

Twenty Eight Annual Report 2012-13



HIGH GROUND ENTERPRISE LIMITED

HIGH GROUND ENTERPRISE LIMITED

CORPORATE INFORMATION

Mr. Sandeep R. Arora	Chairman & Managing Director
Mr. Chintan Kapadia	Whole Time Director
Mr. Anupam Kumar	Non Executive Independent director
Mr. Paul Taylor	Non Executive Independent director
Mr. Vinod Rawal	Non Executive Independent director

BANKERS

Bank of Baroda
Axis Bank Ltd

AUDITORS

M/s. Jain Chowdhary & Co.
Chartered Accountants
104, Model Residency, B.J. Marg, Jacob Circle,
Mahalaxmi, Mumbai - 400 011.

BOARD COMMITTEES

Audit Committee

Mr. Vinod Rawal	: Chairman
Mr. Anupam Kumar	: Member
Mr. Sandeep R. Arora	: Member

Remuneration Committee

Mr. Vinod Rawal	: Chairman
Mr. Anupam Kumar	: Member
Mr. Paul Taylor	: Member

Shareholders Committee

Mr. Sandeep R. Arora	: Chairman
Mr. Vinod Rawal	: Member
Mr. Anupam Kumar	: Member

REGISTERED OFFICE

Office No. 2, Om Heera Panna Mall, 2nd Floor,
Oshiwara, Andheri (West), Mumbai- 400053
Tel no. 022-42229700 • Fax No.: 022-42229710

REGISTRAR & SHARE TRANSFER AGENT

RCMC Share Registry Pvt. Ltd.
B-106, Sector 2, Noida 201301, National Capital
Region of Delhi, Uttar Pradesh, India
Tel no- 0120-4015880 • Fax no-0120-2444346
e-mail id- shares@rcmcdelhi.com

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HIGH GROUND ENTERPRISE LIMITED



NOTICE

NOTICE is hereby given that the 28th Annual General Meeting of the Members of HIGH GROUND ENTERPRISE LIMITED will be held on September 27, 2013 at 11.30 a.m. at Court Yard Space, 2nd floor Om Heera Panna Mall, Oshiwara, Andheri (West) Mumbai-400053 to transact the following business:-

ORDINARY BUSINESS:

1. To consider and adopt the Audited Profit & Loss Account and Cash Flow Statement for the year ended March 31, 2013, the Balance Sheet as at that date, the Auditors' Report thereon, the Directors' Report along with Management Discussion and Analysis Report and the Statement of Corporate Governance.
2. To appoint a Director in place of Mr. Vinod Rawal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To declare dividend for the financial year March 31, 2013.
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT pursuant to the provision of sections 224, and other applicable provisions, if any, of the Companies Act, 1956, M/s. Jain Chowdhary & Co., Chartered Accountants, Mumbai, having Registration No. 113267W, issued by the Institute of Chartered Accountants of India, be and are hereby appointed as statutory auditors of the Company to hold office until the conclusion of the next Annual General Meeting at a remuneration to be decided by the Board of Directors of the Company, based on the recommendation of the Audit Committee, in addition to reimbursement of all out of pocket expenses."

SPECIAL BUSINESS:

5. To consider if thought fit, to pass with or without modification(s) if any, the following **Special Resolution**:

"RESOLVED THAT subject to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time (hereinafter referred to as 'the Act'), approval of the Company be and is hereby accorded to pay a monthly rent upto ₹ 4,00,000 (₹ four lacs) per month to Mr. Sandeep R. Arora, Managing Director of the Company, for the premises owned by him, to facilitate the business of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to enter into agreements, sign deeds, documents and do all such things as may be necessary including delegating power to any officer or Director of the Company, other than Mr. Sandeep R Arora, Managing Director of the Company, to give effect to the aforesaid resolution."

Place: Mumbai

For and on Behalf of the Board of Directors

Dated: September 2, 2013

Sandeep R. Arora
Chairman & Managing Director

NOTE:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxy in order to be effective must be received by the Company not less than 48 hours before the meeting.**
2. The details of the director seeking appointment/re-appointment at the forthcoming Annual general meeting as stipulated under clause 49 of the Listing Agreement with BSE Limited are also annexed.
3. The relative explanatory statement pursuant to Section 173(2) is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 18th September, 2013 to 26th September, 2013 (both days exclusive).

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5. Please bring your attendance slip, duly completed at the meeting.
6. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company
7. Members who hold shares in physical form in multiple folios in identical names are requested to send the share certificates to RCMC Share Registry Private Ltd. immediately to enable consolidation of their holding into one folio.
8. Shareholders are requested to promptly notify any change in their addresses.
9. Members are requested to bring their copy of the Annual Report at the time of attending the Annual General Meeting.
10. Non-resident Indian Shareholders are requested to inform the Company immediately:
 - a. Change in residential status on return to India for permanent settlement.
 - b. Particulars of bank account maintained in India with complete name, branch, branch code, account type, account number and address of bank, if not furnished earlier.
 - c. Copy of Reserve Bank of India permission, if required.
11. Consequent upon the introduction of Section 109A of the Companies Act, 1956, Shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nomination in respect of shares held by them in physical form are requested to send the necessary particulars in Form 2B (available on request) to the Company's Registrar and Transfer Agent, M/s. RCMC Share Registry Private Ltd.
12. Members may avail dematerialization facility by opening Demat Accounts with the Depository Participants of either National Securities Depository Limited or Central Depository Services (India) Limited and get the equity share certificates held by them dematerialized. The ISIN No. of the Company is INE361M01013.
13. Members desirous of getting any information in respect of accounts of the Company and proposed resolutions, are requested to send their queries in writing to the Company at its registered office atleast 7 days before the date of the meeting, so that the required information can be made available at the meeting.
14. Corporate members intending to send their authorized representative to attend the meeting are requested to send to the Company, a certified true copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar & Share Transfer Agent i.e. M/s. RCMC Share Registry Private Ltd.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEM NO. 5:

The following explanatory statement sets out all material facts relating to the Special Business mentioned in the accompanying notice:

ITEM NO. 5

The Company is in the process of exploring the opportunity to take on lease / rent office premises to efficiently facilitate and administrate the growing business operations of the Company.

Due to the rising real estate prices and subsequent rise in lease prices, the Board of Directors of the Company have proposed to avail on rent premises owned by Mr. Sandeep R Arora, Managing Director of the Company at a reasonable monthly rent not exceeding ₹ 4,00,000/- p.m.

Since Mr. Sandeep R Arora as Director has personal interest in the Company, it attracts the provision of Section 314 of the Companies Act, 1956 and hence the resolution is passed for the approval of the members.

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The Board of Directors of the Company recommend passing of the resolution as set out at Item no. 5 of the Notice.

None of the Directors of the Company, except Mr. Sandeep R Arora, Managing Director, is concerned or interested in the said resolution

Place: Mumbai

For and on Behalf of the Board of Directors

Dated: September 2, 2013

Sandeep R. Arora
Chairman & Managing Director

ANNEXURE TO NOTICE

DETAILS OF DIRECTORS TO BE RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING (Pursuant to clause 49 of the Listing Agreement)

Name of the Director	Mr. Vinod Rawal
Age	47
Nationality	Indian
Date of Appointment on Board	13-Feb-12
Shareholding in the Company	NIL
Qualification	B.Com and C.A
Expertise in specific functional area	Accountancy, Auditing and Consultancy on Direct Taxes including International Taxation in India and abroad.
Directorship held in other public companies \$	Nil
Chairmanships/ memberships of committees in other companies	Nil

\$ Directorship does not include the Directorship in section 25 and Private Companies

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DIRECTOR'S REPORT

Dear Shareholders,

Your Directors are pleased to present the Twenty Eight Annual Report of your Company together with the audited statement of accounts for the year ended 31ST March, 2013.

FINANCIAL RESULTS :

	YEAR ENDED 31 ST MARCH 2013 (₹ IN LAKHS)	YEAR ENDED 31 ST MARCH 2012 (₹ LAKHS)
Total Income	2852.62	1222.10
Total Expenditure	2450.93	910.19
Profit/Loss before tax	401.69	311.91
Provision for tax – Current Taxes	135.43	49.40
Profit after tax	266.26	262.51
Profit Brought Forward from Previous year	106.36	(159.92)
Add : Transferred from Statement of Profit & Loss Account	6.70	-
Less : Appropriation		
Proposed Dividend	27.50	-
Dividend Distribution Tax	4.66	-
Transfer to General Reserves	6.70	-
Profit carried to Balance Sheet	340.46	106.36

DIVIDEND:

The Board of Directors have recommended a dividend of ₹ 0.50 Per Equity Shares (5% of the face value of equity share) for the financial year 2012-13.

REVIEW OF OPERATIONS AND FUTURE PROSPECTS

During the year the Company has diversified into a new line of business i.e. Engineering, Procurement, and Construction Management (EPCM) related to infrastructure development and Engineering services. The Company was successful in getting and executing the orders received in this division. The Company is hopeful of getting more such orders in this segment from Private as well Public sector undertakings in near future which is expected to generate good revenue.

Further the Company is also functioning into its existing business of Media, Consulting and allied services. During the year, the Company successfully signed three movies deal is signed with Georgia. This deal will further boost the prospects of overseas films incentivizing and consulting work for your Company. The Company is also working on overseas film consultancy with other countries.

The Company also expects to release the two movies in the current financial year 2013-14 which should earn good revenue.

DIRECTOR

As per provisions of section 256 of the Companies Act, 1956, Mr. Vinod Rawal, Director of the Company, retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

CONVERSION OF WARRANTS INTO EQUITY AND FORFEITURE OF WARRANTS

During the period the Company has allotted 1,02,000 Equity Shares on 24th July, 2012 of Rs.10/- each on conversion of warrants and forfeited 21,70,000 warrants due to non-receipt of pending money from respective warrant holders.

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Equity Shares	Listed on
13,30,000	Delhi Stock Exchange
54,97,000	BSE Limited

CORPORATE GOVERNANCE

The Report on Corporate Governance in compliance with clause 49 of the Listing Agreement with BSE Limited and the Certificate from Practising Company Secretary forms a part of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report on the operations of the Company is provided in a separate section and forms part of this Report.

PARTICULARS OF EMPLOYEES

No employee is covered under the Provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

DEPOSITS

The Company has not invited/accepted any deposits from the public during the financial year ended March 31, 2013. There were no unclaimed or unpaid deposits as on March 31, 2013.

INFORMATION UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956

The particulars relating to conservation of energy and technology absorption required to be furnished 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 pertaining to conservation of energy and technology absorption, are not applicable to the Company.

Foreign Exchange Earnings and Outgo

- (a) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans : N.A.
- (b) Foreign Exchange Earned : ₹ 9,96,25,528 (Previous Year : ₹ 8,48,97,250)
- (c) Foreign Exchange Used : ₹ Nil (Previous Year : ₹ 26,00,000)

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 2000, the Directors confirm that –

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed with proper explanations relating to material departures, if any.
- (ii) Appropriate accounting policies have been selected and applied consistently and the Directors have 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 as at 31st March, 2013 and of the Profits for the financial year from 1st April, 2012 to 31st March, 2013.
- (iii) 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.
- (iv) The annual accounts have been prepared on a going concern basis.

SECRETARIAL AUDIT REPORT

Your Company had engaged Mr. Amit R. Dadheech, Practising Company Secretary, to review Secretarial Compliance for the financial year ended 31st March, 2013. The Secretarial Audit Report addressed to the Board of Directors of the Company forms part of this Annual Report. The Secretarial Audit Report confirms that the Company has complied with the applicable provisions of the Companies Act, 1956, Depositories Act, 1996, Listing Agreement with Stock Exchanges and all the Regulations of SEBI as applicable to the Company including SEBI (Substantial Acquisition of Shares and

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Takeovers) Regulations, 2011 and the SEBI (Prohibition of Insider Trading) Regulations, 1992.

The Secretarial Compliance Certificate, although not mandatory, is also obtained on a quarterly basis and reviewed by the Board.

AUDITORS

M/s. Jain Chowdhary & Co, Chartered Accountants, retires at the ensuing Annual General Meeting and offer themselves for reappointment. M/s Jain Chowdhary & Co. has intimated that they are eligible for appointment as Statutory Auditors under section 224 of the Companies Act, 1956. The Board of Directors recommends their appointment.

ACKNOWLEDGEMENTS

Your Directors wish to record their appreciation for the commitment and excellent performance of the management team and all employees.

By Order of the Board of Directors

Mr. Sandeep R. Arora
Chairman & Managing Director

Mr. Chintan Kapadia
Whole Time Director

Place : Mumbai

Dated : September 2, 2013

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ANNEXURE - II TO THE DIRECTORS REPORT SECRETARIAL AUDIT REPORT

The Board of Directors
High Ground Enterprise Limited,
2nd floor Om Heera Panna Mall,
Oshiwara, Andheri (West)
Mumbai-400053

I have examined the registers, records, books and papers of M/s. High Ground Enterprise Limited (the Company) for the financial year ended on 31st March, 2013 that are required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also in compliance with the Listing Agreement of Stock Exchanges. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained registers as per the provisions of the Act and the rules made there under and the entries therein have been duly recorded.
2. The Company has filed the forms, returns and documents required to be filed with the Registrar of Companies and Central Government under the Companies Act and the rules made there under and also with the Stock Exchanges as per the listing agreement with them.
3. The Company has closed the Register of Members and Share Transfer Registers in accordance with the provisions of the Act and the Listing Agreement.
4. The Annual General Meeting for the financial year ended on 31st March, 2012 was held on 29th September, 2012 after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in the Minutes Book maintained for the purpose.
5. One Extra Ordinary General Meeting was held during the financial year after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
6. The Company has made necessary entries in the register maintained under Section 301 of the Act.
7. The Company has not obtained any approvals from the Board of Directors, Members and the Central Government as there was no instance falling with in the purview of Section 314 of the Act.
8. The Company has complied with the provisions under the Act and rules made there under regarding transfer, transmission and issue of share certificates.
9. The Company has complied with the provisions of applicable laws in respect of transfer/transmission of shares.
10. The Company has complied with the provisions of the Act regarding composition of the Board and appointment of Directors on the Board of the Company.
11. The Directors of the Company have disclosed to the Board of Directors their interest in other firms / companies pursuant to the provisions of the Act and the rules made there under.
12. The Company has not bought back any shares during the year under report.
13. The Company has not invited / accepted any deposit including any unsecured loan falling within the purview of Section 58A of the Act.
14. The total borrowings by the Company from the financial institutions, banks and others are within the borrowing limits of the Company as laid down under Section 293(1)(d) of the Act.
15. The loans and investments made and guarantee or securities provided to other bodies corporate by the Company are within the limits and legal parameters.
16. The Company has generally complied with the provisions of the Act and Rules made under, where applicable.

For Amit R. Dadhech & Associates

Company Secretary

Membership No. A22889

C.O.P No. 8952

Place: Mumbai

Date: September 2, 2013

Management Discussion and Analysis

Infrastructure and Support Services

India's Infrastructure sector plays an important (second to Agriculture) in our country's economic development (indicated by Gross Domestic Product growth rate), both in medium and short term. Projects under infrastructure sector are executed through various models such as Engineering, Procurement and Construction (EPC), Engineering, Procurement, Construction and Management (EPCM), Engineering, Procurement, Construction and Installation (EPCI) or Turn-Key.

EPC sector in India, consisted of a very small number of large, complex projects along with a host of small packages and contracts. That was the case a decade ago, today, there is no dearth of high value and complex projects being executed by government of India and private players, either individually or in Public Private Partnership (PPP) format. Due to the ever increasing size and complexity of the projects has eventually led to a growing reliance on contractors' capabilities and project management skills. This reliance on contractors' has led to the rise of myriad of challenges and corresponding equal or more number of opportunities in the sector. The contract model has evolved over the years from being a line item rate package contracts to a lump sum fixed price binding turnkey contracts. Simultaneously the onus of the project management in terms of the risk of time and cost overruns has shifted from the owners / developers to the contractors.

India's infrastructure sector has primarily been dependent on the investments received from / made by the Government of India, over the decades. The Planning Commission of India, has regularly revised the quantum of investment to be made in the respective sub-sector within the Infrastructure sector. As per the Twelfth Five Year Plan (2012-2017), the Planning Commission of India has announced a total investment of ₹ 40.9 trillion in the Infrastructure sector, with the EPC sector's share of ₹17.1 trillion. (Source: Department of planning Commission of India)

EPC projects provide opportunity for companies to enhance their execution capabilities apart from making high profit margins. However if these projects are not selected judiciously then they pose a greater risk for the companies executing it, when the project under consideration gets delayed due to various controllable and uncontrollable (force Majeure) reasons, causing great operational and financial stress for the company.

The current and future outlook of the Indian infrastructure sector, envisages greater dependence on EPC mode of project execution. The EPC market seems to offer plenty of opportunities, with ₹ 17.1 trillion to be spent under the Twelfth Five Year Plan. The increased opportunities would pose increased challenges as well and it necessitates careful selection / bidding of appropriate / profitable project and effective & efficient execution of the same. The success of EPC players and the way they would be differentiated depends on the type and seamless execution of the project.

Many EPC companies would also look out for forward and back integration, thereby developing the required skill set, in order to effectively play multiple roles across the entire value chain in the infrastructure sector.

Your company, in the second half of FY 2012-13 has diversified in the field of Infrastructure related activities comprising of Engineering, Procurement and Construction Management (EPCM) to avail and benefit from the huge growth opportunities, which this sector offers in our country.

The engineering & construction domain is focusing on development, consulting and turnkey solutions in petroleum, telecom and other infrastructure related activities. The company is executing these activities at its own as well as outsourcing the requisite support/services to complete the projects in time bound and effective manner to create its own name and brand in this field.

Your company desires to bid and execute bigger contracts in private and public sector in the coming years.

Media, Consulting and Allied Services

The Indian Film Industry plays significant role in the Indian Media and Entertainment (M&E) industry, which has been growing with a Compound Annual Growth Rate (CAGR) of 9.8% over the last five years between the year 2007 (₹ 514.5 billion) and 2012 (₹ 820.5 billion). The Indian M&E industry registered a growth of 12.6% from ₹ 728.4 billion during the year 2011 to ₹ 820.5 billion for the year 2012. The M&E industry is further expected to grow at a CAGR of 15.1% from ₹ 820.5 billion to ₹ 1661.1 billion between the year 2012 and 2017. (Source: FICCI-KPMG Indian Media & Entertainment Industry Report 2013)

The film industry in general, involves the production and distribution of feature films. Production consists of the development and physical production of films, while distribution involves the marketing and exploitation of those films in a variety of ways, including theatrical exhibition, home entertainment sales and rentals. Distribution also includes the generation of revenues from licensing fees, from pay and free-to-air television operators and from ancillary revenue

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streams, including music rights, mobile and internet rights, film advertising and merchandising.

The Indian media and entertainment spend accounted for 0.9% of GDP in the year 2009. This ratio is less than half of World's average of 2.0% and is much lower compared to developed countries like the US, UK and Japan. India holds the second largest pie in the World in terms of population, second only to China. However, the media spend is much lower than China (1.2%). (Source: D&B Tangram Industry Research)

Bollywood, as the Hindi film industry is popularly known, is the largest contributor to the industry's revenue, followed by the South Indian movie industry and other language cinema industries such as Bengali, Bhojpuri, Marathi and Gujarati. Although India's filmed entertainment industry is the largest in the world in terms of the number of films it produces (about 1,255 movies were released during the year 2011) and its theatrical admissions (around 3 billion), it continues to be small in size in terms of revenue, mainly due to low ticket realization and occupancy levels. Moreover, lack of quality content and rising competition from Hollywood films continue to affect it.

Film incentives are offered by governments across the world to attract film producers to shoot movies at their locations within their respective countries. Such incentives include benefits such as cash rebates, tax credits, exemption from or refund of VAT/Customs duty, interest-free loans, easy processing of visas, discounts in accommodation and travel, assistance in identifying locations, etc. Film incentive programs generate direct and indirect economic and fiscal benefits that extend beyond film-production activities qualifying for credit. These benefits include increased employment opportunities, growth of direct and indirect taxes, increased tourism, development of film infrastructure (e.g., studios and service providers), and growth of production activities that are not eligible for credit.

Your company is well poised to take advantage of the opportunities in this sector with its presence for more than a decade and going forward your company will be focusing mainly on the following areas:

- a. Content acquisition to its integration and trading/distribution.
- b. Building co-production alliances leveraged on various global film production incentives
- c. Consulting on overseas location tie-ups and line production services, talent management & casting,
- d. Post production job work,

Your company has line production and operational arrangements in UK, US, Fiji Islands, Georgia and Australia for co-production and consultancy services which it will explore in the time to come to generate more revenue.

SWOT ANALYSIS

STRENGTHS

- Your company has got a team of well qualified and experienced professionals to get and execute orders in EPC sector leveraging their networking and technical skills in private as well as public sector.
- Promoters have prior experience and technical knowhow of content development, production, post production, consulting & allied services. Also they have extensive network and experience in creating avenues in the foreign countries.
- The company has got strategic partner/ companies based in India and abroad to take up the new opportunities coming up in its areas of operations to beat the competition.
- The Directors/Management of the company are well versed in availing government Incentives/subsidies for film production by shooting overseas.
- The company is externally debt free thereby profitability is not eroded currently through interest payouts

WEAKNESS

- The Company has only four years operational experiences in India under current promoters/management. Although promoters have prior experiences in content development, production and post production activities Company as a brand is yet to take off.
- The EPC division is newly formed and there will be competition from other established players in the market.

OPPORTUNITIES

- Government's commitment to spend and develop the infrastructure sector of the country in the coming years will offer huge opportunities to bid and get orders in public and private sector leveraging your company's strengths

in project execution and completion on time.

- The concept of shooting commercials, films and hosting televised shows in foreign countries is not just to capture exotic new locales, moreover there is a substantial amount of cost saving and revenue generation in form of subsidies/rebates and incentives that are offered by these countries which attracts producers to go to these locales. Usually the countries offer such incentives to boost the tourism and local employment opportunities in this sector.
- Technological innovations like animation, multiplexes, etc. a new distribution channels like mobiles and internet have opened up the doors of new opportunities in the sector.
- Company has a strong execution team and a strong order book position for both EPC business and the post production business and this will be the base for getting in more contracts and orders in the future.
- The Company has shown in the relatively short time, that it is geared up to meet the highest quality standards and provide exemplary post production facilities and services which very few Indian companies can do.

THREATS

- The industry has face the lack of supply of trained professionals in the sector for long time.
- Furthermore, identifying and retaining high potential staff will also be key to performing well in the industry.
- Piracy, violation of intellectual property rights posses a major threat to Media and Entertainment companies.
- Lack of quality content has emerged as a major concern because of the 'Quick-Buck' route being followed in the industry.
- Global economic slowdown has adversely effected the National economy and infrastructure sector development.
- Lack of Government policy clarity has resulted in delays in implementation of infrastructure projects adversely affecting the project costs and employment opportunities.

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Corporate Governance Report

Clause 49 of the listing agreement with the Indian Stock Exchanges stipulates the norms and disclosure standards that have to be followed on the Corporate Governance front by listed Indian companies.

1. The Company's Philosophy

The Company's philosophy of corporate governance is to achieve highest levels of integrity and quality and to achieve business excellence by enhancing the long-term welfare of all its stakeholders. The Company believes that corporate governance is about creating organisation that succeeds in the market place with the right approach and values. This will enhance the value for all its stakeholders.

THE GOVERNANCE STRUCTURE

2. Board Of Directors

According to clause 49 of the Listing Agreement, the Board of Directors of the Company shall have an optimum combination of Executive and Non Executive Directors with not less than fifty percent of the Board of Directors comprising of non – executive Directors. Further if the Chairman of the Board is an Executive Director, at least half of the Board should comprise of Independent Directors. As Table below shows, both these provisions are met by High Ground Enterprise Limited.

None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees (as specified in Clause 49 of the Listing Agreement) across all companies in which he is a Director.

Sr.No	Name of the Directors/ Managing Director	Executive/ Non- Executive	Independent/ Non-Independent
1	Mr. Sandeep R Arora, Chairman & Managing Director	Executive	Non Independent Director
2	Mr. Chintan Kapadia, Whole Time Director	Executive	Non Independent Director
3	Mr. Vinod Rawal	Non-Executive	Independent
4	Mr. Anupam Kumar	Non-Executive	Independent
5	Mr. Paul Anthony Taylor	Non-Executive	Independent

3. Board Meetings held and attendance

11 (Eleven) Board Meetings were held during the financial year, i.e. April 28, 2012, May 30, 2012, July 24, 2012, August 11, 2012, September 1, 2012, October 10, 2012, November 12, 2012, January 22, 2013, February 13, 2013, February 19, 2013 and March 14, 2013. The gap between any two Board Meetings did not exceed four months. Notice and Agenda papers were circulated to the Directors well in advance to enable the Board to take informed decisions. All the relevant statements and information necessary for considering various matters in the light of Corporate Governance practices as prescribed in Clause 49 of the Listing Agreement were placed before the Board.

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Attendance of Directors at Board Meetings during the year 2012-13 and at the last Annual General Meeting as also the number of other companies in which they hold Directorship and Membership or Chairmanship of Committees is given below:

Name of Directors	Position	Attendance Particulars		No of Directorships in other domestic public limited companies		No of Committee Memberships* in other domestic public limited companies	
		Board Meeting	Last AGM	As Chairman	As Director	As Chairman	As Member
Mr. Sandeep R Arora	Chairman & Managing Director-Executive	11	Attended	Nil	Nil	Nil	Nil
Mr. Chintan Kapadia	Whole Time Director-Executive	11	Attended	Nil	Nil	Nil	Nil
Mr. Vinod Rawal	Independent	5	-	Nil	Nil	Nil	Nil
Mr Anupam Kumar	Independent	5	Attended	Nil	Nil	Nil	Nil
Mr. Paul Anthony Taylor	Independent	Nil	Nil	Nil	Nil	Nil	Nil

Code of Conduct

The Board of Directors has an important role in ensuring good corporate governance and has laid down the Code of Conduct for Directors and Senior Management Personnel of the Company. The Code has also been posted on the website of the Company. All Directors and Senior Management Personnel have affirmed the compliance thereof for the year ended March 31, 2013. Annual Report contains a declaration to this effect signed by the Chief Executive Officer, as provided in Clause 49 of the Listing Agreement.

4. AUDIT COMMITTEE:

Audit Committee

i. Terms of Reference

The Board of Directors has constituted and re-constituted from time to time Audit Committee to commensurate with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

ii. Power of Audit Committee:

The audit committee shall have powers, which should include the following:

- a) To investigate any activity within its terms of reference;
- b) To seek information from any employee;
- c) To obtain outside legal or other professional advice;
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

iii. Role of Audit Committee:

The role of the Audit Committee is as under;

- 1.) Financial reporting: The Audit Committee would pay particular attention to critical accounting policies & practices and any changes therein, decisions involving a significant element of judgment, clarity of disclosures, going Concern adjustment, compliance with accounting standards, compliance with legal requirements & stock exchange requirements, other areas as defined by the Board.

HIGH GROUND ENTERPRISE LIMITED



- 2.) Internal Control & Risk Management: The Audit Committee would pay particular attention to review procedures for detection of fraud, including procedures for reporting frauds by staff in confidence, review management & internal audit reports on the effectiveness of the systems, financial reporting & risk management. Monitor the integrity of internal financial controls, review disclosures on internal controls & risk management framework, assess the scope & effectiveness of risk monitoring & control systems, approve related party transactions.
- 3.) Internal Audit: The Audit Committee would pay particular attention to appoint / re-appoint, removal / dismiss of the Internal Auditor & fix their remuneration for services, assess the qualifications, expertise, resources, effectiveness and independence of the internal auditors, review the internal audit function & internal audit programme, ensure access of Internal Auditor to the Chairman of Board / Audit Committee, receive periodic internal audit reports, review management response(s) to the internal audit report, review effectiveness of internal audit in the Company's risk management system, review other services by the internal auditor to ensure internal auditor's independence / objectivity.
- (4) Statutory Audit: The Audit Committee would pay particular attention to recommend appointment/reappointment, removal of statutory auditors of the Company to the Board and fix remuneration, assess the qualifications, expertise, resources, effectiveness and independence of the statutory auditors annually, discuss the nature and scope of audit before commencement of audit. Ensure completeness of coverage and optimum use of audit resources, review the audit issues which are resolved / unresolved, errors encountered during audit & management explanations, review audit representation letters before approval by Board, review audit process at the end of audit by discussion with statutory auditors on audit plan, audit risks, internal controls & feedback from key personnel involved, review the management letter received from statutory auditors, review non-audit services by the auditor to ensure statutory auditor's independence / objectivity, annually review the accounts, audit of subsidiary companies with their Auditors & Audit Committee, so far it concerns the Company.

In addition to the above the Role of Audit Committee shall include followings:

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Reviewing with management the annual financial statements before submission to the board for approval, with particular reference to:
 - i) Matter required to be included in the Directors Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - ii) Changes, if any, in accounting policies and practices and reasons for the same.
 - iii) Major accounting entries involving estimates based on the exercise of judgment by management.
 - iv) Significant adjustments made in the financial statements arising out of audit findings.
 - v) Compliance with listing and other legal requirements relating to financial statements.
 - vi) Disclosure of related party transactions.
 - vii) Qualifications in draft audit report.
- c) Reviewing with the management, the quarterly financial statements before submission to the board for approval.
- d) Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- e) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of the internal audit.
- f) Discussion with internal auditors any significant findings and follow up thereon.
- g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

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- h) Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- i) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, share holders (in case of non- payment of declared dividends) and creditors.
- j) To review the functioning of the Whistle Blower Mechanism,
- k) Approval of appointment of CFO (i.e. the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- l) Carrying out any other function(s) as is mentioned in the terms of reference of the audit committee.

iv. Review of information by Audit Committee:

The audit committee shall mandatorily review the following information:

- 1) Management discussion and analysis of financial condition and results of operation.
- 2) Statement of significant related party transaction (as defined by audit committee) submitted by the management.
- 3) Management letters/letters of internal control weaknesses issued by the statutory auditors.
- 4) Internal audit reports relating to internal control weaknesses and
- 5) The appointment, removal and terms of remuneration of the internal auditors shall be subject to review by the audit committee.

Composition of Audit Committee

The Audit Committee has three members, out of which 2 (two) are Non-Executive Directors and 1 (one) is a Executive Director. All members are financial literate as prescribed in the Listing Agreement. 2/3 of the said members of the Committee are an Independent Directors.

Name of the Directors	Category	Position in the Audit Committee
Mr. Vinod Rawal	Independent	Chairman
Mr. Anupam Kumar	Independent	Member
Mr. Sandeep R Arora	Executive Director	Member

Meetings and attendance during the year:

The quorum for the Audit Committee meeting is two members with at least two Independent Directors.

The Audit Committee met four times during the financial year on May 30, 2012, August 11, 2012, November 12, 2012 and February 13, 2013. The attendance at the Audit Committee meetings was as under:

Attendance at Audit Committee meetings during the year 2012-13 was as follows:

Name of the Directors	No. of Meetings held
Mr. Vinod Rawal	4
Mr. Anupam Kumar	4
Mr. Sandeep R Arora	4

The minutes of the Audit Committee meeting form part of documents placed before the meeting of the Board of Directors. In addition the Chairman of the Audit Committee appraises the Board members about the significant discussion at the Audit Committee Meeting.

5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:

The Board of Directors have constituted Shareholders'/ Investors' Grievances Committee to commensurate with the requirements of Clause 49 of the Listing Agreement. The role of the Committee is to supervise investor relations and redressal of investors' grievances in general, including non-receipt of interest, transfer and transmission of shares,

HIGH GROUND ENTERPRISE LIMITED



issue of duplicate share certificate, non- receipt of balance sheet, non-receipt of dividend and such other matters as may be required from time to time under any statutory or other regulatory requirement.

The Shareholders/ Investor's Grievance Committee comprises three Directors as under

Name of the Directors	Category	Position in the Committee
Mr. Sandeep R. Arora	Executive Director	Chairman
Mr. Anupam Kumar	Independent	Member
Mr. Vinod Rawal	Independent	Member

Mr. Swaminath Jaiswar is the Compliance Officer of the Company and he is assist the committee in handling shareholders complaints

Status of Investors/shareholders Complaints during the period under review:

Complaints	Numbers
Pending at the beginning of the Year	NIL
Received during the Year	05(Five)
Disposed off during the Year	05(Five)
Un resolved at the end of the Year	NIL

Meetings and attendance during the year:

A Meeting of the Shareholders'/Investors' Grievance Committee were held on May 30, 2012, August 11, 2012, November 12, 2012 and February 13, 2013. The attendances at the Shareholders / Investors Grievance Committee Meetings were as under:

Name of the members	Number of Meetings	Meeting Attended
Mr. Vinod Rawal	4	4
Mr. Anupam Kumar	4	4
Mr. Sandeep R. Arora	4	4

6. REMUNERATION COMMITTEE:

The Board of Directors of the Company have constituted the Remuneration Committee to determine Company's Remuneration Policy, appoint Executive Directors and Senior Employees, having regard to performance standards and existing industry practice, to approve grant of Employees Stock Option, if any, and to administer and superintend the same, recommending remuneration package to all Directors as per the requirements of the Clause 49 of the Listing Agreement for Corporate Governance.

The Remuneration/ Compensation Committee comprises 3 (Three) Directors, all of whom are Non-Executive Independent Directors. The Remuneration Committee consists of

Name of the Directors	Category	Position in the Committee
Mr. Vinod Rawal	Independent	Chairman
Mr. Anupam Kumar	Independent	Member
Mr. Paul Taylor	Independent	Member

Meetings and attendance during the year:

A Meeting of the Remuneration Committee was held on April 28, 2012 and February 13, 2013. The attendances at the Shareholders / Investors Grievance Committee Meetings were as under:

Name of the members	Number of Meetings	Meeting Attended
Mr. Vinod Rawal	2	2
Mr. Anupam Kumar	2	2
Mr. Paul Taylor	Nil	Nil

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Remuneration Policy:

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed attracting and retaining high caliber talent. The remuneration policy is in consonance with the existing practice in the Industry

Remuneration to Executive Directors:

The Managing Director and the Whole Time Director of the Company are being paid in accordance with the provisions contained in the Companies Act, 1956. The appointment and terms of employment are governed by the Articles of Association of the Company and Resolution passed by the Shareholders of the Company. The Company pays remuneration to Managing Director and Whole Time Director as per approvals given by the Board of Directors and Shareholders of the Company vide their respective meetings.

Remuneration of All Directors: Sitting fees, salary, perquisites and commission are as under:

The details of the remuneration paid by the Company to its Directors for the year ended March 31, 2013 alongwith their relationships with each other is as under

Details of Remuneration in Rupees paid or payable to Directors for the year ended March 31, 2013

Name of Directors	Relationship with the Directors	Sitting Fees & Remuneration (₹)	Total (₹)	No of Shares held
Sandeep R. Arora	None	21,00,000	21,00,000	Nil
Chintan Kapadia	None	11,30,000	11,30,000	Nil
Vinod Rawal	None	Nil	Nil	Nil
Anupam Kumar	None	Nil	Nil	Nil
Paul Taylor	None	Nil	Nil	Nil

Share Transfers:

With a view to servicing the shareholders more expeditiously, the Board has delegated the authority to a Sub-committee of Directors to approve share transfers and transmissions received from RCMC Share Registry Pvt. Ltd., the Company's Registrars and Share Transfer Agents. All share transfers are ratified by the Board/Committee. The Sub Committee met 4 times during the last financial year.

There were no applications for share transfer pending as at 31st March, 2013.

7. INVESTORS COMPLAINTS

The Company received some complaints from shareholders during the year as shown below. These complaints were resolved to the satisfaction of the shareholders. The average time taken by the Company to resolve complaints was 15-20 days.

Nature of complaint	Complaints received	Complaints redressed	Complaints Pending
Non-receipt of share certificates	1	1	NIL
Non-receipt of dividend/interest warrant	NIL	NIL	NIL
Non-receipt of annual report	NIL	NIL	NIL
Non-completion of transfer procedure	NIL	NIL	NIL
Others	4	4	NIL
Total	5	5	NIL

Mr. Swaminath Jaiswar is the Compliance Officer of the Company

Code of Conduct for the Board meeting and Senior Management

The Board of Directors of the Company has laid down a Code of Conduct for all its Members and Senior Management personnel, who have affirmed their compliance therewith.

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Steps for Prevention of Insider Trading Practices

In compliance with the SEBI (Prevention of Insider Trading) Regulations as amended. The Company has issued a comprehensive set of guidelines after incorporating the amendments prescribed by SEBI, advising and cautioning management staff and other relevant business associates on the procedure to be followed while dealing in equity shares of the Company and disclosure requirements in this regard. The Company believes that 'The Code of Internal Procedure and Conduct' and 'The Code of Corporate Disclosure Policies' that it has framed in this regard will help in ensuring compliance with the amended SEBI regulations.

DECLARATION

Annual Declaration by Chief Executive Officer (CEO) / Chairman / Managing Director (MD) pursuant to Clause 49(i)(d)(ii) of the Listing Agreement

As the Managing Director (MD) of HIGH GROUND ENTERPRISE LIMITED provided under Clause 49 (i)(d)(ii) of the Listing Agreement. I hereby declare that all the Board members and Senior Management personnel of the company have confirmed compliance with the code of conduct for the financial year ended March 31, 2013.

FOR HIGH GROUND ENTERPRISE LIMITED

Date: September 2, 2013

Sandeep R. Arora

Place: Mumbai

Managing Director

9. Disclosure

a. Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large

The details of transaction with the related parties have been mentioned in Note No. 22(d) of notes to accounts under the head of Disclosure under Accounting Standard.

b. Disclosure of Accounting Treatment

In the preparation of the financial statements, the company has followed the Accounting Standards referred to in Section 211 (3) (c) of the Companies Act, 1956. The significant accounting policies which are consistently applied are set out in the Annexure to the Notes to the Accounts.

c. Risk Management

The Company has devised a Risk Management Framework for Risk Assessment and Minimization, which is assessed by the Board of Directors of the Company every year.

d. Details of non-compliance by the Company, Penalties & Strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years

The Company has complied with the requirements of the Listing Agreements entered into with the Stock Exchanges as well as the regulations and guidelines of the SEBI. No penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non compliance of any matter related to the capital markets during the last three years. The Company has paid the requisite listing fees to the Bombay Stock Exchange.

10. Whistle Blower Policy

While the Company has not formally established a Whistle Blower Policy as a mechanism for its employees to report to the Management about any violation of the Company's code of conduct or business principles or unethical behaviour, the employees are free to access the Management or the Audit Committee to report such instances

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11. General Body Meetings

Date, time and location of last three Annual General Meetings and the Special Resolutions passed thereat:

Financial Year	Date	Time	Venue	Special Resolution passed
2009-10	25.09.10	4.00p.m	Hotel Star Rocks, C-5/30, Safdarjung Development Area, Opposite IIT Main Gate, Hauz Khas, New Delhi, Delhi- 110016	Change of name of the Company from "Woo Yang Electronics (India) Limited" to "High Ground Enterprise Limited"
2010-11	30.09.11	10.00 a.m	Svenska (Design Hotels), F-73/74, Oberoi Complex, Off Link Road, Andheri (W), Mumbai-400053	No special resolution passed.
2011-12	29.09.12	11.00 a.m	R.K. Studio & Rehearsal Hall 53, link plaza, above Shreejee Restaurant, Link Road, Andheri (west), Mumbai-400102	(a) Appointment of Mr. Chintan Kapadia as a Whole time Director of the Company for a period of three years from October 20, 2011 to October 19, 2014 on the terms and conditions as contained in the draft letter of appointment (b) Appointment of Mr. Sandeep R. Arora as a Managing Director of the Company for a period of three years from April 28, 2012 to April 27, 2015 as amended by the Board on the terms and conditions as contained in the draft letter of appointment

Date, time and location of last three years Extra-Ordinary General Meetings and the Special Resolutions passed thereat:

Financial Year	Date	Time	Venue	Special Resolution passed
2009 - 2010	Nil	Nil	Nil	Nil
2010 - 2011	27.11.10	11 a.m	Office No. 2, Om Heera Panna Mall, 2nd Floor, Oshiwara, Andheri (West) Mumbai- 400053	a.) Resolution under section 81(1)(A) for issue and allotment of 13,32,000 equity shares of the Company having face value of Rs. 10 each at a price of Rs. 10 per equity share on Preferential basis b.) Resolution under section 81(1)(A) to offer, issue and allot upto 73,38,000 Warrants Convertible into Equity Shares of the Company, of Rs.10 each to promoters and promoters group, including persons acting in concert and other acquirers on preferential basis convertible into 1 (one) Equity Shares of Rs.10 each fully paid-up at price of Rs.10.00
2011 - 2012	Nil	Nil	Nil	Nil

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Resolution passed through postal ballot

During the year, pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011, one postal ballot was conducted during the period under review for seeking approval from the shareholders as per the details given below:

	In Favour	Against	Invalid	Total
SPECIAL RESOLUTION for change of main object clause of Memorandum of Association of the Company				
No. of equity shares embodying the vote cast	39,02,100	89,100	100	39,91,300
% of total no. of equity shares for which votes have been cast	97.77	2.23	-	100
Votes representing 100 equity shares were invalid and hence rejected	-	-	-	-

Scrutinizer

The Board of Directors of the Company had appointed Mr. Amit R. Dadheech, Practicing Company Secretary as Scrutinizer for conducting Postal Ballot voting process through fair and transparent manner.

Procedure for Postal Ballot

Postal Ballot is carried out following the procedure set out in Section 192A of the Companies Act, 1956 read with the Companies (Passing of the resolution by Postal Ballot) Rules, 2011.

12. Means of Communications

Quarterly Results: The Company publishes Quarterly Results in the Newspapers as required under the Listing Agreements. The quarterly results were published in Business Standard and Mumbai Lakshdeep and are also made available on the website of the Company 'www.highgroundenterprise.com'.

13. General Shareholders Information

(a) Annual General Meeting

Date : 27th September 2013

Time : 11.30 a. m.

Venue : Court Yard Space, 2nd floor Om Heera Panna Mall, Oshiwara, Andheri (West) Mumbai-400053

(b) Financial Year

1st April, 2012 to 31st March, 2013

(c) Date of book closure

18th September, 2013 to 26th September, 2013 (both days exclusive)

(d) Financial Year: 1st April, 2013 to 31st March, 2014

Particulars	Tentative dates
Unaudited results for the quarter ending	
30th June, 2013	By 14th August, 2013
30th September, 2013	By 15th November, 2013.
31st December, 2013	By 15th Feb, 2014
Audited annual results for the year ending 31st March, 2014	By 30 th May, 2014

(e) Listing on Stock Exchanges

The Company's shares are listed on BSE Limited, and 13,30,000 Equity Shares of the Company are listed in Delhi Stock Exchange. The Company had made an application to the Uttar Pradesh Stock Exchange for delisting of its shares. The application is still pending with the Uttar Pradesh Stock Exchange and the Company is following up the matter. Listing fees to the Bombay Stock Exchange Limited, Mumbai has been paid for the year 2012-13.

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Stock Code & ISIN:

Stock Code 517080

INE361M01013

(f) Market Price Data:

The securities of the Company have been recently traded on the Stock exchange where the securities are listed, therefore the Monthly high and low quotations as well as the volume of shares traded during the entire financial year 2012-13 is not available.

Month	Share price on BSE		BSE Sensex	
	High	Low	High	Low
November 2012	6.89	4.70	19339.9	18309.37
December 2012	9.37	7.23	19486.8	19229.26
January 2013	—	—	20101.82	19580.81
February 2013	—	—	19781.19	18861.54
March 2013	15.19	9.83	19683.23	18835.77

(g) Registrar and Share Transfer Agents

RCMC Share Registry Pvt. Ltd is the Registrar & Transfer Agent of the Company.

RCMC Share Registry Pvt. Ltd.

B-106, Sector 2, Noida 201301,

National Capital Region of Delhi,

Uttar Pradesh, India

Tel no- 0120-4015880

Fax no-0120-2444346

e-mail id- shares@rcmcdelhi.com

(h) Share Transfer Procedure

Shareholders are advised to contact RCMC Share Registry Pvt. Ltd directly. Every effort is made to clear share transfers/transmissions and split/consolidation requests within 15 days. Requests for issue of duplicate share certificates are normally cleared within 25 days provided the documents are clear in all respects.

(i) Distribution of Shareholding as on 31st March, 2013

SHAREHOLDING OF NOMINAL VALUE OF		SHAREHOLDERS		SHAREHOLDINGS		
₹	₹	Number	% to Total	Shares	Amounts	% to Total
(1)	(2)	(2)	(3)	(1)	(2)	
Upto -	5,000	1946	92.28	334800	3,348,000.00	6.09
5,001 -	10,000	100	4.74	82500	825,000.00	1.50
10,001 -	20,000	22	1.04	33300	333,000.00	0.61
20,001 -	30,000	11	0.52	26700	267,000.00	0.49
30,001 -	40,000	6	0.28	21700	217,000.00	0.39
40,001 -	50,000	3	0.14	14000	140,000.00	0.25
50,001 -	1,00,000	7	0.33	60600	606,000.00	1.10
	1,00,001 and above	14	0.67	4923400	49,234,000.00	89.57
TOTAL		2109	100.00	54,97,000	5,49,70,000.00	100.00

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(j) Distribution of Shareholding Pattern as on 31st March, 2013.

Category	No. of shares held	%of shareholding
Promoters	2,699,800	49.11
Mutual Funds and UTI	200	0.00
Banks, Financial Institutions.	-	-
Bodies Corporate	950,400	17.29
Indian Public	784100	14.27
NRI/OBC/Foreign Companies	812900	14.79
Other (Clearing)	249600	4.54
Total	5497000	100.00

(k) Dematerialization of shares:

As on 31st March 2013, **71.48%** of the Company's paid up share capital was held in dematerialized form..

(l) Convertible Instruments

As of date, the Company does not have any outstanding convertible instruments which are likely to have an impact on the equity share capital of the Company.

CEO / CFO certification

As required by Clause 49 of the Listing Agreement, Mr. Sandeep R Arora, Managing Director certification is given elsewhere in the Annual Report.

Compliance:

The Company has obtained the certificate from Practicing Company Secretary regarding compliance with the provisions relating to corporate governance laid down in the Clause 49 of the Listing Agreement. The certificate is annexed to this report.

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification as per Clause 49(V) of the Listing Agreement

The Board of Directors
High Ground Enterprise Limited

We, Sandeep R Arora, Managing Director and Chintan Kapadia, Whole Time Director, hereby certify that in respect of the Financial Year ended March 31, 2013: -

1. We have reviewed the financial statements and the cash flow statements for the Financial Year ended March 31, 2013 and to the best of our knowledge, information and belief:-
 - a) The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
2. There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct;
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal control, if any, of which we are aware and the steps taken or proposed to be taken to rectify the same;
4. We have indicated to the Auditors and the Audit Committee: -
 - a) Significant changes, if any, in internal controls over financial reporting during the year;
 - b) Significant changes, if any, in accounting policies during the year and the same have been disclosed suitably in the notes to the financial statements; and
 - c) Instances of significant fraud, if any, wherein there has been involvement of management or an employee having a significant role in the Company's internal control system over financial reporting.

Sandeep R. Arora
Chairman & Managing Director

Chintan Kapadia
Whole Time Director

Date: September 2, 2013

Place: Mumbai

HIGH GROUND ENTERPRISE LIMITED



CERTIFICATE

To

The Members of **HIGH GROUND ENTERPRISE LIMITED**

We have examined the compliance of conditions of Corporate Governance by **HIGH GROUND ENTERPRISE LIMITED**, for the Financial Year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to us, we certify that the Company has complied with in all material respect the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

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

For Amit R. Dadheech & Associates

Company Secretary

Membership No. A22889

C.O.P No. 8952

Amit R. Dadheech

Place: Mumbai

Date: September 2, 2013

FINANCIAL SECTION

HIGH GROUND ENTERPRISE LIMITED



INDEPENDENT AUDITOR'S REPORT

To,
The Share Holders of High Ground Enterprise Ltd.

Report on the Financial Statements

- (1) We have audited the accompanying financial statements of **High Ground Enterprise Ltd.**, which comprise the Balance Sheet as at **31st March 2013**, and the Statement of Profit & Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for financial statements

- (2) 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 principles generally accepted in India, including 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

- (3) Our responsibility is to express 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 financial statements are free from material misstatement.
- (4) An audit involves performing procedures to obtain in 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. 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 is sufficient and appropriate to provide basis of our audit opinion.

Opinion

- (5) In our opinion and to the best of our information and according to the explanations given to us, the financial statement 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:
- In the case of the Balance Sheet, of the state of affairs of the company as on 31st March 2013
 - In the case of Statement of Profit & Loss, of the profit for the year ended on that date, and
 - In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on the legal and regulatory requirements

- (6) As required by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section 227 of the Act, we give in the **Annexure** a statement on the matters specified in paragraphs 4 and 5 of the order.
- (7) As required by section 227(3) of the Act, we report that:
- 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.
 - 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.

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- c) The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the balance sheet, statement of profit and loss and cash flow statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the directors as on 31st March 2013, and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2013, 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 rate 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 JAIN CHOWDHARY & CO.

CHARTERED ACCOUNTANTS

ICAI-FR. No. 113267 W

Date : 30th May, 2013

Place : Mumbai

SIDDHARTH JAIN

PARTNER

M.No. 104709

HIGH GROUND ENTERPRISE LIMITED



Annexure to INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 6 of our Report of even date)

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified by the management at the year-end and such verification has revealed no material discrepancies. In our opinion, having regard to the size of the Company and nature of its fixed assets, the frequency of physical verification of the fixed assets is reasonable.
 - (c) According to information and explanation given to us, the Company has not disposed off any substantial fixed assets during the year and therefore, the question of disposal affecting the going concern status of the Company does not arise.
2.
 - a. The inventory (comprising of project materials, - finished, work in progress & raw material and film related rights) have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable.
 - b. In our opinion, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. In our opinion, the company has maintained proper records of inventory. As explained to us, no material discrepancies were noticed on physical verification as compared to the book records.
3.
 - (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
 - (e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company. During the course of our audit, we have not observed any major weaknesses in the internal control system of the Company and hence, the question of any continuing failure to correct the same does not arise.
5. In respect of particulars of contracts and arrangements referred to in section 301 of the Companies Act, 1956:
 - (a) To the best of our knowledge and belief and according to the information and explanations given to us, the particulars of contracts and 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) According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. During the year, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under apply.
7. The Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, in respect of the activities carried on by the Company.
8. In respect of applicable statutory dues, according to the information and explanations given to us:
 - (a) Undisputed applicable statutory dues including Provident Fund, Investor Education & Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues as applicable have generally been regularly deposited with the appropriate

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authorities. Undisputed statutory dues remaining unpaid as at 31.03.2013 for more than six months from the date they became payable, are reported as under:-

Particulars	Amount (Rs.)
Income Tax	9,39,975.00
TDS	1,61,008.00

- (b) There were no dues of Sales Tax, Income-Tax, Wealth Tax, Excise Duty, Service Tax, Cess and Customs Duty which have not been deposited as on 31st March, 2013 on account of any dispute.
9. The Company does not have any accumulated losses and the Company has not incurred cash losses during the year as well as in the immediately preceding financial year.
 10. The Company has neither borrowed any funds from financial institutions or banks nor issued any debentures.
 11. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 12. The Company is not a chit fund or a nidhi / mutual benefit fund / society.
 13. The Company is not dealing or trading in shares, securities, debentures.
 14. As informed to us and as per the explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
 15. The Company has not obtained any term loan. Therefore, the requirements of Clause 4(xvi) of the Order are "Not Applicable" to the Company.
 16. The Company has not raised any short term funds which have been used for Long Term Investments during the year.
 17. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
 18. The Company has not issued any debentures during the year.
 19. The Company has not made any public issue during the year.
 20. 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 was noticed or reported during the year.

FOR JAIN CHOWDHARY & CO.

CHARTERED ACCOUNTANTS

ICAI-FR. No. 113267 W

Date : 30th May, 2013

Place : Mumbai

SIDDHARTH JAIN

PARTNER

M.No. 104709

HIGH GROUND ENTERPRISE LIMITED



Audited Balance Sheet as at 31.03.2013

Particulars	Note	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	54,970,000	53,950,000
(b) Reserves and surplus	4	34,045,882	10,635,957
(c) Money received against share warrants		-	7,030,000
		<u>89,015,882</u>	<u>71,615,957</u>
2 Non-current liabilities			
(a) Long-term borrowings	5	29,046,750	10,099,996
(b) Deferred tax liabilities (net)		3,603	-
		<u>29,050,353</u>	<u>10,099,996</u>
3 Current liabilities			
(a) Trade payables	6	173,689,746	18,052,017
(b) Other current liabilities	7	5,220,196	535,864
(c) Short-term provisions	8	19,756,857	5,287,968
		<u>198,666,799</u>	<u>23,875,849</u>
TOTAL		<u>316,733,034</u>	<u>105,591,802</u>
B ASSETS			
1 Non-current assets			
(a) Net Fixed Assets	9	417,617	241,391
(b) Non-current investments	10	35,907,950	37,721,395
		<u>36,325,567</u>	<u>37,962,786</u>
2 Current assets			
(a) Inventories / Projects in progress		20,974,070	8,966,659
(b) Trade receivables	11	240,125,835	51,273,495
(c) Cash and Bank balances	12	6,770,972	253,427
(d) Other current assets	13	11,346,170	5,450,435
(e) Loans & Advances	14	1,190,420	1,685,000
		<u>280,407,467</u>	<u>67,629,016</u>
TOTAL		<u>316,733,034</u>	<u>105,591,802</u>
Notes Forming part of the Financial statements	1-23		

In terms of our report attached.
For M/s Jain Chowdhary & Co.
Chartered Accountants
FR. No. 113267 W

Siddharth Jain
Partner
M. No. 104709

Place: Mumbai
Date: 30.05.2013

For and on behalf of the board of directors
HIGH GROUND ENTERPRISE LTD

Sandeep R Arora
Managing Director

Chintan Kapadia
Whole Time Director

Place: Mumbai
Date: 30.05.2013

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AUDITED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note	For the year ended 31st March, 2013 (₹)	For the year ended 31st March, 2012 (₹)
1 Net Sales/Income from Operations	15	275,083,722	122,210,171
2 Other income	16	3,753,319	-
3 Total revenue (1+2)		278,837,041	122,210,171
4 Expenses			
(a) Cost of Productions/ Services	17	226,465,658	81,062,932
(b) Employee benefits expenses	18	5,228,207	3,970,309
(c) Finance costs	19	3,560,186	41,324
(d) Depreciation and amortisation expense	-	65,796	42,109
(f) Other expenses	20	9,772,782	5,903,275
Total expenses		245,092,629	91,019,949
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		33,744,412	31,190,222
6 Extraordinary items	21	6,425,000	-
7 Profit / (Loss) before tax (5+6)		40,169,412	31,190,222
8 Tax expense:			
(a) Current tax expense		13,540,276	4,939,975
(b) Deferred tax		3,603	-
		13,543,879	4,939,975
9 Profit / (Loss) for the year (7-8)		26,625,533	26,250,247
Earnings per equity share of face value of Rs. 10 each	22f		
Basic & Diluted EPS before extra ordinary items		3.70	6.43
Basic & Diluted EPS after extra ordinary item		4.87	5.49
Notes forming parts of the financial statements	1-23		

In terms of our report attached.
For M/s Jain Chowdhary & Co.
Chartered Accountants
FR. No. 113267 W

Siddharth Jain
Partner
M. No. 104709

Place: Mumbai
Date: 30.05.2013

For and on behalf of the board of directors
HIGH GROUND ENTERPRISE LTD

Sandeep R Arora
Managing Director

Chintan Kapadia
Whole Time Director

Place: Mumbai
Date: 30.05.2013

HIGH GROUND ENTERPRISE LIMITED



STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	For the year ended 31st March, 2013 (₹)	For the year ended 31st March, 2012 (₹)
Cash Flow from Operating Activities		
Net Profit before Tax	40,169,412	31,190,222
Adjustments for		
Add : Depreciation/ Amortization	65,796	(42,109)
Interest expense	3,466,350	-
Interest income	(34,960)	-
Exchange adjustments (net)	(1,075,258)	-
Operating Profit before working capital changes	42,591,340	31,148,113
Adjustments for :		
(Increase)/decrease in Trade and other receivables	(187,777,082)	(51,273,495)
(Increase)/ Decrease in Inventories	(12,007,411)	16,543,841
(Increase)/ Decrease in other assets	(5,895,735)	1,570,235
(Increase)/ Decrease in Loans & Advances	494,580	5,023,746
Increase/ (Decrease) in Current Liabilities	4,684,332	5,003,082
Increase/(decrease) in Trade and other payables	155,609,639	17,360,655
Increase/(decrease) in Provisions including Deferred Tax Liabilities	4,956,704	-
Cash generated from/(used in) Operations	2,656,367	25,376,177
Direct taxes paid	(4,000,000)	-
Net Cash Flow from / (used in) Operating Activities (A)	(1,343,633)	25,376,177
Cash Flow from Investing Activities		
Purchase of fixed assets	(242,022)	(284,525)
Proceeds from sale of fixed assets	-	(34,611,891)
Disposal of investments	1,813,444	-
Interest received	34,960	-
Net Cash Flow used in investing Activities (B)	1,606,382	(34,896,416)
Cash Flow from Financing Activities		
Proceeds from issue of shares/warrants	1,020,000	22,080,000
Proceeds from long term borrowings	18,946,754	-
Net Proceed from Unsecured Loans	-	10,700,000
Repayment of long term borrowings	-	4,689,602
Repayment of short term borrowings	-	(34,676,855)
Warrant Application Money	(7,030,000)	(15,000)
Proposed Dividend	(3,215,608)	-
Interest paid	(3,466,350)	-
Net Cash Flow from Financing Activities (C)	6,254,796	2,777,747
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	6,517,545	(6,742,492)
Opening Cash and Cash Equivalents	253,427	6,995,919
Closing Cash and Cash Equivalents	6,770,972	253,427

In terms of our report attached.
For M/s Jain Chowdhary & Co.
Chartered Accountants
FR. No. 113267 W

Siddharth Jain
Partner
M. No. 104709

Place: Mumbai
Date: 30.05.2013

For and on behalf of the board of directors
HIGH GROUND ENTERPRISE LTD

Sandeep R Arora
Managing Director

Chintan Kapadia
Whole Time Director

Place: Mumbai
Date: 30.05.2013

Notes forming part of the financial statements

Note	Particulars
1.	<p>CORPORATE INFORMATION</p> <p>High Ground Enterprise Limited (BSE Scrip Code 517080) was incorporated in New Delhi on 15th Jan, 1986 as Woo Yang Electronics (India) Limited. The Company was taken over by the current management led by Mr Sandeep R Arora in 2009. The Name of the company was changed from Woo Yang Electronics (India) Limited to High Ground Enterprise Limited in 2010. The registered office of the company was shifted from New Delhi to Mumbai in 2011. The Company is engaged in two business divisions during the year, first being Media, consulting and allied services. Engineering, procurement, construction management (EPCM) is its second division.</p>
2.	<p>SIGNIFICANT ACCOUNTING POLICIES</p>
2.1	<p>Basis of Preparation</p> <p>These financial statements are prepared in accordance with Indian Generally accepted accounting principles (GAAP) under the historical cost convention on accrual basis and comply in all material aspects with the accounting standards notified under section 211 (3c), companies (accounting standards) rules, 2006, the provisions of the companies act, 1956 and guidelines issued by the securities and exchange Board of India (SEBI).</p>
2.2	<p>Use of Estimates</p> <p>The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as of the date of the financial statements and the reported amount of revenue and expenses of the year. Actual results could differ from these estimates. Any revision to estimates is recognised prospectively in current and future periods.</p>
2.3	<p>Tangible fixed assets</p> <p>Tangible fixed assets are stated at cost, net of accumulated depreciation and impairment losses, if any. Cost includes all expenses incurred to bring the assets to its present location and condition.</p>
2.4	<p>Intangible assets</p> <p>Intangible assets acquired are measured on initial recognition at cost. Intangible assets are carried at cost less accumulated amortisation and impairment loss, if any.</p>
2.5	<p>Borrowing Costs</p> <p>Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of respective asset. All other borrowing costs are expensed in the period they occur.</p>
2.6	<p>Impairment of Tangible and Intangible assets</p> <p>At each Balance sheet date, the company reviews the carrying amount of assets to determine whether there is an indication that those assets have suffered impairment loss. If any such indication exists, the recoverable amount of assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.</p>
2.7	<p>Depreciation / Amortisation on tangible and intangible assets</p>
	<p>(a) Depreciation on tangible fixed assets is provided on written down value method at the rates specified in schedule XIV to the companies act, 1956.</p>
	<p>(b) Intangible assets are amortised on a straight line basis over the economic useful life estimated by the management.</p>
2.8	<p>Investments</p>
	<p>(a) Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments including investment property are classified as long-term investments.</p>

	<p>(b) Current investments are stated at lower of cost and fair value determined on an individual investment basis. Long-term investments are stated at cost less provision for diminution other than temporary in the value of such investments.</p>
2.9	<p>Transactions in foreign currencies</p> <p>(a) Foreign currency transactions are accounted at the exchange rates prevailing on the date of such transactions.</p> <p>(b) Foreign currency monetary items are translated using the exchange rates prevailing at the reporting date. Exchange difference is recognised as income or expense in the period in which they arise.</p> <p>(c) Non-monetary items denominated in foreign currency are carried at cost.</p>
2.10	<p>Revenue Recognition</p> <p>a) Engineering Procurement Construction Management Division</p> <p>(i) Construction contract revenues:</p> <p>Revenue from construction contracts is recognised on the basis of percentage completion method. The percentage of work completed is determined by the expenditure incurred on the job till date to the total expected expenditure of the contract.</p> <p>Construction contracts are progressively evaluated at the end of each accounting period. On contracts under execution which have reasonably progressed, profit is recognised by evaluation of the percentage of work completed at the end of the accounting period, whereas, foreseeable losses are fully provided for in the respective accounting period.</p> <p>(ii) Engineering Services</p> <p>(i) Income from Consultancy/Contract Services, if any, is recognized based on Proportionate Completion Method.</p> <p>(ii) Income from supply/erection of equipment/systems and civil works is recognized based on dispatches to customer/ work done at project site.</p> <p>b) Media, Consulting and Allied Services Division</p> <p>(i) Sale of rights is recognised on effective delivery of materials to customers as per terms of the sale agreements. Digital and other new media revenues are recognised at the earlier of when the content is accessed or if licensed, the date the revenue is contracted or declared.</p> <p>(ii) Revenue from theatrical distribution of films is recognised on exhibition of films. In case of distribution through theatres, revenue is recognised on the basis of box office reports received from various exhibitors. In case of distribution of films on commission basis, revenue is recognised inclusive of share of sub-distributor. Overflow from the distributors is accounted when reported.</p> <p>(iii) Advertisement revenue (net of agency commission) is recognized when the related advertisement or commercial appears before the public i.e. on telecast. Subscription revenue is recognized on completion of service.</p> <p>Dividend income is recognized when the company's right to receive dividend is established.</p> <p>Interest income is recognized on a time proportion basis taking into account outstanding and the applicable interest rate.</p> <p>Revenue from other services is recognised as and when such services are completed / performed.</p>
2.11	<p>Inventories</p> <p>a) Engineering Procurement Construction Management Division</p> <p>(i) Raw materials are valued at cost, net of Excise duty and Value Added Tax, wherever applicable. Stores and spares, loose tools are valued at cost except unserviceable and obsolete items that are valued at estimated realizable value thereof. Costs are determined on Weighted Average Method.</p> <p>(ii) Stores, spares and material at construction site are valued and stated at lower of cost or net</p>

	<p>realisable value. The Weighted Average Method of inventory valuation is used to determine the cost.</p> <p>(iii) Work-in-Progress on construction contracts reflects value of material inputs and expenses incurred on contracts including estimated profits in evaluated jobs.</p> <p>(iv) Finished Goods are valued at cost or net realizable value, whichever is lower. Costs are determined on Weighted Average Method.</p> <p>b) Media, Consulting and Allied Services Division</p> <p>Inventories are stated at the lower of cost and net realisable value. Cost is computed as follows:</p> <p>(i) New film where principle rights, generally theatrical, satellite and video rights, have been sold, stock of residual rights are valued at values estimated by the management which would not exceed the relevant cost.</p> <p>(ii) Stock of rights in respect of old films are valued at full cost for a period of twelve months from the date of purchase and, thereafter at appropriate realisable values as estimated by the management not exceeding the cost. All kinds of film, rights are reviewed by the management at the end of each reporting period to determine fall in values, if any, based on expected future realisability of such rights.</p> <p>(iii) Inventories related to films under production are stated at acquisition and production cost plus relevant overhead cost and capitalised interest net of any amounts received from third party investors.</p> <p>2.12 Accounting for taxes on income</p> <p>(a) Current tax is determined as the amount of tax payable in respect of taxable income as per the provisions of the income tax act, 1961.</p> <p>(b) Deferred tax is recognized, subject to consideration of prudence in respect of deferred tax asset, on timing difference, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates and laws.</p> <p>2.13 Leases</p> <p>(a) Finance lease</p> <p>Assets acquired under finance lease are capitalized and the corresponding lease liability is recorded at an amount equal to the fair value of the leased asset at the inception of the lease. Initial costs directly attributable to lease are recognized with the asset under lease.</p> <p>(b) Operating lease</p> <p>Lease of assets under which all the risk and rewards of ownership are effectively retained by the lesser are classified as operating leases. Lease payments/revenue under operating leases is recognized as expense/income on accrual basis in accordance with the respective lease agreements.</p> <p>2.14 Earnings Per Share</p> <p>Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the year. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except when the results would be anti-dilutive.</p> <p>2.15 Provisions, Contingent Liabilities and Contingent Assets</p> <p>Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.</p>
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HIGH GROUND ENTERPRISE LIMITED



Notes forming part of the financial statements

3. SHARE CAPITAL

(Amount in ₹)

Particulars	FY 2012-13	FY 2011-12
Authorised		
10,000,000 (10,000,000) Equity Shares of Rs 10 each	100,000,000	100,000,000
Issued, subscribed and paid up		
5,497,000 (5,395,000) Equity Shares of Rs 10 each fully paid up	54,970,000	53,950,000

Reconciliation of number of Equity Shares and Share Capital

Particulars	FY 2012-13		FY 2011-12	
	Number of equity share	Amount in ₹	Number of equity share	Amount in ₹
At the beginning of the year	5,395,000	53,950,000	2,770,475	27,704,750
Add: Conversion of Warrants into equity Share	102,000	10,20,000	26,24,525	2,624,5250
Closing Balance	5,497,000	5,49,70,000	5,395,000	53,950,000

4. RESERVES AND SURPLUS

(Amount in ₹)

Particulars	FY 2012-13	FY 2011-12
(a) General Reserve		
As per last Balance Sheet	378,500	378,500
Add : Transferred from Statement of Profit & Loss Account	670,000	-
Closing Balance	1,048,500	378,500
(b) Surplus in Profit & Loss Account		
As per last Balance Sheet	10,257,457	(15,992,790)
Add : Profit for the year	26,625,533	26,250,247
Total	36,882,990	10,257,457
<u>Less : Appropriations</u>	-	-
Proposed Dividend	3,215,608	-
Transfer to General Reserves	670,000	-
Closing Balance	32,997,382	10,257,457
Total	34,045,882	10,635,957

5. LONG TERM BORROWINGS

(Amount in ₹)

Particulars	FY 2012-13	FY 2011-12
Unsecured Loans		
Sandeep R. Arora	12,443,415	9,559,500
Arvind Kapadia (HUF)	2,018,937	-
Picture Thoughts Pvt. Ltd.	2,733,800	540,496
Picture Thoughts Productions Pvt. Ltd.	11,850,598	-
Total	29,046,750	10,099,996

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Notes forming part of the financial statements

6. TRADE PAYABLES

(Amount in ₹)

Particulars	FY 2012-13	FY 2011-12
Trade Payable	173,689,746	18,052,017
Total	173,689,746	18,052,017

7. OTHER CURRENT LIABILITIES

(Amount in ₹)

Particulars	FY 2012-13	FY 2011-12
<u>Statutory Dues</u>		
a) Profession Tax Payable	13,650	-
b) TDS Payable	5,206,546	535,864
Total	5,220,196	535,864

8. SHORT TERM PROVISIONS

(Amount in ₹)

Particulars	FY 2012-13	FY 2011-12
Provision for Tax	14,480,251	5,287,968
Proposed Dividends	3,215,608	-
Provision - Others	2,060,998	-
Total	19,756,857	5,287,968

9. FIXED ASSETS

SR. NO	PARTICULARS	RATE	GROSS BLOCK			DEPRECIATION			NET BLOCK	
			Opening Gross Block 01.04.12	Addition During The Year	Total	Opening Depreciation	Depreciation For The Year 31.03.13	Total	Net Block As on 31.03.2012	Net Block As on 31.03.2013
1	Computer & Peripherals	40%	120,950	20,200	141,150	26,921	41,071	67,992	94,029	73,158
2	Furniture & Fixtures	18.10%	49,325	32,000	81,325	6,207	8,677	14,884	43,118	66,441
3	Office Equipements	13.91%	114,250	189,822	304,072	10,006	16,048	26,054	104,244	278,018
	TOTAL		284,525	242,022	526,547	43,134	65,796	108,930	241,391	417,617
	Previous year		27,500	257,025	284,525	1,025	42,109	43,134	26,475	241,391

HIGH GROUND ENTERPRISE LIMITED



Notes forming part of the financial statements

10. NON CURRENT INVESTMENTS

(Amount in ₹)

Particulars	FY 2012-13	FY 2011-12
Investments (At Cost):		
Joint Venture - Rain Ltd. UK	35,907,950	35,907,950
Picture Partners international Ltd.	-	1,813,445
Total	35,907,950	37,721,395

11. TRADE RECEIVABLES

(Amount in ₹)

Particulars	FY 2012-13	FY 2011-12
Unsecured considered good unless otherwise stated		
(a) Debts outstanding for a period exceeding six months considered good	45,813,830	372,500
(b) Other Debts	194,312,005	50,900,995
Total	240,125,835	51,273,495

12. CASH AND BANK BALANCES

(Amount in ₹)

Particulars	FY 2012-13	FY 2011-12
(a) Cash on Hand	960,863	162,530
(b) Balances with Banks		
In current accounts	307,883	90,897
(c) Balances with Banks in Deposits	5,502,226	-
Total	6,770,972	253,427

13. OTHER CURRENT ASSETS

(Amount in ₹)

Particulars	FY 2012-13	FY 2011-12
(a) Security Deposits	4,998,475	4,989,675
(b) Loans and advances to employees	-	71,814
(c) Prepaid Expenses	-	4,055
(d) Service Tax credit receivable	3,524,731	37,449
(e) Vat receivable	181,866	343,037
(f) TDS receivable	2,641,098	4,405
Total	11,346,170	5,450,435

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Notes forming part of the financial statements

14. LOANS AND ADVANCES

(Amount in ₹)

Particulars	FY 2012-13	FY 2011-12
Stance Synergies Pvt. Ltd.	750,000	1,650,000
Other Advances	440,420	35,000
Total	1,190,420	1,685,000

15. REVENUE FROM OPERATIONS

(Amount in ₹)

Particulars	FY 2012-13	FY 2011-12
Net Sales / Income from Operation		
Engineering Procurement Construction Management	125,040,767	-
Media, Consulting and Allied services	150,042,955	107,210,171
Other Operating Income	-	15,000,000
Total	275,083,722	122,210,171

16. OTHER INCOME

(Amount in ₹)

Particulars	FY 2012-13	FY 2011-12
Foreign Exchange Gain	1,075,258	-
Gain on Sale of Shares	2,543,101	-
Others	134,960	-
Total	3,753,319	-

17. OPERATIONAL COST

(Amount in ₹)

Particulars	FY 2012-13	FY 2011-12
Cost of Productions / Services		
Engineering Procurement Construction Management (a)	111,794,230	-
Media, Consulting and allied services,		
Opening Work in Progress	8,966,659	25,510,500
Add: Costs / services incurred during the year	126,678,839	64,519,091
Less: Closing work in Progress	20,974,070	8,966,659
Total Costs/Services for the year (b)	114,671,428	81,062,932
Total (a)+(b)	226,465,658	81,062,932

HIGH GROUND ENTERPRISE LIMITED



Notes forming part of the financial statements

18. EMPLOYEE BENEFIT EXPENSES

(Amount in ₹)

Particulars	FY 2012-13	FY 2011-12
Salaries and Wages	4,801,912	3,541,772
Staff Welfare expenses	426,295	428,537
Total	5,228,207	3,970,309

19. FINANCE COST

(Amount in ₹)

Particulars	FY 2012-13	FY 2011-12
Interest Expenses on :		
(i) Unsecured Loans	3,046,186	9,412
(ii) Others	420,164	-
Bank Charges	93,836	31,912
Total	3,560,186	41,324

20. OTHER EXPENSES

(Amount in ₹)

Particulars	FY 2012-13	FY 2011-12
Power and Fuel	260,582	338,966
Rent Including lease rentals	3,775,990	433,400
Repairs and maintenance	470,263	487,057
Insurance	4,055	811
Rates and Taxes	90,519	63,782
Communication Expenses	476,330	608,429
Travelling and Conveyance	1,059,317	875,795
Printing and Stationery	135,137	227,852
Business Promotion	763,585	438,477
Donations and Contributions	-	36,000
Legal & Professional Fees	1,370,584	1,023,221
Audit fees	50,000	25,000
Advertising expenses	66,114	-
Postage and Courier Charges	82,897	-
Listing /Demat Connectivity Charges	178,596	-
Vehicle Expenses	208,818	-
Bad Debts	-	19,403
Foreign Currency Exchange Loss	-	510,781
Office and Other Expenses	779,994	814,301
Total	9,772,782	5,903,275

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Notes forming part of the financial statements

21. EXTRA ORDINARY ITEM

(Amount in ₹)

Particulars	FY 2012-13	FY 2011-12
Forfeiture of application money received against warrants	6,425,000	-
Total	6,425,000	-

Note: During the year the company forfeited warrants application money of Rs 64,25,000 on non-receipt of balance warrants money within stipulated time period.

22. OTHER NOTES

a- Managerial Remuneration

Remuneration paid or provided in accordance with Section 198 of Companies Act, 1956 to Managing Director and whole time Director is as under:

(Amount in ₹)

Particulars	FY 2012-13	FY 2011-12
Salaries and allowances	3,230,000	1,290,000

b- Payment to Auditors

(Amount in ₹)

Particulars	FY 2012-13	FY 2011-12
Audit & Tax Audit Fees	50,000	25,000
Certification & tax representation	32,000	3,000
Other matters	120,000	90,000

c. Foreign Exchange

Foreign currency exposure that are not hedged by derivative instruments as at 31st March:

(Amount in ₹)

Particulars	FY 2012-13	FY 2011-12
Foreign Currency Trade receivables	83,651,963	50,491,095

d. Related parties transactions

(I) Key Managerial Personnel

- Sandeep R Arora, Managing Director and CEO
- Chintan Kapadia, Whole time Director and COO

(II) Transaction with related parties

(Amount in ₹)

Particulars	FY 2012-13	FY 2011-12
Unsecured loans		
Sandeep R. Arora	12,443,415	9,559,500
Picture Thoughts Private Limited	2,733,800	540,496
Arvind Kapadia (HUF)	2,018,937	-

Note : Remuneration paid to Directors are disclosed in Note 23(a)

HIGH GROUND ENTERPRISE LIMITED



Notes forming part of the financial statements

e. Earnings in Foreign Exchange:

(Amount in ₹)

Particulars	FY 2012-13	FY 2011-12
FOB Value of Exports	99,626,528	84,897,250

f. Earnings per Share

(Amount in ₹)

Particulars	FY 2012-13	FY 2011-12
Profit after Tax	26,625,533	26,250,247
Basic & Diluted EPS before extra ordinary items	3.70	6.43
Basic & Diluted EPS after extra ordinary item	4.87	5.49

g. Segment information

Primary Segment Information

The Company operates in two primary reportable business segments, i.e. "Engineering, Procurement, Construction Management" and "Media Consulting and Allied Services" as per Accounting Standard 17 – "Segment Reporting".

(Amount in ₹)

	Engineering, Procurement, Construction, Management	Media, Consulting & Allied services	Total
Segment Revenue			
External sales	12,50,40,767	150,042,955	27,50,83,722
Other income	-	37,18,359	37,18,359
Total revenue	12,50,40,767	15,37,61,314	27,88,02,081
Segment Result			
Segment result	1,17,19,000	2,55,50,638	3,72,69,638
Operating profit	1,17,19,000	2,55,50,638	3,72,69,638
Interest expense	-	-	35,60,186
Interest income	-	-	34,960
Exceptional Items:	-	-	64,25,000
Gain on Forfeiture of application money against warrants			
Tax expense	-	-	1,35,43,879
Profit after Tax	-	-	2,66,25,533

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Notes forming part of the financial statements

(Amount in ₹)

Other Information	Engineering, Procurement, Construction, Management	Media, Consulting & Allied services	Unallocated	Total
Segment assets	14,25,54,412	17,41,78,622	-	31,67,33,034
Segment liabilities	11,11,23,436	11,65,93,716	-	22,77,17,152
Depreciation / amortization	-	65,796		65,796

Secondary segment information

(Amount in ₹)

	India	Outside India	Total
Revenue	17,54,57,194	9,96,26,528	27,50,83,722
Carrying amount of assets	4,17,617	-	4,17,617

Notes:

- (i) Geographical segment and its composition are India and Rest of the world
 - (ii) The Company has identified India and Rest of the World as geographical segments for secondary segment reporting. Geographical sales are segregated based on the location of the customer who is invoiced or in relation to which the sale is otherwise recognized.
- 23.** The Figures have been regrouped / recasted / rounded off whenever necessary.

HIGH GROUND ENTERPRISE LIMITED

PROXY FORM

28th Annual General Meeting

Folio No.....

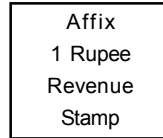
Client ID :.....

D.P. ID.....

I/We.....of
..... in the district of being a member/
members of the High Ground Enterprise Limited hereby appoint.....
..... of in the district of.....
.....or failing him
.....of.....in the district of..... as my / our proxy
to vote for me/ us in my / our behalf at the ANNUAL GENERAL MEETING of the Company to be held on
27th September 2013, and at any adjournment thereof.

Signed this.....day of.....2013

Signature.....



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

ATTENDANCE SLIP

28th Annual General Meeting

Folio No.....

Client ID:

D.P. ID.....

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company (Member's / Proxy's name and address in block letter to be furnished below).

I hereby record my presence at the 28th Annual General Meeting of the Company on Friday **27th September 2013** at 11.30 am at Court Yard Space, 2nd floor Om Heera Panna Mall, Oshiwara, Andheri (West) Mumba-400053

Member's/Proxy's name in block letter

Member's/Proxy's Signature

Note: Please fill in this attendance slip and hand it over at the ENTRANCE OF THE MEETING HALL.

Book - Post

To,

If undelivered please return to :



HIGH GROUND ENTERPRISE LIMITED

Registered Office:

2, 2nd Floor, Om Heera Panna Mall, Oshiwara, Andheri West, Mumbai - 400 053