

# C o n t e n t s

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**BOARD OF DIRECTORS**

Mr. Jai Bhagwan Goyal  
Mr. Rajesh Goyal  
Mr. Anil Kumar Sharma

**AUDITORS**

M/s Serva Associates  
Chartered Accountants  
New Delhi

**BANKERS**

Punjab National Bank  
Bank of Baroda  
Karnataka Bank

**REGISTERED OFFICE**

Shop No. G-01, RG City Centre,  
Plot No. SU, LSC, B-Block,  
Lawrence Road, Delhi-110035

# Real Growth Commercial Enterprises Limited

Regd. Off: Shop No. G-01, RG City Centre, Plot No. SU, LSC, B-Block, Lawrence Road, Delhi-110035  
 Phone No.-9560096004 Email ID-rgcel1995@gmail.com  
 CIN - L70109DL1995PLC064254

## **NOTICE**

Notice is hereby given that the 19th Annual General Meeting of Real Growth Commercial Enterprises Limited will be held on Wednesday, 24th September 2014, at the registered office of the Company at Shop No. G-01, RG City Centre, Plot No. SU, LSC, B Block, Lawrence Road Delhi-110035 at 3.00 PM to transact the following business:

### **Ordinary Business:**

1. To receive, consider and adopt the Balance Sheet as at March 31st, 2014, the Profit & Loss Account for the year ended on that date, and the Reports of the Directors' and Auditors' thereon;
2. To declare dividend on Preference Shares;
3. To appoint a Director in place of Mr. Anil Kumar Sharma, who retires by rotation and, being eligible, offers himself for re-appointment;
4. To consider and if thought fit, pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any amendment, modification, variation or re-enactment thereof, M/s Serva Associates, Chartered Accountants (Firm's Registration No. 000272N), be and are hereby appointed as the Statutory Auditors of the Company for a period of 3 (three) years, to hold office as such from the conclusion of this Annual General Meeting until the conclusion of the 22nd Annual General Meeting, subject to ratification of such appointment by the Members of the Company at every Annual General Meeting held after this Annual General Meeting, on such remuneration as may be approved by the Board of Directors."

By Order of the Board  
 Real Growth Commercial Enterprises Limited

Place: Delhi  
 Date: 21.04.2014

(Jai Bhagwan Goyal)  
 Director

### **Notes**

1. Members holding shares in physical form may write to the Company for any change in their address, while members holding shares in electronic form may write to their depository participants for immediate action.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY, OR, WHERE THAT IS ALLOWED, ONE OR MORE PROXIES, TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND THAT A PROXY NEED NOT BE A MEMBER. A person can act as a proxy on behalf of the members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital carrying voting rights may appoint a single person as Proxy and such person cannot act as proxy for any other. Members/ Proxies are requested to Quote their Folio No./DP Id and Client Id No. in all correspondence.

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CIN - L70109DL1995PLC064254

3. Details of the Director seeking Re-appointment as per Clause 49 of the listing agreement are given hereunder:-

4.

<b>Name of Director</b>	<b>Mr. Anil Kumar Sharma</b>
Date of Birth	10.07.1971
Date of Appointment	25/03/2013
Qualification	10th
List of other Companies in which Directorship held (Excluding Pvt. Ltd. Companies.)	Sanjay Shekhar Hire Purchase and Credit Ltd. Systematic Finlease Private Limited Blitz Marketing Private Limited Hindusthan Credit Capital Limited
Chairman / Member of committees of the Board of other Companies in which he is a director	<b>Member of:-</b> 1. Investors'/Shareholders Grievance Committee of Hindusthan Credit Capital Ltd. 2. Chairman-Audit Committee of Hindusthan Credit Capital Ltd.

5. Members/ Proxies are requested to bring their copies of Annual Report and Attendance Slip duly completed and signed at the meeting.
6. Members/ Proxies are requested to Quote their Folio No./DP Id and Client Id No. in all correspondence.
7. The Register of members and Share transfer books of the Company will remain closed from 18th September, 2014 to 24th September, 2014, (both days inclusive)

By Order of the Board  
Real Growth Commercial Enterprises Limited

Place: Delhi  
Date: 21.04.2014

(Jai Bhagwan Goyal)  
Director

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## Directors' Report

Your Directors have pleasure in presenting their Eighteenth Report on the working of Company along with the Audited Accounts of the Company for the Financial Year 2013-14.

### 1. Financial Highlights

Particulars	(Amount in Rs. Crore)	
	2013-14	2012-13
Total Income	172.17	224.13
Total Expenditure	169.70	222.04
Profit/(loss) before Dep. Int. & Tax	5.96	6.91
Interest & Financial Charges	3.42	4.75
Depreciation & extra-ordinary Items	0.06	0.07
Profit/(loss) Before Tax	2.48	2.09
Provision for Tax	0.50	0.69
<b>Profit/(loss) after tax</b>	<b>2.18</b>	<b>1.41</b>

### 2. Dividend

The Board has, subject to the approval of the Members at the ensuing Annual General Meeting, recommended dividend at the stipulated rate of Rs. 2/- per Share on 20,00,000, 2% Cumulative Redeemable Preference Shares of Rs. 100/- each of the company for the year ended 31st March 2014, and in view of the need to conserve resources of the Company, your directors do not recommend any dividend on Equity Shares.

### 3. Conservation of Energy, Technology Absorption and Foreign Exchange Earning & Outgo ;

- |   |     |
|---|-----|
| A) Conservation of Energy:-   | Nil |
| B) Technology Absorption, Adoption and Innovation:-   | Nil |
| C) Foreign Exchange Earnings and Outgo :-   |     |
| (i) Activities relating to export; initiatives taken to increase export; development of new export market for products and services; & export plans | NIL |
| (ii) Total Foreign Exchange used and earned   | NIL |

### 4. Particulars of Employees

None of the employee fall under the purview of the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

### 5. Directors

Mr. Anil Kumar Sharma liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

### 6. Auditors

M/s Serva Associates, Chartered Accountants, (Registration No-000272N), New Delhi, the Statutory Auditors of the Company hold office till conclusion of the ensuring Annual General Meeting and being eligible, offer themselves for reappointment, In accordance with third proviso of Section 139(2) of the Companies Act, 2013, read with second illustrative table in Rule 6 of the Companies (Audit and Auditors) Rules, 2014, M/s. Serva Associates can be appointed as Statutory Auditors for 3 consecutive years from the ensuing Annual General Meeting. Your Company

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has received necessary certificate pursuant to the provisions of Section 139 (1) of the Companies Act, 2013 from the said Statutory Auditors confirming that their re-appointment, if made, will be in accordance with Section 141 of the Companies Act, 2013.

As per the recommendation of the Audit Committee, the Board of Directors proposes the reappointment of M/s Serva Associates, Chartered Accountants as Statutory Auditor of the Company for a period from the conclusion of the ensuing Annual General Meeting till the conclusion of the Company's 22th Annual General Meeting.

## 7. Auditor Report

There are no adverse qualifications in the report which need to be explained here.

## 8. Deposits

During the year, your Company has not accepted any public deposits in terms of the provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.

## 8. Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statements in terms of Section 217 (2AA) of the Companies (Amendment) Act, 2000:

1. That in the preparation of the annual accounts for the year ended 31st March 2014, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
2. That such accounting policies as mentioned in the Notes to Account, have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31st March 2014 and of the profit of the Company for year ended on that date;
3. That proper and sufficient care has been taken 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; and
4. That the annual accounts have been prepared on a going concern basis.

## 9. Corporate Governance

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Corporate Governance and Management Discussion and Analysis Report together is set out in the annexure forming part of this report.

## 11. Acknowledgements

Your Directors wish to place on record their sincere thanks to Investors, Clients, Vendors, Bankers and all other Business Associates for their continued co-operation and patronage and all the employees of the Company for their excellent performance and teamwork.

By Order of the Board  
Real Growth Commercial Enterprises Limited

Place: Delhi  
Date: 21.04.2014

(Jai Bhagwan Goyal)  
Director

# Real Growth Commercial Enterprises Limited

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## **Management Discussion and Analysis Report**

### **I. Industry Structure and Developments**

#### **The Indian Economy**

During 2014-15 the growth in Gross Domestic Product is estimated at 5.5% as compared to the growth rate of 5% in 2013-14,"

The growth in infrastructure sector is directly proportional to the growth and development of an economy.

In steel trading business, is in demand. The industry has strong forward and backward linkages with other sectors of the economy and, therefore, its own growth pattern is also influenced by other sectors of the economy specially infrastructure development, real estates, auto mobiles/auto components etc. demand and supply continue to be on very high side because of huge consumption level. It is expected that the demand for steel will remain on high side in the years to come.

With regard to Commodity business, the Prices of Commodities has been through ups and downs throughout the year, it is believed that Commodities prices shall remain volatile in the coming future.

### **II. Opportunities, Threats, Risks and Concerns**

#### **(a) Real Estate Division**

In the Real Estate, there are huge opportunity and growth as demand of residential properties has surged due to increased urbanization and household income.

Rapid urbanization, positive demographics, growing nuclear families' trend, rural-urban migration, infrastructure development, rising income levels and growing housing demand are driving real estate growth and development in India as the sector contributes about 6.3 percent to India's gross domestic product (GDP) and annually generates about eight million direct and indirect jobs."

#### **(b) Trading Division-Steel**

Driven by rapid development of Indian economy; India's steel consumption will continue grow annually. The Steel production in the financial year 2009-10 was 60-61 million tonnes. Demand of Steel is rapidly growing due to increasing construction projects and automobile industry. The National Steel Policy has envisaged steel production to reach 110 million tonnes by 2019-20. The Company is expecting a high growth in future.

The main threats for the business are raising cost of raw material, competitive market, and inflation.

The Company manages these threats by maintaining quality policies and by trading in bulk at lower margins.

### **III. Internal Control Systems and Their Adequacy**

The Company's internal control systems encompass set of rules, policies, and procedures to ensure that all the assets are safeguarded, These internal controls are supplemented by periodic audits with management reports which are then reviewed by our audit committee. We have a qualified independent audit committee, which includes our board of directors as members. The audit committee will review the adequacy and efficiency of internal control and suggests for any improvements or corrections. These internal controls ensure efficiency in operations, compliance with internal policies of the company, applicable laws and regulations, protection of resources and accurate reporting of financial transactions

### **IV. Discussion of Financial Performance**

For the Financial year ended 31st March, 2014, the total income of the Company is Rs. 172.17 Crores as compared to Rs. 244.06 Crores during the last financial year and net Profit after tax is Rs. 2.18 Crores as against of Rs. 1.40 Crore as compared to the previous financial year.

### **V. Human Resources**

The Company's most valuable assets and strength, is its human resource built up over the period of time. The Company's relations with employee have always been harmonious during the period under review.

By Order of the Board  
Real Growth Commercial Enterprises Limited

Place: Delhi  
Date: 21.04.2014

(Jai Bhagwan Goyal)  
Director

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## Corporate Governance Report

### Company's Philosophy

The Company is of firm belief that good Corporate Governance is the backbone for achieving long-term corporate goals that enhances value for all stakeholders. The philosophy of the Company on Corporate Governance is to attain a high level of accountability, transparency and fairness in its functioning and conduct of its business with due emphasis on statutory compliances in letter and spirit. The management acknowledges and appreciates its responsibility towards the society at large.

### Board of Directors

The Board of Directors serves and protects the overall interests of stakeholders; provides and evaluates the strategic directions of the company. The Chairman and three other directors manage the business of the Company.

#### **Composition of Board of Directors and other details as at 31<sup>st</sup> March, 2014;**

Name	Category	No. of Board Meetings <sup>1</sup>		Attendance at last AGM <sup>2</sup>	Other directors hip <sup>3</sup>	Other Committees Chairmanship/ membership <sup>4</sup>
		Held	Attended			
Mr. J. B. Goyal	Non-Executive	11	11	Yes	1	2
Mr. Rajesh Goyal	Non-Executive	11	11	Yes	1	2
Mr. Anil Kr. Sharma	Non-Executive	11	11	Yes	0	2

<sup>1</sup>Board Meetings were held on 10.04.2013, 23.04.2013, 27.04.2013, 30.05.2013, 08.06.2013, 14.08.2013, 05.10.2013, 18.10.2013, 14.11.2013, 02.01.2014, 14.02.14 & 31.03.2014.

<sup>2</sup>Last AGM was held on 31<sup>st</sup> August, 2013.

<sup>3</sup>Includes Public Companies only.

<sup>4</sup>Represents Audit Committee and Investors' Grievance Committee in public companies.

### Remuneration to Directors

Company is not paying remuneration to any of its Director.

#### **1. Audit Committee**

Audit Committee comprises of three Directors namely Mr. J. B. Goyal, Mr. Rajesh Goyal and Mr. Anil Kumar Sharma. The terms of reference of the Committee are in accordance with the requirements of the Listing Agreements with the Stock Exchanges. The Function of Audit Committee includes:-

- i) Oversight of the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible.
- ii) Recommendation to the board, appointment, re-appointment and, if required, the replacement or removal of Statutory Auditor.
- iii) Reviewing with the management, quarterly financial statements before submission to the board for approval.
- iv) Reviewing with the management, performance of statutory and internal auditors.

There were 4 meetings of the Audit Committee on 30.05.2013, 14.08.2013, 14.11.2013 and 14.02.2014 during the year. The attendance at the meetings was as follows;

Name of the Members	No. of Meetings attended
Mr. J. B. Goyal (CHAIRMAN)	4
Mrs. Rajesh Goyal (MEMBER)	4
Mr. Anil Kumar Sharma (MEMBER)	4



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## 2. Shareholders / Investors' Grievance Committee

The Company has Investors' Grievance Committee which focuses on shareholders' grievances and strengthening of investor relations specially looking into redressal of grievances pertaining to:-

- i) Transfer of Shares
- ii) Dematerialization of Shares
- iii) Replacement of lost/stolen Share Certificates.
- iv) Other related issues

This Committee comprises of Mr. J. B. Goyal as a Chairman with Mr. Rajesh Goyal and Mr. Anil Kumar Sharma being the other members. The terms of reference of the Committee are in accordance with the requirements of the Listing Agreements with the Stock Exchanges.

## 3. Others

- i) Name and Designation of Compliance Officer: Mr. Jai Bhagwan Goyal, Director.
- ii) During the Year under review, the Company has not received any investor's complain/grievances.

## 4. General Body Meetings

### Venue and time of the last three AGMs

Year	Venue	Date	Time
2010-2011	501, RG Trade Tower, Plot no B-7, Netaji Subhash Place, Wazirpur Distt. Centre, Pitampura, Delhi-110034	28.09.2011	03.00 P.M.
2011-2012	501, RG Trade Tower, Plot no B-7, Netaji Subhash Place, Wazirpur Distt. Centre, Pitampura, Delhi-110034	26.09.2012	03.00 P.M.
2012-2013	501, RG Trade Tower, Plot no B-7, Netaji Subhash Place, Wazirpur Distt. Centre, Pitampura, Delhi-110034	31.08.2013	03.00 P.M.

## 8. Disclosures

- (a) The related party transactions as entered into by the Company with its promoters, directors or the management during the year under review have been duly disclosed in the Notes to Annual Accounts. However, none of these transactions has a potential conflict with the interest of the Company at large.
- (b) Permission from Delhi Stock Exchange for resumption of trading of Company's shares is awaited. There are no non-compliance, penalties, and strictures by Stock Exchange, SEBI or any Statutory Authority on any matter related to capital markets during the last three years.
- (c) There was no pecuniary relationship or transactions with Non- Executive Directors.

## 9. Means of Communication

The Company regularly intimates information like Quarterly Financial results which are normally published in daily publications. The company presently has no official website.

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

## 10. General Shareholders Information

A	Annual General Meeting:	
	Date and Time	Wednesday, 24th September, 2014 Time: 3.00 P.M.
	Venue	G-01 RG City Centre, Plot No SU, LSC, B-Block, Lawrence Road, Delhi-110085

# Real Growth Commercial Enterprises Limited

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<b>B</b>	<b>Financial Calendar (FY 14-15):</b>	
	For First Quarter	On 14.08.2014
	For Second Quarter	By 14.11.2014 (Tentative)
	For Third Quarter	By 14.02.2015 (Tentative)
	Audited Financial Results	By 30.05.2015 (Tentative)
<b>C</b>	<b>List of Stock Exchanges where shares are listed &amp; Stock Code</b>	
	The Delhi Stock Exchange Association Ltd.	8727
	Jaipur Stock Exchange Ltd.*	768
	The Stock Exchange, Ahmedabad*	31149/KRS FINANCE
	<b>Note:-</b> *As Jaipur Stock Exchange and Ahmedabad Stock Exchange are not working currently, the Company has not paid the Listing Fees arrears to these Stock Exchanges. The Company will pay the Dues as soon as these Stock Exchanges will start working again.	
<b>D</b>	<b>Date of Book Closure of the AGM</b>	
	18th September, 2014 to 24th September, 2014	
<b>E</b>	<b>Address for correspondence for Share Transfer and Related Matters</b>	
	Registrar and Share Transfer Agent for dematerialization / rematerialization	M/s Alankit Assignments Ltd. 2E/21, Jhandewalan Extension, New Delhi-110055. Ph. 91-11- 42541234 Fax: 91-11- 42541967
	The application for transfer of shares, dematerialization of shares and other related matters may be sent to our Registrar and Transfer Agent, the M/s Alankit Assignments Limited, 2E/21, Jhandewalan Extension, New Delhi-55.	
<b>F</b>	<b>Share Transfer System</b>	
	The Compliance Officer of the Company has been authorized to process transfer and transmission of shares of the Company which are duly approved in the Board Meeting, if the documents are in order. Share transfers are registered and returned within the statutory time limit, if the documents are clear in all respects.	
<b>G</b>	<b>Dematerialization of shares</b>	
	Shares of the Company are available for dematerialization with NSDL. Members can hold shares in electronic form and trade the same in Depository system. The Promoters of the Company are also holding their shares in the demat form. International Securities Identification Number of the Company is INE836D01013.	
<b>H</b>	<b>Address for correspondence</b>	
	<b>Registered Office</b>	Real Growth Commercial Enterprises Limited G-01 RG City Centre, Plot No SU, LSC, B-Block, Lawrence Road, Delhi-110085
	E-mail	rgcel1995@gmail.com
	Phone No.	9560096004

By Order of the Board  
Real Growth Commercial Enterprises Limited

Place: Delhi  
Date: 21.04.2014

(Jai Bhagwan Goyal)  
Director

**SERVA ASSOCIATES**

CHARTERED ACCOUNTANTS

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE****To the Members of  
Real Growth Commercial Enterprises Limited**

We have reviewed the implementation of Corporate Governance procedures by the Company during the year ended 31st March, 2014 with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The Compliance of conditions of the Corporate Governance is the responsibility of the management. Our examination is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of the above and according to the information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange, except the Composition of Directors as per Clause 49(1)(a) of the Listing Agreement.

We further state that our examination of 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 Serva Associates**  
**Firm Registration No. 000272N**  
**Chartered Accountants**

**(NITIN JAIN)**  
**Partner (M. No. 506898)**  
**Place: Delhi**  
**Dated: 21.04.2014**

## SERVA ASSOCIATES

CHARTERED ACCOUNTANTS

### **INDEPENDENT AUDITOR'S REPORT**

To the Members of **REAL GROWTH COMMERCIAL ENTERPRISES LIMITED**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Real Growth Commercial Enterprises Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained are sufficient and appropriate to provide a basis for our audit opinion except for the third party confirmations of balances and transactions with regards to the trade payable and the trade receivables.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
  - b) In the case of the Profit and Loss Account, of the profit for the year ended on that date;
  - c) In the case of the cash flow, the cash flow statement for the year ended on that date
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

**SERVA ASSOCIATES**

CHARTERED ACCOUNTANTS

2. As required by section 227(3) of the Act, 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 account as required by law have been kept by the Company so far as appears from our examination of those books
  - c. The Balance Sheet and Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account
  - d. In our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f. Since the Central Government has not issued any notification as to the date at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For Serva Associates**

Chartered Accountants

Firm's Registration Number: 000272N

C.A.Nitin Jain

(Partner)

Membership Number: 506898

Date : 21st April 2014

Place of Signature: Delhi

## SERVA ASSOCIATES

CHARTERED ACCOUNTANTS

Annexure to the Auditors' report

Re: Real Growth Commercial Enterprises Limited

(Referred to in our report of even date)

- (i)
- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) All the assets have been physically verified by the management at the year end and as informed to us no material discrepancies were noticed on such verification. In our opinion, the physical verification carried out by the management during the year is reasonable vis-à-vis the size and nature of business carried out by the Company.
  - c) Substantial portion of fixed assets comprising of commercial shops have been disposed off during the year, however considering the nature of the company operations we are of the opinion that the same shall not affect the going concern assumption.
- (ii)
- a) Traded stock is purchased and sold in lots and it's inventory at year end is NIL. Inventory of commercial shops have been physically verified and certified by the management at the year end. In our opinion, the frequency of such verification is reasonable.
  - b) The procedures for the 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) The Company is maintaining proper records of inventory. The records of inventory maintained at the registered office are proper and no discrepancies were noticed/ reported on verification between the physical stocks and the book records.
- (iii)
- a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
  - b) The Company has taken unsecured loans from 1 party covered in the register maintained under section 301 of the Companies Act, 1956. The Maximum amount involved during the year was ₹ 16,11,14,121/- and the amount outstanding as at the end of the year was ₹ 1,12,57,038/- The terms and conditions at which the loans had been taken were prima facie not prejudicial to the interest of the company. In view of non stipulation of any terms of payment as the said loans are repayable on demand, we are unable to comment on the regularity of the repayment of principal amount.
  - c) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. In our opinion and according to the information and explanations given to us, there is no major weakness in internal control system.
- (iv)
- a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
  - b) In our opinion, and according to the information and explanations given to us, in the absence of sufficient comparisons for the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of Rs 5 lakh with any party during the year we have relied upon the management representations given which appear to be reasonable.
- (v)
- The Company has not accepted any deposit from the public under the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the rules framed there under.
- (vi)
- In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (vii)
- The Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for the products/services currently dealt with/provided by the Company.

**SERVA ASSOCIATES**

CHARTERED ACCOUNTANTS

- (ix) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company by us, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, with the appropriate authorities. As explained to us, the Company does not have any dues on account of Investor Education and Protection Fund and Wealth tax.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales tax, Service tax, Customs duty, Excise duty and other material statutory dues were in arrears as at 31 March 2014 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no dues of Provident fund, Income tax, VAT, cess which have not been deposited with the appropriate authorities on account of any dispute.
- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers or to any financial institutions. The Company does not have any outstanding debentures anytime during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society.
- (xiv) In respect of the securities and other investments dealt or traded by the company, proper records are maintained by the company in respect of transactions and contracts and timely entries have been made therein on the basis of the contract notes received.
- (xv) The guarantee for loans taken by others from banks & financial institutions by the group companies were released during the year under consideration and as at 31st March 2014, it has been represented to us that no other guarantees have been given by the company.
- (xvi) The Company has not taken any term loans hence the provisions of this para are not applicable.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the period covered by our audit.
- (xx) The Company has not raised any money by public issues.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **Serva Associates**  
Chartered Accountants  
Firm's Registration Number: 000272N

C.A. Nitin Jain  
(Partner)  
Membership Number: 506898

Place of Signature: Delhi  
Date : 21st April 2014

<b>REAL GROWTH COMMERCIAL ENTERPRISES LIMITED</b>			
<b>BALANCE SHEET AS AT 31ST MARCH 2014</b>			
			Amount in Rs
<b>Particulars</b>	<b>Note No.</b>	<b>Figures as at the end of Current Reporting Period</b>	<b>Figures as at the end of Previous Reporting Period</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	<b>2</b>	240,000,000	240,000,000
Reserves & Surplus	<b>3</b>	83,511,465	66,370,977
<b>NON CURRENT LIABILITIES</b>			
Deferred tax liabilities (Net)	<b>30</b>	-	39,798
Other Long-term Liabilities	<b>4</b>	186,000	616,500
Long-term provisions	<b>5</b>	223,169	161,154
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	<b>6</b>	201,561,348	209,348,204
Trade payables	<b>7</b>	15,464,329	18,682,855
Other current liabilities	<b>8</b>	9,793,390	5,354,751
Short-term provisions	<b>9</b>	32,434,807	27,399,714
		<b>583,174,508</b>	<b>567,973,953</b>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Fixed assets - Tangible Assets	<b>10</b>	1,949,434	14,976,128
Deferred tax Assets (Net)	<b>30</b>	702,150	-
Long term loans and advances	<b>11</b>	298,000	298,000
Other Non Current Assets	<b>12</b>	2,440,383	169,389
<b>CURRENT ASSETS</b>			
Inventories	<b>13</b>	69,534,179	71,476,336
Trade receivables	<b>14</b>	407,921,042	427,871,806
Cash and cash equivalents	<b>15</b>	18,060,433	1,875,790
Short-Term Loans and Advances	<b>16</b>	79,922,938	50,105,065
Other current assets	<b>17</b>	2,345,949	1,201,439
		<b>583,174,508</b>	<b>567,973,953</b>

Significant Accounting Policies

1

Accounting notes are an integral part of Financial Statements

As per our report of even date attached  
For Serva Associates  
Chartered Accountants

For and on Behalf of the Board of  
Real Growth Commercial Enterprises Ltd.

(C.A. NITIN JAIN)  
Firm Registration No.:000272N  
Partner (M. No. : 506898)

(J. B. GOYAL)  
DIRECTOR

(RAJESH GOYAL)  
DIRECTOR

Place : Delhi  
Dated : 21.04.2014



<b>REAL GROWTH COMMERCIAL ENTERPRISES LIMITED</b>			
<b>STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED 31ST MARCH 2014</b>			
<b>Particulars</b>	<b>Note No.</b>	<b>Figures as at the end of Current Reporting Period</b>	<b>Figures as at the end of Previous Reporting Period</b>
<b>REVENUE FROM OPERATIONS</b>	<b>19</b>	1,704,283,515	2,234,115,752
<b>OTHER INCOME</b>	<b>20</b>	17,464,675	7,170,147
<b>Total Revenue</b>		<b>1,721,748,191</b>	<b>2,241,285,898</b>
<b>EXPENSES</b>			
Cost of materials consumed			
Purchase of Stock-in-Trade	<b>21</b>	1,653,311,729	2,152,343,907
Decrease / (increase ) in stock	<b>22</b>	1,942,157	8,373,554
Employee benefit expense	<b>23</b>	3,828,410	7,271,148
Financial costs	<b>24</b>	34,174,784	47,560,640
Depreciation and amortization expense	<b>10</b>	643,554	703,671
Other expenses	<b>25</b>	3,030,184	4,152,029
<b>Total Revenue</b>		<b>1,696,930,818</b>	<b>2,220,404,949</b>
Profit before exceptional and extraordinary items and tax		<b>24,817,372</b>	<b>20,880,949</b>
Exceptional Items		-	-
Profit before extraordinary items and tax		-	-
Extraordinary Items		-	-
Profit before tax		24,817,372	20,880,949
Tax expense:			
Current tax		4,987,046	6,906,768
Previous Year Tax		22,435	63,143
MAT Credit (Entitlement)/ Adjusted		(1,270,449)	
Deferred tax Liability (Assets)		(741,948)	(114,685)
Profit(Loss) from the period from continuing operations		<b>21,820,288</b>	<b>14,025,723</b>
Profit/(Loss) from discontinuing operations		-	-
Tax expense of discounting operations		-	-
Profit/(Loss) from Discontinuing operations		-	-
Profit/(Loss) for the period		<b>21,820,288</b>	<b>14,025,723</b>
Earning per equity share :			
Basic		<b>4.29</b>	<b>2.34</b>
Diluted		<b>4.29</b>	<b>2.34</b>

Significant Accounting Policies

1

Accounting notes are an integral part of Financial Statements

As per our report of even date attached  
For Serva Associates  
Chartered Accountants

For and on Behalf of the Board of  
Real Growth Commercial Enterprises Ltd.

(C.A. NITIN JAIN)  
Firm Registration No.:000272N  
Partner (M. No. : 506898)

(J. B. GOYAL)  
DIRECTOR

(RAJESH GOYAL)  
DIRECTOR

Place : Delhi  
Dated : 21.04.2014

<b>NOTES FORMING PART OF BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS</b>			
<b>ACCOUNT FOR THE YEAR ENDED 31-03-2014</b>			
<b>Note No.</b>	<b>Particulars</b>	<b>Figures as at the end of Current Reporting Period</b>	<b>Figures as at the end of Previous Reporting Period</b>
<b>1</b>	<b>SIGNIFICANT ACCOUNTING POLICIES</b>		
	<b>Basis of Accounting and preparation of Financial Statements.</b>		
<b>a</b>	<b>Accounting Convention</b> The Financial Statements are prepared on the accrual basis under the Historical Cost convention method, in accordance with the Indian Generally Accepted Accounting Principles (GAAP) and the provisions of the Companies Act, 1956. Income arising on Conversion charges, if any as recovered from the customers or interest on delayed payments are accounted for in the year of recovery of such charges from the customer.		
<b>b</b>	<b>Use of Estimates:</b> The preparation of Financial Statement in conformity with Generally Accepted Accounting Principles requires management to make estimates & assumptions that affect the reported amounts of assets & liabilities, disclosure of contingent assets & liabilities at the date of the Financial Statement and the reported amounts of revenue and expenses during the reporting period. Differences between the actual results and estimates will be recognized in the year in which the result will be known.		
<b>c</b>	<b>Fixed Assets &amp; Depreciation</b>		
<b>i</b>	Fixed assets are recorded at the cost of acquisition less accumulated depreciation. Cost is inclusive of all incidental costs related to acquisition and installation.		
<b>ii</b>	Depreciation on fixed assets is provided on Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies' Act 1956 on a pro-rata basis. Assets individually costing up to Rs. 5000/- are depreciated at the rate of 100%.		
<b>d</b>	<b>Inventories</b>		
<b>i</b>	<b>Stock-in-Hand / Commercial Units/Steel Items</b> Finished stock is valued at Cost or net realizable value whichever is less. Traded stock is valued at Landed cost of Purchase or market value whichever is lower.		
<b>ii</b>	<b>Shares</b> Quoted shares are valued at lower of cost or market value. Unquoted shares are valued at cost.		
<b>e</b>	<b>Revenue Recognition</b>		
<b>i</b>	Sale of commercial units is recognized when the 100% payment is received against the booking or when the possession of the unit is handed over to the buyer, whichever is earlier		
<b>ii</b>	Revenue is recognized on percentage of completion method. and is recognized only with regard to those projects for which construction cost being material and labour incurred is more than 25% of the estimated construction cost of the project and only against those units in respect of which more than 25% of the sale price is received as advance.		
<b>iii</b>	Interest on deployment of funds is recognized based on agreed rates of interest, using time proportion method.		
<b>iv</b>	Sale of Trading is accounted on transfer of ownership of goods to buyers.		

<b>NOTES FORMING PART OF BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS</b>			
<b>ACCOUNT FOR THE YEAR ENDED 31-03-2014</b>			
<b>v</b>	Profit / Loss on sale of securities is accounted on weighted average method & is calculated based on daily mark to market position. Profit on sale of securities is netted with the loss on sale of securities.		
<b>vi</b>	Maintenance charges are recognised as per the terms & condition agreed between the company and the customers.		
<b>f</b>	<b>Expenditure</b>		
<b>i</b>	Expense in general are accounted for on accrual basis. Provisions are made for all known losses and liabilities.		
<b>ii</b>	LC discounting charges reimbursed (if any) is considered as transaction cost and accounted for at the time of acceptance of the obligation.		
<b>g</b>	<b>Tax on Income</b>		
	Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.		
<b>2</b>	<b>SHARE CAPITAL</b>		
<b>a</b>	<b>Authorised</b>		
	<b>Fully Paid Equity Shares of Rs. 10/- each</b>		
	42,50,000 (P.Y. 42,50,000)	42,500,000	42,500,000
	<b>Fully Paid 2% Cum. Red. Preference Shares of Rs. 100/- each</b>		
	20,75,000 (P.Y. 20,75,000)	207,500,000	207,500,000
		<b>250,000,000</b>	<b>250,000,000</b>
<b>b</b>	<b>Issued, Subscribed &amp; Paid up</b>		
	<b>Fully Paid Equity Shares of Rs 10/- Each</b>		
	At the beginning of the year 40,00,000 (PY 40,00,000)	40,000,000	40,000,000
	Add: Issued during the year Nil (PY Nil)	-	-
	At the end of the year 40,00,000 (PY 40,00,000)	40,000,000	40,000,000
	<b>Fully Paid 2% Cumulative Redeemable Preference Shares of Rs. 100 each</b>		
	At the beginning of the year 20,00,000 (PY 20,00,000)	200,000,000	200,000,000
	Add: Issued during the year Nil (PY Nil)	-	-
	At the end of the year 20,00,000 (PY 20,00,000)	200,000,000	200,000,000
		<b>240,000,000</b>	<b>240,000,000</b>
<b>c</b>	Shares Held by the Holding Company	Nil	Nil
<b>d</b>	List of Equity shareholders having more than 5% shares		
	Rajesh Projects (India) Pvt. Ltd. - 6,40,000 (Py 6,40,000)	6,400,000	6,400,000
<b>e</b>	List of Preference shareholders having more than 5% shares		
	Cool Estate Pvt. Ltd. - 10,00,000 (PY 10,00,000)	100,000,000	100,000,000
	Hendez Distributers Pvt. Ltd. - 10,00,000 (PY 10,00,000)	100,000,000	100,000,000
		<b>200,000,000</b>	<b>200,000,000</b>
<b>3</b>	<b>RESERVE &amp; SURPLUS</b>		
	<b>Profit &amp; Loss Account</b>		
	Balance at the Beginning of the Year	66,370,977	56,994,154
	Add: Net Profit/(Net Loss) For the current year	21,820,288	14,025,723
	Less: Proposed Dividend on Preference Shares *	4,000,000	4,000,000
	Less : Corprate Dividend Tax Provision	679,800	648,900
	Closing Balance	<b>83,511,465</b>	<b>66,370,977</b>
	* The company has proposed the 2% dividend on 2% Redeemable Cumulative preference shares i.e Rs.2/- per share		

<b>NOTES FORMING PART OF BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS</b>			
<b>ACCOUNT FOR THE YEAR ENDED 31-03-2014</b>			
<b>Note No.</b>	<b>Particulars</b>	<b>Figures as at the end of Current Reporting Period</b>	<b>Figures as at the end of Previous Reporting Period</b>
<b>4</b>	<b>OTHER LONG TERM LIABILITIES</b>		
	Security Deposits	186,000	616,500
		<b>186,000</b>	<b>616,500</b>
<b>5</b>	<b>LONG TERM PROVISIONS</b>		
	Provision for employee benefits - Gratuity	223,169	161,154
		<b>223,169</b>	<b>161,154</b>
<b>6</b>	<b>SHORT TERM BORROWINGS</b>		
<b>i</b>	<b>Secured Loans repayable on demand</b>		
	Cash Credit from Schedule Bank	190,304,310	191,984,083
	- Primarily Secured by - Hyp of Stock & Book debt of Steel Division		
	- Collaterally Secured by - Stock of Commercial Units situated at RG Mall, Rohini having Cost of Rs.5.56 crores (PY Rs.5.81 Crores) and Stock of Commercial Units & Building situated at RG Complex, Rohini, having Cost of nil (PY-Rs.1.30 Crores), & FDR of Rs. 0. 21 crore (PY- Nil) owned by the company and commercial property situated at RG City Center, Lawrence Road, owned by group company having cost of Rs 2.15 Crore (PY Rs. 3.56 Crores)		
	- Additionally Secured by - Personal guarantee of Directors and corporate guarantee of group Company.		
<b>ii</b>	<b>Unsecured Loans repayable on demand</b>		
	Loans and advances from related parties	11,257,038	17,364,121
		<b>201,561,348</b>	<b>209,348,204</b>
<b>7</b>	<b>TRADE PAYABLES</b>		
	Sundry Creditors	15,464,329	18,682,855
		<b>15,464,329</b>	<b>18,682,855</b>
<b>8</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Income Received in Advance	207,784	207,784
	Other payables	9,585,606	5,146,967
		<b>9,793,390</b>	<b>5,354,751</b>
<b>9</b>	<b>SHORT TERM PROVISIONS</b>		
	Provision for employee benefits	88,827	94,115
	Others		
	Provision For Direct Taxes	28,345,980	23,305,599
	Provision For Preference Dividend	4,000,000	4,000,000
		<b>32,434,807</b>	<b>27,399,714</b>
<b>10</b>	<b>FIXED ASSETS</b>		
	Gross Block	5,350,814	20,055,939
	Less: Accumulated Depreciation	3,401,380	5,079,811
	Net Block	<b>1,949,434</b>	<b>14,976,128</b>
	(Building of Rs NIL (PY Rs 1.26 Crore) is provided as security for cash credit)		
<b>11</b>	<b>LONG TERM LOANS &amp; ADVANCES</b>		
	Unsecured considered good		
	Security Deposits	298,000	298,000
		<b>298,000</b>	<b>298,000</b>
<b>12</b>	<b>OTHER NON CURRENT ASSETS</b>		
	Fixed Deposits with Banks (Incl Interest Accrued)*	2,440,383	169,389
	(FDR of Rs.0.21 Crores are Pledged with Bank towards Security for CC Limit & Rs.0.02 crores are pledged with DVAT dept.)		
		<b>2,440,383</b>	<b>169,389</b>

<b>NOTES FORMING PART OF BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS</b>			
<b>ACCOUNT FOR THE YEAR ENDED 31-03-2014</b>			
<b>Note No.</b>	<b>Particulars</b>	<b>Figures as at the end of Current Reporting Period</b>	<b>Figures as at the end of Previous Reporting Period</b>
<b>13</b>	<b>INVENTORY - STOCK IN TRADE</b> (Valued at lower of cost or market value)		
	Shares	61,600	61,600
	Commercial Units	69,472,579	71,414,736
	(Property of Rs 5.56 (P.Y 5.85) Crore at cost is provided as security for cash credit and LC Limit)		
		<b>69,534,179</b>	<b>71,476,336</b>
<b>14</b>	<b>TRADE RECEIVABLES</b>		
	Unsecured considered good		
	Outstanding for a period exceeding than six months	<b>20,721,991</b>	<b>202,981</b>
	Others	<b>387,199,051</b>	<b>427,668,825</b>
		<b>407,921,042</b>	<b>427,871,806</b>
<b>15</b>	<b>CASH &amp; CASH EQUIVALENTS</b>		
<b>a</b>	Bank Balances in Current A/c	17,045,183	944,612
<b>b</b>	Cash in hand	1,015,249	931,178
		<b>18,060,433</b>	<b>1,875,790</b>
<b>16</b>	<b>SHORT TERM LOANS &amp; ADVANCES</b>		
	Unsecured considered good		
	Advance to staff	2,754	85,854
	Income Tax deposited/Refundable	30,126,078	29,312,084
	Vat Input	514	-
	Service Tax Input	742	-
	Prepaid Expenses	19,380	44,247
	Advance to Suppliers - Steel Division	49,773,471	20,662,880
		<b>79,922,938</b>	<b>50,105,065</b>
<b>17</b>	<b>OTHER CURRENT ASSETS</b>		
	Other Recoverables	1,075,500	1,201,439
	MAT Credit Entitlement	1,270,449	-
		<b>2,345,949</b>	<b>1,201,439</b>
<b>18</b>	<b>CONTINGENT LIABILITIES &amp; COMMITMENTS</b>		
	<b>Contingent liabilities in respect of (As certified by the management)</b>		
	Guarantees given by the Company	<b>NIL</b>	<b>100,000,000</b>
	Claim against the Company not acknowledged as debts	<b>NIL</b>	<b>NIL</b>
	Capital commitment (net of advances) provided for	<b>97,166</b>	<b>NIL</b>
<b>19</b>	<b>REVENUE FROM OPERATION</b>		
	Sales / Revenue		
	Trading - Steel Division	1,697,083,515	2,209,572,153
	Trading - Others Division	-	2,179,598
	Real Estate Division*	7,200,000	22,364,000
	In Previous Year it includes sales of Rs 36 Lacs recognised on receipt of 100% advance ,Sale Deed of which is executed on 25.04.2013		
		<b>1,704,283,515</b>	<b>2,234,115,752</b>
<b>20</b>	<b>OTHER INCOME</b>		
	Interest Income	249,269	2,987,417
	Rent Received *	3,891,279	3,950,793
	Other Income	100,367	217,294
	Profit on Sale of Fixed assets	13,216,860	-
	Prior Period Income	6,900	14,643
		<b>17,464,675</b>	<b>7,170,147</b>
	* Rent Received is net of rent reimbursed to the customers.		

<b>NOTES FORMING PART OF BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS</b>			
<b>ACCOUNT FOR THE YEAR ENDED 31-03-2014</b>			
<b>Note No.</b>	<b>Particulars</b>	<b>Figures as at the end of Current Reporting Period</b>	<b>Figures as at the end of Previous Reporting Period</b>
<b>21</b>	<b>PURCHASES - STOCK IN TRADE</b>		
	Trading Stock	1,653,253,512	2,151,800,396
	Other Direct Expenses	58,217	543,511
		<b>1,653,311,729</b>	<b>2,152,343,907</b>
<b>22</b>	<b>DECREASE / (INCREASE) IN INVENTORY</b>		
	Opening Stock	71,476,336	79,849,890
	Less: Closing Stock	69,534,179	71,476,336
		<b>1,942,157</b>	<b>8,373,554</b>
<b>23</b>	<b>EMPLOYEE BENEFITS EXPENSES</b>		
	Salaries and incentives	3,373,151	6,615,347
	Contributions to Provident fund	174,811	294,713
	Earned Leave Entitlement	10,193	43,913
	Social security and other benefit plans	40,932	70,973
	Provision for gratuity	62,015	72,012
	Staff welfare expenses	167,308	174,190
		<b>3,828,410</b>	<b>7,271,148</b>
<b>24</b>	<b>FINANCE COSTS</b>		
	LC Opening Charges	-	2,349,835
	Interest Paid to Bank	22,200,385	25,234,691
	Interest Paid to Others	11,269,908	18,704,133
	Loan Processing Charges	589,890	835,676
	Interest Paid on Taxes	114,601	436,305
		<b>34,174,784</b>	<b>47,560,640</b>
<b>25</b>	<b>OTHER EXPENSES</b>		
	<u>Payments to Auditor</u>		
	Audit Fees	84,270	84,270
	Taxation matters	50,562	50,562
	Professional Charges	33,708	33,708
	Advertisement Expenses	64,741	62,798
	Bad Debts	62,500	1,199,369
	Bank Charges	33,061	59,192
	Building Maintenance Charges	464,268	585,260
	Donation & Charity	1,000,000	800,000
	Legal & Professional Expenses	157,507	149,965
	Other Expenses	511,804	542,825
	Prior Period Expenses	-	29,427
	Rates & Taxes	166,686	165,157
	Rent Paid	174,000	197,000
	Vehicle Running & Maintenance	221,556	192,496
	Tour & Travelling expense	5,521	-
		<b>3,030,184</b>	<b>4,152,029</b>
<b>26</b>	<b>GRATUITY PROVISION (AS-15)</b>		
	Present value of the obligation at the end of the period	223,169	161,154
	Summary of membership data at the date of valuation and statistics based thereon:		
	Number of employees	14	16
	Total monthly salary (Basis)	173,000	168000
	Average Past Service(Years)	4.40	3.00
	Average remaining working	23	24
	Average Age(Years)	37	36
	The assumptions employed for		
	Discount rate	9.00 % pa	8.25 % pa
	Salary Growth Rate	5 % pa	5 % pa
	Withdrawal rate (Per Annum)	2 % pa	2 % pa
	Normal Retirement Age	60 Years	60 Years
	Mortality	LIC-94-96 Ultimate	LIC-94-96 Ultimate

**NOTES FORMING PART OF BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS  
ACCOUNT FOR THE YEAR ENDING 31-3-2014**

<b>27</b>	<b>SEGMENT REPORTING (AS-17)</b>					
	During the Financial year, the Company was primarily involved in three kinds of business activities namely Real Estate, Steel Trading and Tradings in Securities /Commodities . Considering the overall turnover, profitability and the assets as a basis of identification of reportable segments, all the three segments have been qualified as a reportable segments. While disclosing the segment results loans given or taken from corporates has been disclosed under unallocated segment					
	<b>Particulars</b>	<b>Real Estate Division</b>	<b>Trading-Steel</b>	<b>Trading-Commodity</b>	<b>Unallocated</b>	<b>Total</b>
	<b>REVENUE</b>					
	External	24,490,926	1,697,257,264	-	-	1,721,748,191
	Inter - Segment	-	-	-	-	-
	<b>TOTAL REVENUE</b>	<b>24,490,926</b>	<b>1,697,257,264</b>	-	-	<b>1,721,748,191</b>
	<b>RESULT</b>					
	Segment Result	18,901,998	40,090,158	-	-	58,992,156
	Unallocated expenditure net of unallocated income	-	-	-	-	-
	<b>OPERATING PROFIT</b>	<b>18,901,998</b>	<b>40,090,158</b>	-	-	<b>58,992,156</b>
	Less: Interest Paid	-	22,793,161	-	11,381,623	34,174,784
	Less: Provision for Taxation	-	-	-	2,997,084	2,997,084
	<b>PROFIT FROM ORDINARY ACTIVITIES</b>	<b>18,901,998</b>	<b>62,883,319</b>	-	<b>(14,378,707)</b>	<b>21,820,288</b>
	Less: Exceptional Items	-	-	-	-	-
	<b>NET PROFIT</b>	<b>18,901,998</b>	<b>62,883,319</b>	-	<b>(14,378,707)</b>	<b>21,820,288</b>
	<b>OTHER INFORMATION</b>					
	Total Segment Assets	89,966,974	459,322,347	61,600	33,823,586	583,174,508
	Total Segment Liabilities	4,083,950	211,662,660	-	43,916,432	259,663,042
	<b>CAPITAL EXPENDITURE</b>					
	Depreciation	195,309	736	-	447,509	643,554
	Non Cash Expenses other than Depreciation					

The Company is primarily operating in India which is considered as a single geographical segment.

<b>28</b>	<b>RELATED PARTY DISCLOSURE (AS-18)</b>			
	<b>List of Related parties with whom transactions have taken place</b>			
	Rajesh Projects (India) Private Limited (Common Control)			
	RG Residency Private Limited (Common Control)			
	RG Services Private Limited (Common Control)			
	Mr Jai Bhagwan Goyal (Key Managerial Personnel)			
	<b>Transactions with the Related Parties</b>		<b>Amount in Rs</b>	
	<b>Name of the Party</b>	<b>Nature of Transaction</b>	<b>Figures as at the end of Current Reporting Period</b>	<b>Figures as at the end of Previous Reporting Period</b>
	Rajesh Projects (India) Private Limited	Short Term Borrowing Taken	271,250,000	312,200,000
		Short Term Borrowing Repaid	288,626,991	387,870,035
		Interest Cost	11,269,908	11,700,350
		Closing Balance	11,257,038	17,364,121
		Sharing of Expenses	90,000	90,000
	RG Residency Pvt Ltd.	Property Advance Received	-	186,500,000
		Property Advance Refunded	-	186,500,000
	RG Services Private Limited	Maintenance Paid	427,200	539,396
		Closing Balance	1,425,590	1,005,996
	Jai Bhagwan Goyal	Managerial Remuneration	-	900,000

<b>NOTES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR</b>			
<b>29</b>	<b>EARNING PER SHARE (AS - 20)</b>	<b>Figures as at the end of Current Reporting Period</b>	<b>Figures as at the end of Previous Reporting Period</b>
	Net Profit as per Profit & Loss Account	21,820,288	14,025,723
	Less : Proposed Dividend on 02% Cumulative Redeemable Preference Shares for the period	4,000,000	4,000,000
	Less : Corporate Dividend Tax	679,800	648,900
	Net Profit available for Equity Shareholder	17,140,488	9,376,823
	Weighted Average No. of Shares	4,000,000	4,000,000
	Basic & Diluted earning per share	4.29	2.34
<b>30</b>	<b>DEFERRED TAX (ASSETS) / LIABILITY (AS - 22)</b> <b>Due to Timing Difference</b> <u>Depreciation</u>		
	Deferred Tax Liability/ (Assets) Opening	39,798	154,483
	Deferred tax (Charge)/Credit during the year	(741,948)	(114,685)
	Deferred Tax Liability/ (Assets) Closing	<b>(702,150)</b>	<b>39,798</b>
<b>31</b>	In the opinion of the Board of Directors, Current Assets, Loans & Advances has a value on realization at least equal to the amount at which these are stated in the Balance Sheet.		
<b>32</b>	The Company has sought information from its suppliers/service providers about their status under micro small & medium enterprises development (MSMED) Act 2006. Based on the information provided by the vendors and from the company knowledge no interest is payable.		
<b>33</b>	Balance of Sundry parties, debit or credit, are subject to confirmation / reconciliation.		

As per our report of even date attached  
For Serva Associates  
Chartered Accountants

For and on Behalf of the Board of  
Real Growth Commercial Enterprises Ltd.

(C.A. NITIN JAIN)  
Firm Registration No.:000272N  
Partner (M. No. : 506898)  
Place : Delhi  
Dated : 21.04.2014

(J. B. GOYAL)  
DIRECTOR

(RAJESH GOYAL)  
DIRECTOR



<b>REAL GROWTH COMMERCIAL ENTERPRISES LIMITED</b> (FORMERLY KNOWN AS RAJESH PROJECTS & FINANCE LIMITED) <b>NOTES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31-03-2014</b> Note No - 10 <b>FIXED ASSETS</b>									
	Gross Block			Depreciation			Net Block		
	Balance As at 01-04-2013	Balance As at 31-03-2014	Balance As at 01-04-2013	Depreciation charge for the Year	On disposals	Balance As at 31-03-2014	Balance As at 31-03-2013		
<b>Tangible Assets</b>									
Building (on Lease)	14,705,125	-	2,142,408	179,577	2,321,985	-	12,562,717		
Computer	293,500	293,500	293,499	-	-	293,499	1		
Vehicles	4,710,619	4,710,619	2,538,200	447,509	-	2,985,709	2,172,419		
Generator	331,191	331,191	103,569	15,732	-	119,301	227,622		
Weighing Scale	15,504	15,504	2,135	736	-	2,871	13,369		
<b>Total (CY)</b>	<b>20,055,939</b>	<b>5,350,814</b>	<b>5,079,811</b>	<b>643,554</b>	<b>2,321,985</b>	<b>3,401,380</b>	<b>14,976,128</b>		
<b>Total (PY)</b>	<b>20,055,939</b>	<b>20,055,939</b>	<b>4,376,140</b>	<b>703,671</b>	<b>-</b>	<b>5,079,811</b>	<b>14,976,128</b>	<b>15,679,799</b>	

Note : 1 No assets are acquired through Business Acquisitions

2 No assets have been revalued.

# ANNUAL REPORT 2013-14

<b>REAL GROWTH COMMERCIAL ENTERPRISES LIMITED</b>			
<b>(FORMERLY KNOWN AS RAJESH PROJECTS &amp; FINANCE LIMITED)</b>			
<b>CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014</b>			
	<b>Particulars</b>	<b>31.3.2014</b>	<b>31.3.2013</b>
<b>A)</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>Net Profit before Tax &amp; Extra-ordinary items.</b>	24,817,372	20,880,949
	<b>Add: Non Cash / Non Operating Expenses</b>		
	Provision for gratuity	62,015	72,012
	- Depreciation	643,554	703,671
	-MAT Credit Entitlement	1,270,449	0
	- Interest Paid	34,174,784	47,560,640
		60,968,174	69,217,272
	<b>Less: Non cash / Non operating Income</b>		
	- Profit on sale of Fixed Assets	13,216,860	
	- Interest Received/other Income	249,269	2,987,417
	- Revenue Recognised	0	0
	<b>Operating Profit before Working Capital Changes</b>	<b>47,502,045</b>	<b>66,229,855</b>
	<b>Adjustment for</b>		
	Decrease / (Increase) in Inventory	1,942,157	8,373,554
	Decrease / (Increase) in Trade Receivables	19,950,764	200,205,250
	Decrease / (Increase) in Short Term Loans & Advances	(29,003,879)	(16,774,181)
	Decrease / (Increase) in Other Current Assets	(1,144,509.92)	158,713.00
	(Decrease) / Increase in Trade Payable	(3,218,527)	(187,634,535)
	(Decrease) / Increase in Other Current Liabilities	4,438,639	627,318
	(Decrease) / (Increase) in Other Long Term Liabilities	(430,500)	
	Decrease / (Increase) in Other Non Current Asset	(2,270,994)	52,704,181
		(9,736,850)	57,660,300
	Cash Generated from Operations	37,765,195	123,890,155
	Interest Paid	(34,174,784)	(47,560,640)
	Direct Taxes Paid	(1,468,182)	(11,461,931)
		(35,642,966)	(59,022,571)
	<b>Net Cash from Operating Activities</b>	<b>2,122,229</b>	<b>64,867,584</b>
<b>B)</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets	-	-
	Sale of Fixed Assets	25,600,000	-
	Interest Received	249,269	2,987,417
	<b>Net Cash from investing Activities</b>	<b>25,849,269</b>	<b>2,987,417</b>
<b>C)</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Issue of Preference Share Capital	0.00	-
	Dividend Paid	(4,000,000)	(4,000,000)
	Increase/(Decrease) from Other Long term Liabilities		
	Increase/(Decrease) from Short term Borrowings	(7,786,856)	(63,514,151)
	<b>Net Cash used in Financing Activities</b>	<b>(11,786,856)</b>	<b>(67,514,151)</b>
	<b>Net increase in Cash &amp; Equivalents (A+B+C)</b>	<b>16,184,642</b>	<b>340,850</b>
	Cash & Cash Equivalents at the beginning of the year	1,875,790	1,534,939.37
	Cash & Cash Equivalents at the Closing of the year	18,060,432	1,875,790

For and on behalf of the Board of  
Real Growth Commercial Enterprises Limited

(J. B. GOYAL)  
DIRECTOR

(RAJESH GOYAL)  
DIRECTOR

## Auditors' Certificate

We have examined the above Cash Flow Statement of Real Growth Commercial Enterprises Limited for the year ended 31st March, 2014. The statement has been prepared by the Company in accordance with the requirements of Accounting Standard 3 issued by the Institute of Chartered Accountants of India and is based on and in agreement with the Balance Sheet and Profit and Loss Account of the Company covered by our report.

**For Serva Associates**  
(Chartered Accountants)

Sd/-  
(Nitin Jain)  
Firm Registration No.: 000272N  
Partner (M.No. : 506898)  
Place : Delhi  
Dated : 21.04.2014

# Real Growth Commercial Enterprises Limited

Regd. Off: Shop No. G-01, RG City Centre, Plot No. SU, LSC, B-Block, Lawrence Road, Delhi-110035  
 Phone No.-9560096004 Email ID-rgcel1995@gmail.com  
 CIN - L70109DL1995PLC064254

## PROXY FORM

I / We \_\_\_\_\_ of \_\_\_\_\_  
 In the district of \_\_\_\_\_  
 being a member(s) of REAL GROWTH COMMERCIAL ENTERPRISES LIMITED hereby appoint \_\_\_\_\_  
 \_\_\_\_\_ of \_\_\_\_\_ in  
 the district of \_\_\_\_\_ or failing him/her \_\_\_\_\_  
 of \_\_\_\_\_ in the district \_\_\_\_\_  
 as my / our proxy to attend and vote for me / us on my / our behalf at the Annual General Meeting of the Company to be held on Wednesday 24th September, 2014.

Signed on \_\_\_\_\_ at \_\_\_\_\_ Name \_\_\_\_\_

DP-Client ID/Folio No. \_\_\_\_\_

No. of shares: \_\_\_\_\_

Address: \_\_\_\_\_

Signature(s) \_\_\_\_\_

- NOTES: 1. The Proxy need not be a member.  
 2. The Proxy Form duly signed across a revenue stamp of Rs. One only should reach the Company's Registered Office at least 48 hours before the meeting.

# Real Growth Commercial Enterprises Limited

Regd. Off: Shop No. G-01, RG City Centre, Plot No. SU, LSC, B-Block, Lawrence Road, Delhi-110035  
 Phone No.-9560096004 Email ID-rgcel1995@gmail.com  
 CIN - L70109DL1995PLC064254

## ATTENDANCE SLIP

DP-Client ID/Folio No. ....

No. of shares: .....

### Annual General Meeting - Wednesday 24th September, 2014.

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the Annual General Meeting of the Company held on Wednesday 24th September, 2014 at 3.00 P.M. at the Registered Office of the Company.

.....  
 \*Member's/Proxy's name in  
 (Block Letters)

.....  
 \*Member's/Proxy's Signature

- Notes: 1. Member/Proxy must bring the Attendance Slip to the Meeting and hand it over duly signed at the registration counter.  
 2. The copy of the Notice may please be brought to the meeting.  
 3. No Gifts will be distributed at meeting.

