, 1956. However interest free advance has been given to one Company, the maximum balance outstanding at any given time during the year and closing balance of such advance as on 31.03.2011 were Rs. NIL and NIL Lacs respectively. However, the advance will be realized / adjusted on implementation of project. Accordingly clauses (b) and (c) of the order are not applicable.

(d) There was no overdue amount of more than Rs. 1 Lac in respect of the above advance granted by the Company.

(e) The Company has not taken any unsecured loan from a Company covered in the Register maintained under section 301 of the Companies Act, 1956. Accordingly clauses (f) and (g) of the Order are not applicable.
4. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
5. (a) In our opinion, and according to the information and explanations given to us, there are no such particulars of contracts or arrangements referred to in section 301 of the Act that need be entered in the register required to be maintained in pursuance of Section 301 of the Companies Act, 1956. Accordingly clause (b) of the order is not applicable.
6. (a) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 58 A and 58 AA of the Companies Act, 1956.

(b) There have been no proceedings before the Company Law Board, National Company Law Tribunal, Reserve Bank of India, any Court and any other Tribunal in this matter.

ANNEXURE TO THE AUDITORS REPORT

7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We are informed that the Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of The Companies Act, 1956 for any of the products of the Company.
9. According to the records of the Company, it has been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, profession tax, tax deducted at source and other statutory dues applicable to it except the following dues that have not been paid till date:
 - a) Income-tax relating to Assessment Year 2008-09 amounting to Rs. 78,01,629/- (Rupees Seventy Eight Lacs One Thousand Six Hundred Twenty Nine Only/-) and Rs. 13,75,50,612/- of AY 2008-09.
 - b) Dividend Distribution Tax relating to the year 2008-09 amounting to Rs. 4,28,937/- (Rupees Four Lacs Twenty Eight Thousand Nine Hundred Thirty Seven Only/-) and Rs. 160,990/- of FY 2009-10.
 - c) TDS related to Assessment Year 2011-12 amounting to Rs. 3,67,800/- (Rupees Three Lacs Sixty Seven Thousand Eighty Hundred Only/-).
10. The Company neither has accumulated losses nor has incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has no outstanding dues payable to any financial institution, bank or debenture holders except an amount of Rs. 8,21,977/- (Rupees Eight Lacs Twenty One Thousand Nine Hundred Seventy Seven Only/-) payable to IDBI Bank Ltd.
12. Based on our examination of documents and records, we are of the opinion that the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. We are informed that the provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund / Society do not apply to the Company.
14. Based on our examination of records in relation of transactions of shares and securities, we are of the opinion that proper records have been maintained of the transaction and contracts and timely entries have been made in those records. We also report that the Company has held the shares, securities, debentures, and other securities in its own name except otherwise pending for transfer.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. The Company has not availed any term loans during the year.

ANNEXURE TO THE AUDITORS REPORT

17. On the basis of our review of statements of accounts and as confirmed by the management, funds raised on short-term basis have not been used for long-term purpose and vice versa.
18. The Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year and accordingly this clause is not applicable.
20. The Company has not raised any money by way of public issue during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For M.V.DAVE & CO.
Chartered Accountants
FRN No. 102183W
SD/-
Mahesh V Dave
Proprietor
M. No. 17637

MUMBAI: 31st August 2011

To,
The Board of Directors,
Fact Enterprise Ltd.,
Shop No. 51 and 54,
Juhu Supreme Shopping centre, 2nd Floor,
Gulmohar Cross Road No.9,
J.V.P.D, Andheri (W)
Mumbai - 400 049.

I hereby certify that:

- (a) I have reviewed financial statements and the cash flow statement for the year ended 31st March, 2011 and that to the best of my knowledge and belief:
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) These are, to the best of our knowledge and belief, no transactions is entered into by the Company during the year which are fraudulent illegal or violative of the Company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the Auditors and the Audit Committee:
 - i) Significant changes in internal control over financial reporting during the year.
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai

Date: 31st August, 2011

For FACT ENTERPRISE LTD.

Sd/-
Rajiv Kashyap.
Managing Director

FACT ENTERPRISE LIMITED
BALANCE SHEET AS ON 31st MARCH,2011

	Sch.	As on 31.03.2011	As on 31.03.2010
<u>SOURCES OF FUNDS</u>			
<u>SHAREHOLDERS' FUNDS</u>			
Share Capital	1	152,728,000	94,728,000
Reserves & Surplus	2	143,799,893	349,213,259
Share Application Money		38,957,000	33,350,000
<u>LOAN FUNDS</u>			
Unsecured Loans	3	1,066,977	1,412,275
TOTAL . . .		336,551,870	478,703,534
<u>APPLICATION OF FUNDS</u>			
<u>Fixed Assets</u>			
Gross Block	4	33,889,896	61,389,896
Less :- Depreciation		1,101,097	1,076,577
Net Block		32,788,799	60,313,319
<u>INVESTMENTS</u>			
	5	3,123,401	75,600
<u>CURRENT ASSETS, LOANS & ADVANCES</u>			
<u>Current Assets</u>			
Stock-In-Trade	6	42,753,318	114,629,889
Debtors	7	-	237,680,091
Cash & Bank Balance	8	10,447,257	124,544,496
Loans & Advances	9	256,626,006	22,199,343
Other Current Assets	10	225,000	225,000
		310,051,581	499,278,822
<u>Less : CURRENT LIABILITIES & PROVISIONS</u>			
Current Liabilities	11	3,133,863	74,690,250
Provisions	12	7,841,174	7,838,465
		10,975,037	82,528,715
NET CURRENT ASSETS		299,076,546	416,750,106
MISC. Expenses (Asset)			
	13	929,515	932,717
DEFERRED TAX ASSET			
		633,609	631,792
TOTAL . . .		336,551,870	478,703,534
NOTES FORMING PART OF THE ACCOUNTS "N"			

As Per Our Report Of Even Date
For M.V.DAVE & CO.
Chartered Accountants
FRN No. 102183W

Sd/-
Mahesh V.Dave
PROPRIETOR, M. No. 17637
MUMBAI, 31st August 2011

For & on behalf of the Board

Sd/-
Rajiv Kashyap
Chairman & Managing Director

Sd/-
Varun Gautam
Director

Sd/-
Praful Rane 35
Director

FACT ENTERPRISE LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR 31ST MARCH 2011

	Sch	YEAR ENDED 31/03/2011	YEAR ENDED 31/03/2010
<u>INCOME</u>			
Interest		3,000,731	64,940
Other Income		458,500	34,246,872
		3,459,231	34,311,812
<u>EXPENDITURE</u>			
Administrative Exps & other Exp	N	3,203,347	24,218,971
Interest & other Financial Cost	O	121,564	400,638
Depreciation		24,520	24,131
		3,349,431	24,643,740
PROFIT BEFORE TAX		109,801	9,668,071
Less : Tax Paid over Provision of P. Y.		-	-
Less : Provision for Income Tax		5,000	-
Less : Provision for FBT		-	250
Less : Deferred Tax		(1,817)	(3,443)
PROFIT AFTER TAX		106,618	9,671,265
Balance Brought Forward		46,552,259	37,359,290
		46,658,877	47,030,555
SURPLUS AVAILABLE FOR APPROPRIATIONS			
<u>APPROPRIATIONS</u>			
General Reserve		-	-
Proposed Dividend		-	317,306
Corporate Dividend Tax On Eq Shares		-	160,990
Balance carried over to Balance-Sheet		46,658,877	46,552,259
		46,658,877	47,030,555
Basic & Diluted Earning Per Shares (Rs.)		0.01	1.02
NOTES FORMING PART OF THE ACCOUNTS " L"			
As Per Our Report Of Even Date For M.V.DAVE & CO. Chartered Accountants FRN No. 102183W Sd/- Maresh V.Dave PROPRIETOR M.No. 17637 MUMBAI, 31st August 2011		For & on behalf of the Board Sd/- Rajiv Kashyap Chairman & Managing Director Sd/- Varun Gautam Director Sd/- Praful Rane Director	

FACT ENTERPRISE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	FOR THE YEAR ENDED 31-03- 2011 RS.	FOR THE YEAR ENDED 31-03-2010 RS.
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extra Ordinary Items	109,801	9,668,072
Adjustment for:		
Preliminary & Capital Issue Expenses	147,695	133,245
Depreciation	24,520	24,131
Bad Debts	-	-
Dividend	-	-
Interest Income	3,000,731	-
Operating Profit before Working Capital Charges	3,282,747	9,825,448
Adjustment for:		
Increase / Decrease in Current Assets	(234,426,663)	(20,215,010)
Increase / Decrease in Current Liabilities	(2,180,137)	10,456,574
Cash Generated from Operations	(233,324,054)	67,012
Income Tax Paid		(206,135)
Cash flow before Extraordinary Items	(233,324,054)	(139,123)
Extraordinary Item	-	-
Net cash flow for operating Activities	(233,324,054)	(139,123)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investment	(3,047,801)	-
Purchase Of Fixed Assets	(10,000,000)	(20,012,290)
Sale/Loss of Investments	(3,239,374)	-
Dividend Received	-	-
Interest Received	(3,000,731)	-
Net Cash From Investing activities	(19,287,906)	(20,012,290)
C CASH FLOW FROM FINANCE ACTIVITIES		
Proceeds From Issue of Share Capital	139,007,000	135,125,000
Loans Borrowed (Repaid)	(345,298)	(450,484)
Dividend Paid	(2,291)	(509,675)
Preliminary & Capital Issue Expenses	(144,693)	-
Net Cash Used In Financing Activities	138,514,718	134,164,841
Net Increase in Cash & Cash equivalents	(114,097,242)	114,013,428
Cash & cash equivalents at the beginning of the	124,544,498	10,531,070
Cash & cash equivalents at the end of the Year	10,447,257	124,544,498

This is the Cash Flow Statement referred to in our report of even date

For M.V.DAVE & CO.

Chartered Accountants
FRN No. 102183W

RAJIV KASHYAP
MANAGING DIRECTOR

Mahesh V.Dave

PROPRIETOR

M.No. 17637

MUMBAI, 31st August 2011

VARUN GAUTAM
DIRECTOR

PRAFUL RANE
DIRECTOR

FACT ENTERPRISE LIMITED

SCHEDULES TO THE BALANCE SHEET AS ON 31ST MARCH, 2011

	As On 31.03.11	As On 31.03.10
<u>Schedule - 1 - SHARE CAPITAL</u>		
AUTHORISED :		
25,000,000 (Previous Year 25,000,000) Equity Shares Of Rs.10/- each	250,000,000	250,000,000
ISSUED, SUBSCRIBED & PAID-UP:		
15,272,800 (Previous Year 94,72,800) Equity Shares of Rs10/- each fully paid up	152,728,000	94,728,000
<u>Schedule - 2 RESERVES & SURPLUS</u>		
Share Premium		
As Per Last Balance Sheet	57,548,000	57,548,000
Add: Transfer From P & L A/c	75,400,000	-
	132,948,000	57,548,000
GENERAL RESERVE		
As Per Last Balance Sheet	245,113,000	245,113,000
Add: Transfer/W Off	(237,680,091)	-
	7,432,909	245,113,000
PROFIT & LOSS A/C		
As Per Last Balance Sheet	46,658,877	46,552,259
Add: Transfer/W off	(43,239,893)	-
	3,418,984	46,552,259
TOTAL . . .	143,799,893	349,213,259
<u>Schedule - 3 UNSECURED LOANS</u>		
From Banks		
IDBI Bank Ltd.	821,977	1,167,275
From Others		
Rama Kashyap	170,000	170,000
Sweta Anand	75,000	75,000
TOTAL . . .	1,066,977	1,412,275
<u>Schedule - 5 INVESTMENTS</u>		
Quoted Investments	75,600	75,600
Kadamb Construction Ltd (Market Value Rs. 335100)	263,892	-
P M Strips Ltd (Market Value Rs. 3573750/-)	2,783,909	-
TOTAL . . .	3,123,401	75,600

Schedules - Contd . . .		
<u>Schedule - 6 STOCK - IN - TRADE</u>		
Work-in-Progress - Media Project	3,052,952	3,052,952
Work-in-Progress - Amrut Nagar	26,808,971	33,040,537
Work-in-Progress - Balmiki Nagar	-	40,856,123
Work-in-Progress - Dave Compound	6,274,802	6,274,802
Work-in-Progress - JHN	-	24,788,882
Work-in-Progress - Shashtri Nagar	6,097,593	6,097,593
Work-in-Progress - Vishwanjali	519,000	519,000
TOTAL . . .	42,753,318	114,629,889
<u>Schedule - 7 SUNDRY DEBTORS</u>		
More Than Six Months (considered good)	-	231,595,651
Others (Considered Good)	-	6,084,440
TOTAL . . .	-	237,680,091
<u>Schedule - 8 CASH & BANK BALANCES</u>		
Cash on Hand	9,104,807	8,803,683
Bank Balance in Scheduled Banks in Current Accounts *	1,342,450	115,740,814
TOTAL . . .	10,447,257	124,544,497
<u>Schedule - 9 LOANS AND ADVANCES</u>		
Advances recoverable in cash or in kind or for value to be received		
Advances (Considered doubtful)	120,816	120,816
Advance Against Orders/Projects	30,472,786	45,457
Loans & Advances	224,419,871	20,718,422
Advance Tax, FBT & TDS	1,612,533	1,314,648
TOTAL . . .	256,626,006	22,199,343
<u>Schedule - 10 - OTHER CURRENT ASSETS</u>		
Sundry Deposits	225,000	225,000
TOTAL . . .	225,000	225,000
<u>Schedule - 11 CURRENT LIABILITIES</u>		
Sundry Creditors	411,718	39,881,088
Other Liabilities	369,489	207,621
Duties & Taxes	602,656	887,648
Overdraft with Allahabad Bank	-	87,322
Advances agst Flats/Projects	1,750,000	33,626,571
TOTAL . . .	3,133,863	74,690,250

Schedules - Contd . . .

Schedule - 12 PROVISIONS

For Income Tax & Fringe Benefit Tax	6,306,258	6,301,258
Proposed Dividend & Dividend Tax	1,534,916	1,537,207
TOTAL . . .	7,841,174	7,838,465

Schedule - 13 MISCELLANEOUS EXPENDITURE

Increase in Authorised Capital	932,717	1,065,962
Add : During the year	144,493	-
	1,077,210	1,065,962
Less : 1/10 th w/off during the year	147,695	133,245
TOTAL . . .	929,515	932,717

1. SIGNIFICANT ACCOUNTING POLICIES:**A. ACCOUNTING CONVENTION**

These accounts have been prepared in accordance with historical cost convention, applicable Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956.

B. SYSTEM OF ACCOUNTING

The Company has adopted the accrual concept in the preparation of the accounts. The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the Financial Statements are prudent and reasonable. Future results could differ from these estimates.

C. INFLATION

Assets and liabilities are recorded at historical cost to the Company. These costs are not adjusted to reflect the changing value in the purchasing power of money.

D. FIXED ASSETS

Fixed Assets are stated at cost of acquisition, including any cost attributable for bringing the asset to its working condition, less accumulated depreciation.

E. DEPRECIATION

The Company provides depreciation on Fixed Assets on “Straight line basis”, at the rate and manner specified in Schedule XIV to the Companies Act, 1956.

F. INVESTMENTS

Long Term Investments are stated at cost inclusive of related expenses. Provision for diminution in value is made if the decline in value is other than temporary in the opinion of the management. There are no Current Investments.

G. INVENTORIES/DEBTORS

As decided by the management, Work In Progress and Sundry Debtors have been written off during the year as mentioned in the Schedule to the Balance Sheet.

H. TAXATION

The accounting treatment for income tax in respect of the Company’s income is based on the Accounting Standard 22 on “Accounting for Taxes on Income” as notified by the Companies (Accounting Standards) Rules, 2006. The provision made for income-tax in the accounts comprises both, the current tax and the deferred tax. The deferred tax assets and liabilities for the year, arising on account of timing differences, are recognized in the Profit and Loss Account and the cumulative effect thereof is reflected in the Balance Sheet.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax asset is recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. In situations where the Company has unabsorbed depreciation or carried forward losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that the same can be realized against future taxable profits.

2. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated if realised in the ordinary course of business. The provisions for all known liabilities is adequate and not in excess of the amount reasonably necessary.
3. Balances due to / from are subject to confirmation.
4. No provision has been made in respect of bad & doubtful Advances of Rs. 1,20,816/-.

5. Earnings Per Share (EPS)

	Year Ended 31-03-2011	Year Ended 31-03-2010
Profit After Tax (Rs.)	106,618	97,10,672
No. Of Shares	15,272,800	94,72,800
Basic E.P.S. (Rs.)	0.01	1.03
Diluted E.P.S. (Rs.)	0.01	1.03

6. Related Party Disclosures

In accordance with the Accounting Standard (AS – 18) on related party disclosures where control exists and where key management personnel are able to exercise significant influence and, where transactions have taken place during the period, along with description of relationship as identified, are given below:

A. Transacting Related Parties are:

- Krishna Developers
- Krishna Sagar Builders Ltd
- Fact Biodiesel Limited
- Arymol Builders Private Limited

B. Relation ship:

Key Management Personnel

Name	Designation
Rajiv Kashyap	Managing Director Cum Chairman
Praful Rane	Director

C. Transactions with related parties during the year:

Particulars	Related Party	Amount in Rs.	
		2010-11	2009-10
Advances Given	Krishna Sagar Builders Ltd	33,93,100/-	70,02,750/-
	Krishna Developers	1,25,81,613/-	5,88,396/-
	Fact Biodiesel Limited	10,05,000/-	14,12,162/-
	Arymol Builders Pvt Ltd	5,00,000/-	NIL
Advances Recovered / Received	Krishna Sagar Builders Ltd	3,24,23,400/-	84,92,341/-
	Krishna Developers	1,51,67,197/-	91,11,318/-
	Fact Biodiesel Limited	55,00,000/-	5,00,000/-
	Arymol Builders Pvt Ltd	NIL	18,09,000/-
Rent Payable	Krishna Developers	NIL	1,20,000/-

7. Information pursuant to clause 32 of the listing Agreements with stock Exchanges in respect of Loans & Advances in the nature of Loans where there is no repayment schedule or repayment beyond seven years or no interest or interest under 372A of The Companies Act, 1956 is Rs. NIL. And the Maximum Outstanding during the year is Rs. NIL.

8. Information pursuant to clause 32 of the listing Agreements with stock Exchanges in respect of Loans & Advances in the nature of Loans to the firms / companies in which directors are interested is Rs. NIL. And the Maximum Outstanding during the year is Rs. NIL.

9. Investments include:-

Quoted Shares:

Particulars	No. Of Shares	Face Value in Rs.	As On 31-03-11	As On 31-03-10
Prime Properties Ltd (Formerly Soni Softech Ltd)	5,000	5/-	25,000	25,000
Computech International Ltd.	10,000	10/-	50,600	50,600
Kadamb Constructions Ltd	6000	2/-	263,892/-	NIL
P M Strips Ltd (Known as 8k Miles Software Services Ltd.)	75,000	10/-	27,83,909/-	NIL
TOTAL			31,23,401/-	75,600
Total Market Value			40,46,500/-	3,05,000/-

10. Earning In Foreign Exchange NIL
11. Expenditure in Foreign Currencies NIL
12. Deferred Tax Liabilities:

In accordance with Accounting Standard 22 on Accounting for Taxes on Income the Company has accounted for Deferred Tax Asset / Liability in the current year. The break up is as under

		31-03-2011	31-03-2010
A	Deferred Tax Assets		
1	Un-absorbed Capital-gain Loss	698936	698936
2	Un-absorbed Depreciation	52,386	-
A	Total Deferred Tax Assets (1-2)	751,322	698936
B	Less: Deferred Tax Liability		
3	Excess of Net Block as per Accounts over the WDV as per the provision of The Income Tax Act, 1961	65,327	67144
B	Total Deferred Tax Liability (3)	65,327	67144
	NET DEFERRED TAX ASSETS (A-B)	633,609	631,792

13. Figures of previous year have been regrouped and rearranged wherever considered necessary.

14. Additional information as required under Part IV of The Companies Act, 1956 Balance Sheet Abstract and Company's General Business Profile.

I. Registration Details:

Registration No.	71166
State Code	11
Balance Sheet Date	31-03-2011

II. Capital Raised during the year (Amount Rs.)

Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement	5,80,00,000

III. Position of Mobilisation and Deployment of funds (Amount Rs.)

Total Liabilities	336,551,870
Total Assets	336,551,870

Sources of Funds

Paid up Capital	152,728,000
Reserves & Surplus	143,799,893
Secured Loans	NIL
Unsecured Loans	10,66,977
Share Application Money	3,89,57,000

Application of Funds

Net Fixed Assets	32,788,799
Investments	31,23,401
Net Current Assets	299,076,545
Misc Expenditure (net)	15,63,124
Accumulated Losses	NIL

IV. Performance of Company (Amount Rs.)

Income From Operations	34,59,231
Total Expenditure	33,49,431
Profit Before Tax	109,801
Profit After Tax	106,618
Earnings Per Share	0.01
Dividend Rate	NIL

V. Generic name of Three Principal Products / services of the Company (as per Monetary terms)

Not Applicable		
As per our report of even date	SD/-	
For M.V.DAVE & CO.		SD/-
Chartered Accountants	RAJIV KASHYAP	VARUN GAUTAM
FRN No. 102183W	Managing Director	Director
SD/-		
M.V.DAVE		
Proprietor		SD/-
M.No. 17637		PRAFUL RANE
		Director

MUMBAI: 31st August, 2011



PROXY FORM

FACT ENTERPRISE LIMITED
Regd Office: 51, Juhu Supreme Shopping Centre,
Gulmohar Cross Road No.9, J.V.P.D. Scheme,
Mumbai – 400 049.

18th ANNUAL GENERAL MEETING

Folio No. D.P.ID NO.....CLIENT I.D.
NO.....

I/We _____ of _____
_____ in the district of _____ being the
member(s) of the above named Company _____ hereby
appoint _____
of _____ in the district of _____
_____ or failing
him/her _____ of _____
_____ as my/ our proxy to vote for me/ us on my/our behalf, at the Annual General
Meeting of the Company to be held
at _____ on _____ 2011 and at any adjournment thereof.

Signed this day _____ day of _____ 2011.

Note : This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

ATTENDANCE SLIP

FACT ENTERPRISE LIMITED

**Regd Office: 51, Juhu Supreme Shopping Centre,
Gulmohar Cross Road No.9, J.V.P.D.Scheme, Andheri (W),
Mumbai – 400 049.**

18th ANNUAL GENERAL MEETING

I Certify that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the Annual General Meeting of the Company at _____ on _____ 2011 at the Company's Registered Office.

Registered Folio No.:..... D.P. ID.NO.....Client ID No.....

Name of the Shareholder :-

.....
.....

**Note: Please fill in this attendance slip and hand it over at the Entrance.
Members are requested to bring their copy of Annual Report of the meeting.**

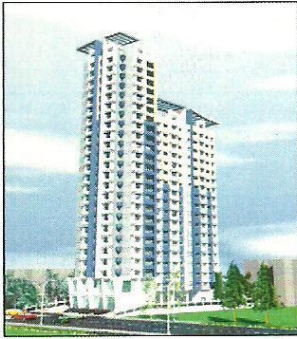
of the Shareholder/Proxy:.....

Signature

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