



# 19TH ANNUAL REPORT 2011-2012



**Building, Constructions & media**

**Bombay Stock Exchange Listed Co.**



# **FACT ENTERPRISE LIMITED**

19 TH

ANNUAL REPORT

2011-2012

## **CORPORATE INFORMATION**

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### **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  
Union Bank of India, Juhu Tara Road, 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,



I look forward to your continued support in the year ahead and wish you the very best. It gives me great pleasure to welcome all of you at the 19<sup>th</sup> Annual General Meeting of YOUR COMPANY.

At a time when the Indian economy is experiencing a slowdown due to global and domestic turbulence and policy formulations aimed at curbing inflationary pressures having a depressing impact on productivity and growth the real estate sector too is faced with formidable challenges.

Uninterrupted access to affordable finance is vital for the health of the urban infrastructure and housing sector. In my view, care should be taken in formulating monetary policies to ensure that tightening of credit aimed at combating inflation does not have the unintended side-effect of stunting the growth of the real estate development industry.

It is my firm belief that the housing and construction sector is poised to become the next big driver of growth in India. The Economic Survey for 2011-12 credits the housing sector for contributing about 5 percent to India's GDP. With linkages to more than 250 ancillary industries, the housing and urban infrastructure sector has a major multiplier effect on the entire economy, providing jobs across the spectrum, right from highly qualified engineers and architects to unskilled labourers, thereby promoting the cause of inclusive growth.

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 2", Fact Supermodels 2.

## **CHAIRMAN'S ADDRESS TO SHAREHOLDERS**

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Company has tied up with one of the known production house to produce movies. Company has completed production of Movie 'Main Krishna Hoon.' And movie will be releasing soon by Eros International. Company has also started production of another Movie "Kaanch" of which first schedule has already been finished and company will be scheduling next schedule in coming months and company expected to complete this movie in next year. 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.

Your Company remains committed to the underlying values of providing exemplary customer service, achieving business objectives with social responsibility and enhancing stakeholder value.

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: 2<sup>nd</sup> September, 2012.



## **NOTICE TO THE MEMBERS**

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**Notice** is hereby given that the Nineteenth Annual General Meeting of **FACT ENTERPRISE LIMITED** will be held on Saturday, 29<sup>th</sup> September, 2012 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 31<sup>st</sup> March 2012 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. Praful Rane, who retires by rotation and being eligible offers himself for re-appointment.
3. To reappoint Auditors and fix their remuneration.
4. Any other businesses.

**FOR AND ON BEHALF OF THE BOARD**

Sd/-

**(RAJIV KASHYAP)  
MANAGING DIRECTOR**

Place: Mumbai

Date: 2<sup>nd</sup> September, 2012

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 26<sup>th</sup> September 2012 to 29<sup>th</sup> September 2012 (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:** 2<sup>nd</sup> September, 2012.

**Mr. RAJIV KASHYAP**  
**CHAIRMAN & MANAGING DIRECTOR**





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

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

**DIRECTORS SEEKING RE-APPOINTMENT**

<b>Name of the Director:</b>	Mr. Praful Rane
<b>Date of Birth:</b>	21-04-1954
<b>Date of Appointment:</b>	23-07-2007.
<b>Expertise in any specific functional area:</b>	Mr. Praful Rane has extensive experience in construction related activities for more than 15 years.
<b>Qualification:</b>	B.COM
<b>Directorships held in other companies:</b> (excluding foreign Companies)	NIL
<b>Committee Positions held in other Companies:</b>	NIL

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

Sd/-

**Mr. RAJIV KASHYAP**  
**CHAIRMAN & MANAGING DIRECTOR**

Place: Mumbai  
Dated: 2<sup>nd</sup> September, 2012

To,

The Members of **Fact Enterprise Limited**

Your Directors are pleased to present the 19<sup>th</sup> Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March 2012.

**I. FINANCIAL HIGHLIGHTS:**

<b>Particulars</b>	<b>Year ended 31-3-2012 (Rs. in Lacs)</b>	<b>Year ended 31-3-2011 (Rs. in Lacs)</b>
Turnover	<b>19.92</b>	<b>34.59</b>
Profit before Interest, Depreciation and Tax	<b>1.84</b>	<b>2.56</b>
<b>Less:</b>		
(i) Interest:	<b>0.66</b>	<b>1.22</b>
(ii) Depreciation	<b>0.24</b>	<b>0.24</b>
Profit after Interest and Depreciation	<b>0.94</b>	<b>1.10</b>
Profit before Taxation	<b>0.94</b>	<b>1.10</b>
Provision for Taxation (after adjustment of deferred Tax)	<b>(0.49)</b>	<b>0.03</b>
Profit after Tax	<b>1.43</b>	<b>1.07</b>
<b>Add:</b> Amount brought Forward from last year	<b>34.19</b>	<b>33.12</b>
Amount Available for Appropriation	<b>35.62</b>	<b>34.19</b>
<b>Less:</b> Appropriations:		
Amount Transferred to General Reserve	<b>0.00</b>	<b>0.00</b>
Interim Dividend / Proposed Dividend	<b>0.00</b>	<b>0.00</b>
Provision for tax on proposed Dividend	<b>0.00</b>	<b>0.00</b>
Balance carried to Balance Sheet	<b>35.62</b>	<b>34.19</b>

## **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 2011-2012. Following table depicts the financial performance of the Company in brief:

<b>Particulars</b>	<b>AS ON 31-3-2012 (Rs. In Lacs)</b>	<b>AS ON 31-3-2011 (Rs. In Lacs).</b>
Working Capital	508.24	29907.65
Total Income	19.92	34.59
Net Profit After Tax	1.43	1.07

### **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 2011-2012 and of the profit & loss of the Company for the period ended 31<sup>st</sup> March, 2012.
- (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. Praful Rane retires by rotation and being eligible, offers himself for reappointment.

**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).

## **DIRECTORS' REPORT**

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### **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: 2<sup>nd</sup> September 2012

**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 2<sup>nd</sup> 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 known production house to produce movies. Company has completed production process to movie called “Main Krishna Hoon” and will be released by Eros International soon. Company has also started producing another movie “Kaanch” of which first schedule has already been completed and company expects that movie will be completed in next year.

**(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. 2256.90 Lacs in the field of Consultancy/Finance/Investments/Media. Rs. 379.50 lacs in construction &/or property development activities and Rs. 366.03 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 like us
- Production of Part Animated Movie which has been untouched avenue in entertainment segment
- 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 are 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: 2<sup>nd</sup> September, 2012

**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. 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	1	NIL

### Meetings and Attendance:

During the year ended 31<sup>st</sup> March 2012, **6 (Six)** Board Meetings were held on the following Dates: 13<sup>th</sup> May, 2011, 06<sup>th</sup> June, 2011, 12<sup>th</sup> August, 2011, 01<sup>st</sup> November, 2011, 14<sup>th</sup> November, 2011, and 10<sup>th</sup> February, 2012.

## **CORPORATE GOVERNANCE REPORT**

Attendance of Directors at the Board Meeting and at the Annual General Meeting (AGM) (30<sup>th</sup> September 2011)

<b>Name of Director</b>	<b>No. of Board Meeting Attended</b>	<b>Whether attended AGM on 30/09/2011</b>
Mr. Rajiv R. Kashyap	6	Yes
Mr. Kunal Patil	5	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. Kunal Patil Chairman (Independent & Non Executive Director)
2. Mr. Varun Sadashiv Gautam Member (Independent & Non Executive Director)
3. Mr. Praful Rane Member (Independent & Non Executive Director)

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

During the year ended 31<sup>st</sup> March 2012, meetings of the Audit Committee were held on the following dates: 30<sup>th</sup> June 2011, 31<sup>st</sup> July 2011, 31<sup>st</sup> October 2011, 31<sup>st</sup> January 2012.

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

<b>Name of the Member</b>	<b>Status</b>	<b>No. of Meetings Attended</b>
Mr.Kunal Patil	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. Kunal Patil 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. others	NIL	NIL	NIL
	<b>TOTAL</b>	NIL	NIL	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:

<b>Financial Year</b>	<b>Date</b>	<b>Time</b>	<b>Location</b>
2010-11	30-09-2011	10.00 AM	Conference Hall, Juhu Supreme Shopping Centre,,J. V.P.D.Scheme, Andheri(w), Mumbai-400 049.
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.

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

<b>2008-09</b>	- Nil
<b>2009-10</b>	- Nil
<b>2010-11</b>	- Nil

### Extraordinary General Meetings held in Last Three Years

<b>2010-11</b>	- Nil
<b>2009-10</b>	- Preferential Allotment of Equity Shares
<b>2008-09</b>	- 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:** 29<sup>th</sup> September, 2012  
**Time:** 10:00  
**Venue:** Conference Hall, Juhu Supreme Shopping Centre,  
J.V.P.D.Scheme, Andheri (West), Mumbai-400049

**(b) Book Closures:** 26<sup>th</sup> September 2011 to 29<sup>th</sup> September (both days inclusive).

#### **(c) Financial Calendar for 2012-13**

Financial Year Ending	31st March 2013
First Quarter Results	By July 2012
Second Quarter Results	By October 2012
Third Quarter Results	By January 2013
Fourth Quarter Results	By April 2013

#### **(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 2011 to March 2012:**

#### **BSE**

<b>Month</b>	<b>High (Rs)</b>	<b>Low (Rs.)</b>
April' 11	25.95	16.30
May' 11	24.90	16.55
June' 11	25.85	20.50
July' 11	37.25	22.05
Aug' 11	41.05	29.20
Sep' 11	34.90	27.60
Oct' 11	30.50	21.30
Nov' 11	25.70	18.05
Dec' 11	19.85	16.00
Jan' 12	24.10	19.00
Feb' 12	25.95	19.75
Mar' 12	21.65	13.40

### **(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 31<sup>st</sup> March 2012, 14,797,885 Equity shares of the Company forming 96.89% 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 31<sup>st</sup> March 2012

Range in Rs.	Number of shareholders	Percentage of Shareholders	Total Holding in Rs.	Percentage of Capital
Upto 5000	1391	63.1985	2501560.00	1.6379
5001-10000	208	9.4502	1790680.00	1.1725
10001-20000	135	6.1336	2115640.00	1.3852
20001-30000	82	3.7256	2174850.00	1.4240
30001-40000	50	2.2717	1836290.00	1.2023
40001-50000	55	2.4989	2623840.00	1.7180
50001-100000	123	5.5884	10387580.00	6.8014
100001 and above	157	7.1331	129297560.00	84.6587
<b>Total</b>	<b>2201</b>	<b>100.00</b>	<b>152728000.00</b>	<b>100.00</b>

### (k) Pattern of Shareholding as on 31<sup>st</sup> March 2012

Category	No. of Shares Held	Percentage of Shareholding
1. Regular	12145498	79.5237
2. Promoters	112194	0.7346
3. Private Corporate Bodies	2932868	19.2032
4. NRI	48242	0.3159
5. FIIs	25000	0.1637
6. Clearing Members	8998	0.0589
<b>Grand Total:</b>	<b>15272800</b>	<b>100.00</b>

#### 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](mailto:fel_2006@rediffmail.com). Website: [www.factent.com](http://www.factent.com).

For and on behalf of the Board of Directors

**Date :** 2<sup>nd</sup> September, 2012  
**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:** 2<sup>nd</sup> September, 2012  
**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 31<sup>ST</sup> March, 2012 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 31<sup>st</sup> 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: 6th August 2012

**AUDITORS' REPORT**

To  
The Members Of  
**FACT ENTERPRISE LIMITED**

1. We have audited the attached Balance Sheet of **FACT ENTERPRISE LIMITED** as on 31<sup>ST</sup> March 2012 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 31<sup>ST</sup> March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>ST</sup> 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**

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- I.** In the case of the Balance-Sheet, of the state of affairs of the Company as on **31<sup>st</sup> March 2012;**
- 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: 6th August 2012

## **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 31.03.2012 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. (please refer notes to accounts).  
(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 AY 2006-07 of Rs. 5570771/- , Rs. 4750053/- of AY 2007-08 and Rs. 13,76,50,612/- 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 2012-13 amounting to Rs. 194327/- (One Lac Ninety Four Thousand Three Hundred Twenty Seven 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. 6,37,326/- (Rupees Six Lacs Thirty Seven Thousand Three Hundred Twenty Six 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.
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.

**ANNEXURE TO THE AUDITORS REPORT**

---

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

Mahesh V Dave  
Proprietor  
M. No. 17637

MUMBAI: 6<sup>th</sup> August 2012



To,  
The Board of Directors,  
**Fact Enterprise Ltd.,**  
Shop No. 51 and 54,  
Juhu Supreme Shopping centre, 2<sup>nd</sup> 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, 2012 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: 31<sup>st</sup> August, 2012

For FACT ENTERPRISE LTD.

Sd/-  
Rajiv Kashyap.  
Managing Director

**FACT ENTERPRISE LIMITED**

**BALANCE SHEET AS AT 31 MARCH, 2012**

Particulars	Note	As at 31.03.2012		As at 31.03.2011	
		Rs.	Rs.	Rs.	Rs.
<b><u>EQUITY &amp; LIABILITIES</u></b>					
<b><u>Shareholder's Funds</u></b>					
Share Capital	2	152,728,000		152,728,000	
Reserves & Surplus	3	<u>143,160,612</u>	295,888,612	<u>142,870,378</u>	295,598,378
Share Application Money			38,957,000		38,957,000
<b><u>Non Current Liabilities</u></b>					
Long Term Borrowings	4	101,604,738		50,989,354	
Short Term Borrowings	5	637,326		821,977	
Other Long Term Liabilities	6	1,750,000		1,750,000	
Long Term Provisions	7	<u>6,306,258</u>		<u>6,306,258</u>	
			110,298,322		59,867,589
<b><u>Current Liabilities</u></b>					
Trade Payables	8	179,001		411,718	
Other Current Liabilities	9	526,962		1,022,745	
Short Term Provisions	10	<u>1,534,411</u>		<u>1,534,916</u>	
			2,240,374		2,969,379
<b>Total</b>			<b><u>447,384,308</u></b>		<b><u>397,392,346</u></b>

**ASSETS**

**Non-Current Assets**

Fixed Assets :

Tangible Assets	11	2,764,212		2,788,799	
Capital Work-in-progress	11	30,000,000		30,000,000	
Deferred Tax Assets	12	682,398		633,609	
Non-current Investments	13	75,600		3,123,401	
Long-term Loans and Advances	14	<u>360,797,688</u>		<u>305,164,979</u>	
			394,319,898		341,710,788

**Current Assets**

Inventories	15	42,753,318		42,753,318	
Cash & Cash Equivalents	16	7,819,268		10,447,257	
Short Term Loans and Advances	17	<u>2,491,824</u>		<u>2,480,983</u>	
			53,064,410		55,681,558

**Total** **447,384,308** **397,392,346**

SIGNIFICANT ACCOUNTING POLICIES 1  
NOTES ON ACCOUNTS 2 to 29

In terms of our attached report of even date.

**For M. V. DAVE & CO.,**  
**CHARTERED ACCOUNTANTS**

.- sd -  
RAJIV KASHYAP  
MANAGING DIRECTOR

.-sd-  
PROPRIETOR  
MEMBERSHIP NO. 17637  
FIRM'S REGISTRATION NO. 102183W

.-sd-  
PRAFUL RANE  
DIRECTOR

.-sd-  
KUNAL PATIL  
DIRECTOR

Place : Mumbai  
Dated : 06th August, 2012

# FACT ENTERPRISE LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2012

Particulars	Note	For the year ended 31.03.2012	For the year ended 31.03.2011
<b>REVENUE</b>			
Revenue from Operations	18	996,389	3,000,731
Other Income	19	995,629	458,500
<b>Total Revenue</b>		<b>1,992,018</b>	<b>3,459,231</b>
<b>EXPENDITURE</b>			
Employee Benefit Expenses	20	984,921	2,439,735
Depreciation and Amortisation Expenses	11	24,587	24,520
Finance Cost	21	65,767	121,564
Other Expenses	22	822,991	763,611
<b>Total Expenses</b>		<b>1,898,266</b>	<b>3,349,430</b>
Profit Before Tax		<b>93,752</b>	<b>109,801</b>
Less:- <u>Tax Expenses</u>			
Current Tax		-	5,000
Deferred Tax		(48,789)	(1,817)
Tax adjustments in respect of earlier years		-	-
<b>Profit For The Year</b>		<b>142,541</b>	<b>106,618</b>
<u>Earnings Per Equity Shares</u>			
Face Value of shares Rs. 10 each, Previous Year Rs. 10 each			
Basic & Diluted	23	0.01	0.01
SIGNIFICANT ACCOUNTING POLICIES			
NOTES ON ACCOUNTS			
In terms of our attached report of even date.			

For **M. V. DAVE & CO.,**

**CHARTERED ACCOUNTANTS**

.-sd-

**PROPRIETOR**

**MEMBERSHIP NO. 17637**

**FIRM'S REGISTRATION NO. 102183W**

Place : Mumbai

Dated : 06th August, 2012

.-sd-

**PRAFUL RANE**  
**DIRECTOR**

.- sd -

**RAJIV KASHYAP**  
**MANAGING DIRECTOR**

.-sd-

**KUNAL PATIL**  
**DIRECTOR**

**CASH FLOW STATEMENT PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT  
FOR THE YEAR ENDED 31ST MARCH, 2012**

	<u>31.03.2012</u>	<u>31.03.2011</u>
	(Rs)	(Rs)
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit for the year	93,752	109,801
<b>Adjustment for:</b>		
Preliminary & Capital Issue Expenses	147,695	147,695
Depreciation	24,587	24,520
Interest Income	996,389	3,000,731
Short Term Capital Gain	995,629	-
	<hr/>	<hr/>
<b>Operating Profit Before Working Capital Changes</b>	2,258,052	3,282,747
Trade Receivables	-	(237,680,092)
Loans & Advances	(55,632,711)	3,253,428
Short Term Loans & Advances	(10,841)	-
Trade Payables	(232,717)	(1,969,370)
Other Current Liabilities	(495,783)	(210,767)
	<hr/>	<hr/>
	(54,114,000)	(233,324,054)
Income Tax & Fringe Benefit Tax	-	-
<b>Net Cash from Operating Activities</b>	<hr/> <b>(54,114,000)</b>	<hr/> <b>(233,324,054)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Investments in Capital WIP	-	(10,000,000)
Purchase of Investments	-	(3,047,801)
Sale of Investments	3,047,801	(3,239,374)
Interest Received	(996,389)	(3,000,731)
Short Term Capital Gain	(995,629)	-
Net Cash from Investing Activities	<hr/> <b>1,055,783</b>	<hr/> <b>(19,287,906)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Long Term Borrowings	50,615,384	(345,298)
Repayment of Short Term Borrowings	(184,651)	-
Proceeds from Issue of Share Capital	-	139,007,000
Dividend Paid	(505)	(2,291)
Preliminary & Capital Issue Expenses	-	(144,693)
	<hr/>	<hr/>
Net Cash from Financing Activities	<b>50,430,228</b>	<b>138,514,718</b>
<b>Net Increase in Cash (A+B+C)</b>	(2,627,989)	(114,097,242)
Cash at the beginning of the year	10,447,257	124,544,498
<b>Cash at the end of the year</b>	<hr/> <b>7,819,268</b>	<hr/> <b>10,447,257</b>

Note : Previous year's figures have been regrouped/rearranged wherever necessary.

**For M. V. DAVE & CO.**  
**Chartered Accountants**

.-sd-  
**Proprietor**  
**Membership No. 17637**  
**FRN No. 102183W**

.-sd-  
**Rajiv Kashyap**  
**Managing Director**

.-sd-  
**Praful Rane**  
**Director**

.-sd-  
**Kunal Patil**  
**Director**

# **FACT ENTERPRISE LIMITED**

## **Significants Accounting Policies and Notes on Accounts**

### **1 Significant Accounting Policies**

#### **a) Basis of preparation**

The financial statements are prepared under the historical cost convention on the accrual basis. The accounting policies have been consistently applied by the Company except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The financial statements have been prepared to comply in all material respects with the Notified accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 1956.

#### **b) Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

#### **c) 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.

#### **d) 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.

#### **e) Investments**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost less provisions recorded to recognise any decline, other than temporary, in the carrying value of each investment.

#### **f) Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

#### **Turnover**

Turnover comprises sales of goods, net of sales returns, discount and rebate. Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

#### **Interest**

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

#### **Dividends**

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date.

#### **g) Foreign Currency Transaction**

Transactions in foreign currency are accounted at the exchange rate prevailing on the date of transaction. Any exchange gain or losses out of subsequent transaction of actual payment is accounted for in Foreign Exchange Rate Difference Account. The exchange difference arising on the Foreign Currency Transaction are recognised as income or expenses in the period in which they arise. Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Monetary Current Assets & Monetary Current Liabilities, that are denominated in Foreign Currency are translated at exchange rate prevailing at date of Balance Sheet and the resulting difference is also recorded in the Profit & Loss account for year.

#### **h) Taxes on Income**

Current Tax is the tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

## **FACT ENTERPRISE LIMITED**

Deferred Tax Assets in respect of unabsorbed depreciation any carry forward of losses are recognised if there is virtual certainty that there will be sufficient future taxable income available to realise such losses. Other Deferred Tax Assets are recognised if there is reasonable certainty that there will be sufficient future taxable income to realise such assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.

**i) Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**j) Provisions, Contingent Liabilities & Contingent Assets**

A provision is recognised, as a result of past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**h) Cash and Cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

**Notes on Accounts**

**2. SHARE CAPITAL**

<u>Particulars</u>	<u>As At 31st March, 2012</u>	<u>As At 31st March, 2011</u>
<u>Authorised</u>		
25,000,000 (25,000,000) Equity Shares of Rs. 10 each	250,000,000	250,000,000
	250,000,000	250,000,000
<u>Issued, Subscribed and Paid</u>		
15,272,800 (15,272,800) Equity Shares of Rs. 10 each fully paid up in cash	152,728,000	152,728,000
	<b>152,728,000</b>	<b>152,728,000</b>

2.1 The reconciliation of the number of shares outstanding at the beginning and end of the year

<u>Particulars</u>	<u>As At 31st March, 2012</u>		<u>As At 31st March, 2011</u>	
	<u>No. of Shares</u>	<u>Value `</u>	<u>No. of Shares</u>	<u>Value `</u>
<u>Equity Shares</u>				
Outstanding at the beginning of the year	15,272,800	152,728,000	15,272,800	152,728,000
beginning of the year				
Add: Shares issued during the year	-	-	-	-
Outstanding at the end of the year	<b>15,272,800</b>	<b>152,728,000</b>	<b>15,272,800</b>	<b>152,728,000</b>

2.2 Equity Shares: The Company has only one class of Equity shares having a par value of Rs.10/-per share. Each shareholder is eligible for one vote per share held.

2.3 In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.4 The details of Shareholders holding more than 5% shares :

## FACT ENTERPRISE LIMITED

<u>Name of the Shareholders</u>	<u>As At 31st March, 2012</u>		<u>As At 31st March, 2011</u>	
	No. of Shares	% Held	No. of Shares	% Held
Anil Agrawal HUF	1,575,421	10.32	1,900,000	12.44
Sukusama Trading and Investment P. Ltd.	1,469,615	9.62	2,000,000	13.1
Ranisati Dealer Pvt. Ltd.	-	-	2,000,000	13.1

### 3. RESERVES AND SURPLUS

<u>Particulars</u>	<u>As At 31st March, 2012</u>	<u>As At 31st March, 2011</u>
<u>Share Premium</u>		
As per last Balance Sheet	132,948,000	57,548,000
Addition during the year	-	75,400,000
	<u>132,948,000</u>	<u>132,948,000</u>
<u>General Reserve</u>		
As per last Balance Sheet	7,432,909	7,432,909
<u>Surplus i.e. balance in Profit and Loss</u>		
As per last Balance Sheet	3,418,984	3,312,366
Add:- Profit for the year	142,541	106,618
	<u>3,561,525</u>	<u>3,418,984</u>
Add : Adjustments during the year	(198)	-
	<u>3,561,723</u>	<u>3,418,984</u>
Miscellaneous Expenditure	(782,020)	(929,515)
	<u><b>143,160,612</b></u>	<u><b>142,870,378</b></u>

### 4. LONG TERM BORROWINGS

<u>Particulars</u>	<u>As At 31st March, 2012</u>	<u>As At 31st March, 2011</u>
<u>Unsecured Loans</u>		
Loans & Advances from Related Parties	51,344,738	47,439,354
Loans & Advances from Individual/Corporates	50,260,000	3,550,000
	<u><b>101,604,738</b></u>	<u><b>50,989,354</b></u>
<u>4.1 Loans &amp; Advances from Associates/Related Parties</u>		
Rama Kashyap	170,000	<b>170,000</b>
Sweta Anand	75,000	<b>75,000</b>
Krishna Developers	9,646,925	7,793,504
Krishnasagar Builders Limited	31,756,475	29,704,512
Fact Biodiesel Ltd	3,582,838	3,582,838
SKSM Builders Pvt Ltd.	4,590,000	4,590,000
Arymol Builders Pvt Ltd.	1,523,500	1,523,500
Total Rs.	<u><b>51,344,738</b></u>	<u><b>47,439,354</b></u>
<u>4.2 Loans &amp; Advances from Individuals/Corporates</u>		
Sanchayita Tradelink Pvt Ltd.	1,050,000	1,050,000
Automark Industries India Pvt Ltd	2,500,000	2,500,000
Busery S. Agrawal	5,000,000	-
Lokhand Jatha	31,360,000	-
Rembiz Court Plot	500,000	-
RNA Regency	8,350,000	-
Sunil Joshi	1,500,000	-
Total Rs.	<u><b>50,260,000</b></u>	<u><b>3,550,000</b></u>

## FACT ENTERPRISE LIMITED

### 5 SHORT TERM BORROWINGS

<u>Particulars</u>	<u>As At 31st March, 2012</u>	<u>As At 31st March, 2011</u>
<u>Unsecured Loans</u>		
Repayable on Demand from Bank (IDBI Bank)	637,326	821,977
	<u>637,326</u>	<u>821,977</u>

### 6 OTHER LONG TERM LIABILITIES

<u>Particulars</u>	<u>As At 31st March, 2012</u>	<u>As At 31st March, 2011</u>
Advances against Project	1,750,000	1,750,000
	<u>1,750,000</u>	<u>1,750,000</u>

### 7 LONG TERM PROVISIONS

<u>Particulars</u>	<u>As At 31st March, 2012</u>	<u>As At 31st March, 2011</u>
Income Tax Provision	6,306,258	6,306,258
	<u>6,306,258</u>	<u>6,306,258</u>

### 8 TRADE PAYABLES

<u>Particulars</u>	<u>As At 31st March, 2012</u>	<u>As At 31st March, 2011</u>
Trade Payables	<u>179,001</u>	<u>411,718</u>

### 9 OTHER CURRENT LIABILITIES

<u>Particulars</u>	<u>As At 31st March, 2012</u>	<u>As At 31st March, 2011</u>
Duties & Taxes	194,327	602,656
Other Liabilities	280,135	369,489
Other Advances	52,500	50,600
	<u>526,962</u>	<u>1,022,745</u>

### 10 SHORT TERM PROVISIONS

<u>Particulars</u>	<u>As At 31st March, 2012</u>	<u>As At 31st March, 2011</u>
Proposed Dividend and Dividend Distribution Tax	1,534,411	1,534,916
	<u>1,534,411</u>	<u>1,534,916</u>



## FACT ENTERPRISE LIMITED

### 12 Deferred Tax Assets

	31/3/2012	31/3/2011
<b><u>OPENING BALANCE</u></b>		
<b>A</b>	<b>Deferred Tax Assets</b>	
1	698,936	698,936
2	52,386	-
<b>A</b>	<b>Total Deferred Tax Assets (1-2)</b>	<b>698,936</b>
<b>B</b>	<b>Less: Deferred Tax Liability</b>	
3	68,924	65,327
	Excess of Net Block as per Accounts over the WDV as per the provision of The Income Tax Act, 1961	65,327
<b>B</b>	<b>Total Tax Liability (3)</b>	<b>65,327</b>
	<b>NET DEFERRED TAX ASSETS (A-B)</b>	<b>633,609</b>

### 13 NON CURRENT INVESTMENTS

<u>Particulars</u>	<u>As At</u> <u>31st March, 2012</u>	<u>As At</u> <u>31st March, 2011</u>
<b><u>Quoted Investments</u></b>		
<u>Investments in Equity Shares of Others:</u>		
(5,000)	25,000	25,000
(10,000)	50,600	50,600
(6,000)	-	263,892
(75,000)	-	2,783,909
	<b>75,600</b>	<b>3,123,401</b>
Aggregate amount of Quoted Investments	75,600	3,123,401
Market Value of Quoted Investments	125,600	4,046,500

\* a) In absence of market quotation, cost of these shares have been taken as market value.

### 14 LONG-TERM LOANS & ADVANCES

<u>Particulars</u>	<u>As At</u> <u>31st March, 2012</u>	<u>As At</u> <u>31st March, 2011</u>
Advances (considered Doubtful)	120,816	120,816
Loans and Advances to Individuals (Refer Note No.)	94,051,722	74,982,782
Loans and Advances to Corporates (Refer Note No.)	233,684,214	200,165,493
Advances against Media Projects (Refer Note No.)	32,940,936	29,895,886
	<b>360,797,688</b>	<b>305,164,977</b>
<b><u>13.1 Long Term Loans &amp; Advances to Individuals</u></b>		
Abhishek Ramesh Vyas	8,850,000	8,850,000
Agarwal Diagnosis Centre	-	1,031,060
Kailash Todi	199,000	2,399,000
Kiritkumar Kantilal Shah	5,000,000	5,000,000
Lalita Todi	-	500,000
Mayur Khara	2,500,000	2,500,000
Meruland	5,827,456	5,827,456
Mita Enterprise	2,500,000	2,500,000
Multibager Equity Services	5,000,000	-
Pallav Investment	103,299	103,299
Rajkumar Kedia	12,500,000	12,500,000
Rajkumar Swati N Nikhil	-	700,000
Roy Traders	10,000,000	-
Sanjay Vyas	4,000,000	4,000,000
Sapphire Consulting Group	8,297,967	8,297,967
Shanta Manjit	274,000	274,000
Shivbhumi Tradelink Pvt. Ltd.	9,500,000	-
Sharda Construction	12,500,000	12,500,000
Shree Bhawani Construction	5,000,000	5,000,000
Shree Gopal	-	1,000,000
Silvassa Wooden Drum	2,000,000	2,000,000
Total Rs.	<b>94,051,722</b>	<b>74,982,782</b>

## **FACT ENTERPRISE LIMITED**

### 13.2 Long Term Loans & Advances to Corporates

A & A Project Management Consultants Pvt Ltd	1,000,000	1,000,000
Advent Developers Pvt Ltd	310,833	13,754,280
Akansha Ispat Pvt Ltd.	-	8,500,000
Amritgiri Sales Pvt. Ltd.	22,800,000	-
BLC Trading & Agencies Pvt Ltd.	38,957,000	16,350,000
Cosmos Dealcom Pvt. Ltd.	4,400,000	-
Emami Home Pvt Ltd	-	71,014
Emaring Capital Advisors Ltd.	6,500,000	6,500,000
Fact Shareshoppe Ltd.	41,500	41,500
Gaungour Suppliers Pvt Ltd	30,300,000	26,900,000
Gaurav Construction	152,366	152,366
Heranba Finvest Services Pvt Ltd	27,500,000	27,500,000
Hexagon Vyapar Pvt Ltd	8,700,000	8,700,000
Jai Hanumal Multi Agencies Pvt. Ltd.	8,810,000	-
Jay Jagadamba Concast Pvt Ltd.	-	11,800,000
Karuna Engg. Works Pvt Ltd.	-	7,400,000
Khoobsurat Cosmotology Pvt. Ltd.	52,000	-
Ma Software Pvt. Ltd.	5,000,000	-
Novahome Appliance Pvt Ltd	545,977	6,145,977
Padma Impex Pvt Ltd.	-	3,100,000
Snehdeep Prop Pvt. Ltd.	11,500,000	-
Suresh Raghu Pujari	20,200,000	-
Suvidha Sec Pvt Ltd	33,720,000	55,700,000
Tirupati Developers Pvt Ltd	5,094,538	6,550,356
Wonder Vincom Pvt. Ltd.	8,100,000	-
Total Rs.	<b><u>233,684,214</u></b>	<b><u>200,165,493</u></b>

### 13.3 Advances against Media Projects

Media Project - Fact Supermodel 2	2,220,919	2,220,919
Media Project - Fact Universal Teen Pagent	1,565,028	1,565,028
Media Project - International Premier Wrestling	8,929,339	8,929,339
Media Project - Movie Main Krishna Hoon	18,864,650	17,180,600
Media Project - Movie Kaanch	1,361,000	-
Total Rs.	<b><u>32,940,936</u></b>	<b><u>29,895,886</u></b>

## **15 Inventories**

<b><u>Particulars</u></b>	<b><u>As At 31st March, 2012</u></b>	<b><u>As At 31st March, 2011</u></b>
Work In Progress - Media Project	3,052,952	3,052,952
Work In Progress - Amrut Nagar	26,808,971	26,808,971
Work In Progress - Dave Compound	6,274,802	6,274,802
Work In Progress - Shashtri Nagar	6,097,593	6,097,593
Work In Progress - Vishwanjali	519,000	519,000
	<b><u>42,753,318</u></b>	<b><u>42,753,318</u></b>

## **16 CASH & CASH EQUIVALENTS**

<b><u>Particulars</u></b>	<b><u>As At 31st March, 2012</u></b>	<b><u>As At 31st March, 2011</u></b>
Balance with Scheduled Banks in Current Accounts	267,235	1,342,450
Cash on hand (as certified by the management)	7,552,033	9,104,807
	<b><u>7,819,268</u></b>	<b><u>10,447,257</u></b>

## FACT ENTERPRISE LIMITED

### 17 SHORT TERM LOANS & ADVANCES

<u>Particulars</u>	<u>As At 31st March, 2012</u>	<u>As At 31st March, 2011</u>
<u>Unsecured, Considered Good</u>		
Short Term Advances to Individuals	609,250	643,450
Income Tax Deducted at Source / Advance Tax	1,657,574	1,612,533
Security Deposit	225,000	225,000
	<u>2,491,824</u>	<u>2,480,983</u>
<u>13.1 - Short Term Loans &amp; Advances to Individuals</u>		
<u>Short Term Loans &amp; Advances to Individuals</u>		
Jatin Kumar Agrawal	515,000	515,000
Nandan Kumar Mohoto	5,000	5,000
Evoke Studios	20,000	20,000
Promila Hunter	5,000	5,000
Rajiv S. Ruia	15,000	15,000
Sachindra Sharma	10,000	10,000
Sanjay Kumar Srivastav	5,000	5,000
Yulia Glazkova	33,750	38,750
Employees Loan	500	29,700
<b>Total Rs.</b>	<u>609,250</u>	<u>643,450</u>

### 18 REVENUE FROM OPERATIONS

<u>Particulars</u>	<u>For The Year Ended 31st March, 2012</u>	<u>For The Year Ended 31st March, 2011</u>
Interest on Loans Given	996,389	3,000,731
	<u>996,389</u>	<u>3,000,731</u>

### 19 OTHER INCOME

<u>Particulars</u>	<u>For The Year Ended 31st March, 2012</u>	<u>For The Year Ended 31st March, 2011</u>
Other Income	995,629	458,500
	<u>995,629</u>	<u>458,500</u>

### 20 EMPLOYEE BENEFIT EXPENSES

<u>Particulars</u>	<u>For The Year Ended 31st March, 2012</u>	<u>For The Year Ended 31st March, 2011</u>
Contribution to Provident Fund	25,476	22,924
Conveyance Expenses	1,765	8,260
Salaries, Bonus and other allowances	927,985	2,386,850
Staff canteen Expenses	28,935	21,176
Staff Welfare Expenses	760	525
<b>Total Rs.</b>	<u>984,921</u>	<u>2,439,735</u>

## **FACT ENTERPRISE LIMITED**

### 21 **INTEREST AND OTHER FINANCIAL COSTS**

<b><u>Particulars</u></b>	<b>For The Year Ended 31st March, 2012</b>	<b>For The Year Ended 31st March, 2011</b>
Interest on IDBI Loan	32,537	121,564
Interest - Others	33,230	-
Total Rs.	<b><u>65,767</u></b>	<b><u>121,564</u></b>

### 22 **OTHER EXPENSES**

<b><u>Particulars</u></b>	<b>For The Year Ended 31st March, 2012</b>	<b>For The Year Ended 31st March, 2011</b>
<b><u>Administrative Expenses</u></b>		
Advertisement Expenses	98,074	24,075
Auditors Remuneration	19,303	29,472
Annual General Meeting Expenses	3,250	4,250
Bank charges & Commission	4,588	24,251
Duties & Taxes	57,990	5,760
Electricity charges	80,483	72,370
Insurance Expenses	5,736	10,037
Event Expenses	-	23,300
Office Expenses	17,206	33,773
Postage & Courier Expenses	155	635
Printing & Stationery	20,726	39,638
Professional Fees	68,096	44,976
Registration Fees	93,652	56,356
Rent	120,000	-
Repairs & Maintenance	16,360	42,175
ROC Filing Fees	2,710	500
ROC Filing Fees W/off	147,695	147,695
Share Registration & Transfer	27,742	87,088
Telephone Expenses	39,225	37,978
Website & Internet Expenses	-	79,282
	<b><u>822,991</u></b>	<b><u>763,611</u></b>

#### 22.1 **PAYMENT TO AUDITORS :**

<b><u>Particulars</u></b>	<b>For The Year Ended 31st March, 2012</b>	<b>For The Year Ended 31st March, 2011</b>
<b>As Auditor :</b>		
Audit Fees & Expenses	19,303	29,472
	<b><u>19,303</u></b>	<b><u>29,472</u></b>

### 23 **EARNING PER SHARE (EPS)**

<b><u>Particulars</u></b>	<b>For The Year Ended 31st March, 2012</b>	<b>For The Year Ended 31st March, 2011</b>
Net Profit after tax as per Statement of Profit & Loss	142,541	106,618
	<u>142,541</u>	<u>106,618</u>
Weighted Number of Equity Shares outstanding during the year	15,272,800	15,272,800
Basic and Diluted earnings per share (in Rs. )	<b>0.01</b>	<b>0.01</b>

## FACT ENTERPRISE LIMITED

### 24 RELATED PARTY DISCLOSURE

Related Party Disclosure have been set out as below. The related parties as defined by Accounting Standard 18 'Related Party Disclosures' as per Accounting Standard Rules, 2006, in respect of which the disclosure have been made, are identified on the basis of information available with the company:

A) Names of Related Parties and description of Relationship:

a) Key Managerial Personnel (Directors) :

Rajiv Kashyap (Chairman cum Managing Director)  
Praful Rane (Director)  
Kunal Patil (Director)

b) Associates :

Krishnasagar Builders Limited  
Krishna Developers  
Fact Biodiesel Limited  
Arymol Builders Pvt. Ltd.

Note : Related parties are as identified by the Company and relied upon by the Auditors.

B) Transactions carried out with related parties referred in above, in ordinary course are as under :

Sr. No.	Nature of Transaction		
		Current Year	Previous Year
i)	Advances Given - Krishnasagar Buil. Ltd.	14,100	3,393,100
ii)	Advances Given - Krishna Developers	-	12,581,613
iii)	Advances Given - Fact Biodiesel Ltd.	-	1,005,000
iv)	Advances Given - Arymol Builders P. Ltd.	-	500,000
v)	Advances Recd. - Krishnasagar Buil. Ltd.	2,066,063	32,423,400
vi)	Advances Recd. - Krishna Developers	1,733,421	15,167,197
vii)	Advances Recd. - Fact Biodiesel Ltd.	-	5,500,000
viii)	Rent Paid	120,000	-

Sr. No.	Outstanding Balances	Outstandings		Maximum Balances	
		Current Year	Previous Year	Current Year	Previous Year
i)	Krishnasagar Builders Limited	31,756,475	29,704,512	31,756,475	29,704,512
ii)	Krishna Developers	9,646,925	7,793,504	9,646,925	7,793,504
iii)	Fact Biodiesel Ltd.	3,582,838	3,582,838	3,582,838	3,582,838
iv)	Arymol Builders Pvt. Ltd.	1,523,500	1,523,500	1,523,500	2,023,500

### 25 EARNINGS/EXPENDITURE IN FOREIGN CURRENCY

	<u>Current Year</u>	<u>Previous Year</u>
<u>Earning in Foreign Currency</u>	NIL	NIL
<u>Expenses in Foreign Currency</u>	NIL	NIL

### 26 DUES TO MICRO SMALL AND MEDIUM ENTERPRISES AS PER MSMED ACT, 2006

The Company has no dues to micro and small enterprises during the year ended March 31, 2012 and March 31, 2011 and as at March 31, 2012 and March 31, 2011.

27 The Company has been advised that as there is no tax effect of timing difference based on the estimated computation for a reasonable period, there is no provision for deferred tax in terms of Accounting Standard (AS 22) on accounting for Taxes on Income"

## **FACT ENTERPRISE LIMITED**

- 28** Information pursuant to clause 32 of the listing Agreements with stock exchanges in respect of Loans and Advances in the nature of Loans where there is no repayment schedule or repayment beyond seven years or no interest or interest u/s 372A of the Companies Act, 1956 is Nil and the Maximum Outstanding during the year is Rs. NIL.
- 29** The revised Schedule VI has been effective from 1st April, 2011 for the preparation of financial statement. This has significantly infected the disclosure and presentation made in the financial statements. Accordingly, the Company has reclassified the previous year's figures to this year's classification. The adoption of revised Schedule VI does not impact revenue recognition and measurement principles followed for preparation of financial statements.

**For M. V. DAVE & CO.**  
**Chartered Accountants**

.-sd-

**Proprietor**

**Membership No. 17637**  
**FRN No. 102183W**

Place :Mumbai  
Dated : 6th August, 2012

.-sd-

Rajiv Kashyap  
**Managing Director**

.-sd-

Praful Rane  
**Director**

.-sd-

Kunal Patil  
**Director**

11 FIXED ASSETS :

Sr. No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As At	Additions	As At	As At	For the year	As At	As At	As At
		01.04.2011 (Rs)		31.03.2012 (Rs)	01.04.2011 (Rs)		31.03.2012 (Rs)	31.03.2012 (Rs)	31.03.2011 (Rs)
1.	Land	2,500,000	-	2,500,000	-	-	-	<b>2,500,000</b>	2,500,000
2	Furniture	97,460	-	97,460	57,205	6,203	63,408	<b>34,052</b>	40,255
3	Computer	1,136,387	-	1,136,387	950,469	10,952	961,421	<b>174,966</b>	185,918
4	Telephone System	48,250	-	48,250	36,657	2,298	38,955	<b>9,295</b>	11,593
5	Fax Machine	25,000	-	25,000	18,924	1,190	20,114	<b>4,886</b>	6,076
6	Office Equipments	70,509	-	70,509	37,047	3,358	40,405	<b>30,104</b>	33,462
7	Air Conditioner	12,290	-	12,290	795	586	1,381	<b>10,909</b>	11,495
	<b>TOTAL</b>	<b>3,889,896</b>	<b>-</b>	<b>3,889,896</b>	<b>1,101,097</b>	<b>24,587</b>	<b>1,125,684</b>	<b>2,764,212</b>	<b>2,788,799</b>
8	Capital Work in Progress	30,000,000	-	30,000,000	-	-	-	<b>30,000,000</b>	30,000,000
	<b>Total Rs (A + B)</b>	<b>33,889,896</b>	<b>-</b>	<b>33,889,896</b>	<b>1,101,097</b>	<b>24,587</b>	<b>1,125,684</b>	<b>32,764,212</b>	<b>32,788,799</b>
	<b>Previous year :</b>	<b>61,389,896</b>	<b>(27,500,000)</b>	<b>33,889,896</b>	<b>1,076,577</b>	<b>24,520</b>	<b>1,101,097</b>	<b>32,788,799</b>	<b>60,313,319</b>



**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.**

**19<sup>th</sup> 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 \_\_\_\_\_ 2012 and at any adjournment thereof.

Signed this day \_\_\_\_\_ day of \_\_\_\_\_ 2012.

**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.**

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**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.**

**19<sup>th</sup> 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 \_\_\_\_\_ 2012 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**

**BOOK – POST  
Printed Matter**

**Under Postal Certificate**

**If undelivered please return to:  
FACT ENTERPRISE LIMITED  
51, Juhu Supreme Shopping Centre,  
Gulmohar Cross Road No .9, J.V.P.D. Scheme,  
Andheri (W), Mumbai – 400 049.**



**If Undelivered please return to**

**FACT ENTERPRISE LIMITED  
51&54, Juhu Supreme sh. Centre,  
2nd Floor, Gul Mohar X Road No.9,  
J.V.P.D. Scheme, Mumbai-400049  
Tel. : 91-22-26705025/27, 65568695,  
Fax : 91-22-26232208**

**E-mail: fel\_2006@rediffmail.com / fact.teens@gmail.com**

**Web: www.factent.com / www.factmissteenindia.com**