

FACT ENTERPRISE LIMITED

(Formerly known as Fact Securities Limited)



Annual Report 2005 – 2006

BOARD OF DIRECTORS

Mr. Rajiv R. Kashyap	Managing Director w.e.f. 18-11-2005
Mr. Dattapal C. Neroy	Director w.e.f. 28-11-2005
Dr. Pradeep P. Gudadhe	Director w.e.f. 18-11-2005
Mrs. Sanju S. Nandwani	Director w.e.f. 28-11-2005
Mr. Varun G. Shrotriya	Director w.e.f. 28-11-2005
Mr. Balveer S Choudhary	Managing Director up to 28-11-2005
Mr. Shailendra Tiwari	Director Up to 28-11-2005
Mr. Devendra S Choudhary	Director Up to 28-11-2005
Mr. Sudhir Chandalia	Director Up to 28-11-2005
Mr. Vimlesh Bansal	Director Up to 28-11-2005
Mrs. Meena S. Vaswani	Director Up to 28-11-2005

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

Punjab National Bank
Oriental Bank of Commerce
Union Bank of India

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.

LEGAL ADVISORS

Mahavirprasad B. Agarwal
204, Camy House, Dr. C. H. Street,
Marine Lines,
Mumbai – 400 002.



FACT ENTERPRISE LIMITED

NOTICE

Notice is hereby given that the- Thirteenth Annual General Meeting of FACT ENTERPRISE LIMITED (Formerly known as Facts Securities Limited) will be held at the Conference Hall, Juhu Supreme Shopping Centre, JVPD Scheme, Andheri (West), Mumbai-400 049, on Saturday, the 30th September 2006 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To consider, approve and adopt the audited Balance Sheet as at 31st March 2006, 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 Auditors and fix their remuneration.

SPECIAL BUSINESS:

1. To appoint a director in place of Dr. Pradeep P. Gudadhe Patil who has been appointed as an additional Director and is eligible for re-appointment.
2. To appoint a director in place of Mrs. Sanju Nandwani, who has been appointed as an additional Director and is eligible for re-appointment.
3. To appoint a director in place of Mr. Varun Gautam Shrotriya, who has been appointed as an additional Director and is eligible for re-appointment.
4. To appoint a director in place of Mr. Dattapal Chandrakant Neroy, who has been appointed as an additional Director and is eligible for re-appointment.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES, TO ATTEND AND VOTE INSTEAD OF HIMSELF 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 EXPLANATORY STATEMENT U/S 173 OF THE COMPANIES ACT 1956 FOR THE SPECIAL BUSINESS TO BE TRANSACTED AT THE 13TH ANNUAL GENERAL MEETING OF THE COMPANY IS ENCLOSED HERewith.
3. The Register of Members and the Share Transfer Register of the Company shall remain closed from Saturday 23rd September 2006 to Saturday 30th September 2006 (both days inclusive)
4. 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**
(Formerly known as Facts Securities Ltd)

Place: Mumbai
Dated: 30-6-2006

RAJIV KASHYAP
MANAGING DIRECTOR



Annual Report 2005 – 2006

EXPLANATORY STATEMENT u/s 173 OF THE COMPANIES ACT 1956 FOR THE SPECIAL BUSINESS TO BE TRANSACTED AT THE 13TH ANNUAL GENERAL MEETING OF THE COMPANY.

Item Nos: 1 to 4 of the Special Business:

After the take over of the Company by Mr. Rajiv Kashyap, the Board of Directors of the Company has been re-constituted. Accordingly, the aforesaid five Directors, i.e. Dr. Pradeep Gudadhe Patil, Mr. Prakash Dharia, Mrs. Sanju Nandwani, Mr. Varun Gautam Shrotriya and Mr. Dattapal Chandrakant Neroy were appointed as additional directors of the Company.

However, Mr. Prakash Dharia does not wish to seek election to be a Director and the other four Directors seek election as Directors of the Company.

Notices from members proposing their names for the directorship of the company have been received as per section 257 of the Companies Act 1956. Accordingly the aforesaid four additional directors, i.e., Dr. Pradeep Gudadhe Patil, Mrs. Sanju Nandwani, Mr. Varun Gautam Shrotriya and Mr. Dattapal Chandrakant Neroy being eligible offers themselves to be elected as the Directors of the company.

BY ORDER OF THE BOARD,
For **FACT ENTERPRISE LTD**
(Formerly known as Facts Securities Ltd)

Place: Mumbai
Dated: 30-6-2006

RAJIV KASHYAP
MANAGING DIRECTOR

Information regarding the Directors to be furnished as per the Listing Agreement:

As required under the Listing Agreement, the particulars of Directors who are proposed to be appointed are given below:

1. Dr. Pradeep Gudadhe Patil:
Name: Dr. Pradeep P. Gudadhe Patil:
Qualification: M. Sc., FIC, Ph.D.
Profile:
Dr. Pradeep Gudadhe Patil is a doctorate and Pathologist by profession and has more than 20 years experience in the medical field.
2. Mrs. Sanju Nandwani:
Name: Mrs. Sanju Nandwani:
Qualification: B.Sc. (O.T.), D.M.M.
Profile:
Mrs. Sanju Nandwani is a financial consultant and has extensive experience in marketing of FMCG products for more than 10 years.
3. Mr. Varun Gautam Shrotriya:
Name: Mr. Varun Gautam Shrotriya:
Qualification: B.Com.
Profile:
Mr. Varun Gautam Shrotriya has extensive experience in media & journalism field for more than 19 years.
4. Mr. Dattapal Chandrakant Neroy:
Name: Mr. Dattapal Chandrakant Neroy
Qualification: B.Com, LL.B.
Profile:
Mr. Dattapal Chandrakant Neroy has served in the management cadre of Syndicate Bank for more than 20 years and is an expert financial consultant.

BY ORDER OF THE BOARD,
For **FACT ENTERPRISE LTD**
(Formerly known as Facts Securities Ltd)

Place: Mumbai
Dated: 30-6-2006

RAJIV KASHYAP
MANAGING DIRECTOR



FACT ENTERPRISE LIMITED

DIRECTORS' REPORT

To

The Members of **Fact Enterprise Limited** (Formerly known as Facts Securities Limited)

Your Directors are pleased to present the 13th Annual Report together with the Audited Accounts for the year ended 31st March 2006.

I. FINANCIAL HIGHLIGHTS:

Particulars	Year ended 31-3-2006 (Rs.in thousand)	Year ended 31-3-2005 (Rs. in thousand)
Turnover	10654.46	2162.83
Profit before Interest, Depreciation and Tax	8612.83	151.88
Less:		
(i) Interest:	
(ii) Depreciation	8.33	8.35
Profit after Interest and Depreciation	8604.50	151.88
Profit before Taxation	8604.50	143.53
Provision for Taxation	965.42	11.30
Net Profit for the year	7639.08	132.23
Add: Amount brought Forward	685.63	554.40
Amount Available for Appropriation	8324.71	686.63
Less: Appropriations:		
Amount Transferred to General Reserve	4500.00	1.00
Balance carried to Balance Sheet	3824.71	685.63

II CHANGE IN NAME & MANAGEMENT OF THE COMPANY:

During the year, Mr. Rajiv Kashyap has acquired the Company after following the procedure prescribed under the SEBI Substantial Acquisition of Shares and Take over Guidelines 1997. Upon such take over, the name of the Company has been changed to Fact Enterprise Limited and the objects of the company has been amended to include the activities of Property development /construction, media and other related ventures and investment and other activities.

III MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

(a) Overall View:

The overall growth in the economy has resulted in better performance of the company in construction/ property / media activities and also in investment / finance and marketing activities. Simultaneously many new projects /ventures in prime areas are initiated jointly with Krishna Developers, which belongs to the current chairman Mr. Rajiv Kashyap. The Shareholders can expect them to fructify and give return in coming months.

The Company has also launched a movie named "Mumbai.com" jointly with Mr. Rajiv Kashyap. This is a Comic thriller and is expected to do well.

Annual Report 2005 – 2006

(b) Company's Performance:

The operating income of the Company has increased due to the commencement of construction and property business.

The total income during the year has increased to Rs.106.54 Lacs from Rs. 21.63 Lacs in the earlier year.

During the year the company has made significant efforts in developing the company and entering in construction and property activities. The Company has started the construction of a housing complex at Juhu, Andheri (West) and the response has been good.

(c) Segment-wise Performance:

The overall growth in the construction industry was better during the year 2005-06 and the demand is expected to pick up in the coming year(s)

The investment /finance and marketing activities of the company are properly monitored and are poised to yield better results in the coming years.

(d) Outlook for the Company:

The overall economic scenario remains positive. With increased economic activities, your company is expected to increase the business activities in future. The Company shall continue to lay thrust for obtaining optimum results and minimize expenses in their business ventures and hope to achieve better results in the coming years.

(e) Opportunities and threats:

The Company is in the field of property development and investment /financing and marketing activities which require funds to be generated in large scale to compete in the market. The company is striving hard to meet the challenge and competition from big organizations having wide network and large scale funds.

(f) Risks & Concerns:

The Company is engaged in the field of construction /property development / media and investment activities which by very nature are capital oriented and the timely availability of funds will be the critical factor for the development of the company.

(g) Internal Control Systems and their Adequacy:

The Company has proper and adequate systems of internal controls looking to its size and business. The internal control systems of the company are designed to ensure the financial and other records are reliable for preparing the financial statements and other data and for accountability of assets.

The Company has an audit Committee of the Board of Directors which meets regularly to review the adequacy of internal control.

(h) Human Resources:

The Company is deriving maximum output from the existing employees through motivation.

IV FIXED DEPOSIT:

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

V. SUBSIDIARY COMPANY:

There is no subsidiary company to report



FACT ENTERPRISE LIMITED

VI. LISTING STATUS:

The Company's Shares are presently listed in the Mumbai Stock Exchange.

VII. PARTICULARS OF EMPLOYEES:

The 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).

VIII. DIRECTORS:

Following take over of the company by Mr. Rajiv Kashyap during October / November 2005, the Board of Directors of the Company has been re-constituted in the following manner:

The following Directors have resigned with effect from 28-11-2005

Mr. Balveer S Choudhary, Mr. Shailendra Tiwari, Mr. Devendra S. Choudhary, Mr. Sudhir Chandalia, Mr. Vimlesh Bansal and Mrs. Meena S. Vaswani

The following persons have been appointed as Directors of the Company with effect from 18-11-2005:

Mr. Rajiv Rajaram Kashyap	Managing Director
Dr. Pradeep G Patil	Additional Director
Mr. Prakash Dharia	Additional Director

Further, the following persons were appointed as additional Directors with effect from 28th November 2005:

Mrs. Sanju Nandwani	Additional Director
Mr. Varun Gautam Shrotriya	Additional Director
Mr. Dattapal Chandrakant Neroy	Additional Director

Out of the aforesaid five additional directors, who hold the position of Directors up to the date of Annual General Meeting Mr. Prakash Dharia, does not wish to be elected as a Director of the Company.

IX. 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 it give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit & loss of the company for that period.
- (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.

X. Audit, Remuneration & Investor Grievance(s) Committee(s):

The Company has re-constituted the Audit and the Remuneration Committee(s) as follows:

Mr. Dattapal Chandrakant Neroy	Chairman
Mr. Varun Gautam Shrotriya	Member
Dr. Pradeep Gudadhe Patil	Member



Annual Report 2005 – 2006

The Company has reconstituted the Investor Grievance(s) Committee in the following manner:

Mr. Rajiv Kashyap	Chairman
Mr. Dattapal Chandrakant Neroy	Member
Mr. Varun Gautam Shrotriya	Member

XI. AUDITORS:

M/s M.V. Dave & Co, Chartered Accountants, retire as the Auditors of the 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. The earlier Auditors of the Company M/s Jain & Sultania Chartered Accountants have resigned as the Auditors and in their place M/s M. S. Dave & Co, Chartered Accountants have been appointed as the Auditors of the Company at the EGM.

XII. 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.

XIII. 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.

XIV. DEMATERIALISATION OF SHARES:

The Company's Equity Shares are held in dematerialized form by National Securities Depository Limited and the Central Depository Services Limited under ISIN **INE923D01019**

XV. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information in accordance with the provisions of section 217(1) (e) of the Companies Act 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 regarding conservation of energy, technology absorption are not applicable to the Company and there was no foreign exchange earnings or outgo by way of either imports, exports or expenses during the year.

XVI. 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 Companies 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

Mumbai
DATED: 30-6-2006

RAJIV KASHYAP
CHAIRMAN



FACT ENTERPRISE LIMITED

REPORT ON CORPORATE GOVERNANCE

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 Director-ships held in other Companies	No. of Board Committee memberships held in other Companies
Mr. Rajiv R. Kashyap	Chairman & Managing Director (Promoter)	2	Nil
Mr. Dattapal Chandrakant Neroy	Independent Director	Nil	Nil
Dr. Pradeep Gudadhe Patil	Independent Director	Nil	Nil
Mr. Prakash Dharia	Independent Director	Nil	Nil
Mrs. Sanju Nandwani	Independent Director	Nil	Nil
Mr. Varun Gautam Shrotriya	Independent Director	Nil	Nil

Meetings and Attendance:

During the year ended 31st March 2006, 7 (Seven) Board Meetings were held on the followings Dates: 30-6-2005, 11-8-2005, 29-10-2005, 18-11-2005, 28-11-2005, 28-12-2005 & 27-1-2006.

Attendance of Directors at the Board Meeting and at the Annual General Meeting (AGM) (30th September 2005)

Name of Director	No. of Board Meeting Attended	Whether attended AGM on 30-9-2005
Mr. Shailendra Tiwari	5	Yes
Mr. Balveer Singh Choudhary	5	Yes
Mr. Devendra Singh Choudhary	5	Yes
Mr. Vimlesh Bansal	3	Yes
Mr. Sudhir Chandalia	3	No
Mrs. Meena Vaswani	3	Yes
Mr. Rajiv R. Kashyap	4	No
Mr. Dattapal C Neroy	4	No
Dr. Pradeep Gudadhe Patil	4	No
Mr. Prakesh Dharia	4	No
Mrs. Sanju Nandwani	4	No
Mr. Varun Gautam Shrotriya	4	No