

# Twenty Ninth Annual Report 2013-14



**HIGH GROUND ENTERPRISE LIMITED**

# HIGH GROUND ENTERPRISE LIMITED

## BOARD OF DIRECTORS

Sandeep R Arora	- Chairman, Managing Director
Chintan Kapadia	- Whole Time Director
Vinod Rawal	- Independent Director
Anupam Kumar	- Independent Director
Paul Taylor	- Independent Director

## BANKERS

Bank of Baroda  
Axis Bank Ltd  
Karnataka 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. Sandeep R. Arora	: 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  
CIN: L74999MH1986PLC222681,  
Web: <http://www.highgroundenterprise.com>  
email id: [info@highgroundenterprise.com](mailto:info@highgroundenterprise.com)

## REGISTRAR & SHARE TRANSFER AGENT

RCMC Share Registry Pvt. Ltd.  
B-25/1, First Floor, Okhala Industrial Estate,  
Phase II, New Delhi 110020  
Tel no- 011-26387320, 26387321, 26387323  
Fax no- 011-26387322  
e-mail id- [shares@rcmcdelhi.com](mailto:shares@rcmcdelhi.com)

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## HIGH GROUND ENTERPRISE LIMITED



### NOTICE

NOTICE is hereby given that the 29th Annual General Meeting of the Members of **HIGH GROUND ENTERPRISE LIMITED** will be held on September 27, 2014 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, 2014, 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. Chintan Kapadia (DIN No. 01639589), who retires by rotation and being eligible, offers himself for re-appointment.
3. To declare dividend for the financial year March 31, 2014.
4. To appoint M/s. Jain Chowdhary & Co., (Firm Registration No. 113267W), Chartered Accountants, pursuant to the provisions of Section 139 of the Companies Act, 2013, as Auditors of the Company for three year, being the balance tenure of the first term, to hold office from conclusion of this Annual General meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors or any committee thereof.

#### SPECIAL BUSINESS:

5. 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 provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Vinod Rawal (DIN 01488906), Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) consecutive years upto financial year ended March 31, 2019."

6. 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 provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Anupam Kumar (DIN: 05276641), Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) consecutive years upto financial year ended March 31, 2019."

7. 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 provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Paul Anthony Taylor (DIN: 05330406), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) consecutive years upto financial year ended March 31, 2019."

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution:-**

**"RESOLVED THAT** pursuant to the provisions of Section 152, 203 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendment thereto or re-enactment thereof for the time being in force), office of Mr. Sandeep R Arora (DIN 02587811), earlier appointed as Managing Director not liable to retire by rotation, be and is hereby changed as Director whose period of office is liable to determination by rotation."

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

**"RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the requisite approvals, if any required, approval of the Company be and is hereby accorded to the re-appointment of Mr. Chintan Kapadia (DIN: 01639589) as an Whole Time Director of the Company, for a period of 5 (five) years w.e.f. October 20, 2014 on the terms and conditions including terms of remuneration as set out in the explanatory statement attached hereto and forming part of this notice, with a liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration so as the total remuneration payable to him shall not exceed the limits specified in Schedule V of the Companies Act, 2013 including any Statutory modification or re-enactment thereof, for the time being in force and as agreed by and between the Board and Mr. Chintan Kapadia."

**"RESOLVED FURTHER THAT** notwithstanding anything contained to the contrary in the Companies Act, 2013, wherein any financial year the Company has no profits or inadequate profit, Mr. Chintan Kapadia will be paid minimum remuneration within the ceiling limit prescribed under Schedule V of the Companies Act, 2013 or any modification or re-enactment thereof."

**"RESOLVED FURTHER THAT** in the event of any statutory amendment or modification by the Central Government to Schedule V of the Companies Act, 2013, the Board be and is hereby authorized to vary and alter the terms of appointment including salary, perks and other benefits payable to Mr. Chintan Kapadia within such prescribed limit or ceiling as agreed by and between the Board and Mr. Chintan Kapadia without any further reference to the Company in General Meeting."

**"RESOLVED FURTHER THAT** the Board of Directors or its Committee thereof be and is hereby authorized to take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution."

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

**"RESOLVED THAT** in supersession of the Resolution passed under Section 293(1)(d) of the erstwhile Companies Act, 1956 and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, the consent of the members be and is hereby accorded to the Board of Directors of the Company or any Committee of the Board (hereinafter referred to as the "Board") and the Articles of Association of the Company, for borrowing from time to time, at their discretion, for the purpose of the business of the Company, any sum or sums of money which together with money already borrowed by the Company (apart from the temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business ) may exceed at any time, the aggregate of the Paid-up capital of the Company and its Free Reserves, that is to say reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board shall not at any time exceed the limit of Rs.50 Crores ( Rupees Fifty Crores only) and that the Board of Directors be and are hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as they may think fit."

**"RESOLVED FURTHER** that the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things as may be necessary and incidental for giving effect to the above, including execution of all such documents, instruments and writings, as may be required."

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11. To consider & if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**.

"**RESOLVED THAT** pursuant to the provision of section 188 and any other applicable provision of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to clause 35B of the listing agreement as entered by the Company with the Stock exchange, the consent of the members of the company be and is hereby granted to pay a monthly rent of Rs. 4,00,000/- per month to Mr. Sandeep R. Arora, Chairman and Managing Director of the company, for the premises owned by him, to facilitate the business of the Company with a liberty to the board of directors to alter / vary the terms and condition of the rent agreement".

"**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."

Mumbai  
September 1, 2014

**For and on Behalf of the Board of Directors**

**Sandeep R Arora**  
**Chairman and Managing Director**  
**(DIN NO- 02587811)**

**Registered office:**

Office No.2, 2nd floor, Om Heera Panna Mall,  
Oshiwara, Andheri (West), Mumbai-400053

**NOTES**

- (1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority letter, as applicable.

- (2) An Explanatory Statement pursuant to provisions of Section 102 of the Companies Act, 2013, which sets out details relating to Special Business to be transacted at the meeting, is annexed hereto.
- (3) The Register of Members and Share Transfer Books of the Company will remain closed from September 20, 2014 to September 26, 2014 (both days inclusive) for the purpose of this Annual General Meeting.
- (4) Members who attend the Meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the Meeting Hall.
- (5) Members are requested to bring their copy of the Annual Report at the time of attending the Annual General Meeting.
- (6) To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
- (7) Members who are holding shares in identical order of names in more than one folio are requested to send to the Company's Registrar and Transfer Agent, . M/s. RCMC Share Registry Private. Ltd details of such folio together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the Member/s. after making requisite changes thereon
- (8) Non-resident Indian Shareholders are requested to inform the Company immediately:
- Change in residential status on return to India for permanent settlement.
  - 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.
  - Copy of Reserve Bank of India permission.
- (9) (a) Members holding shares in physical form are requested to advise immediately change in their address, if any, quoting their folio number(s) to the Registrar & Share Transfer Agent of the Company.
- (b) Members holding shares in the electronic form are requested to advise immediately change in their address, if any, quoting their Client ID number, to their respective Depository Participants.
- (10) 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**
- (11) 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 at least 7 days before the date of the meeting, so that the required information can be made available at the meeting.
- (12) 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.
- (13) 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 Pvt. Ltd.

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(14) Members may also note that the Notice of the 29th Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website [www.highgroundenterprise.com](http://www.highgroundenterprise.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [info@highgroundenterprise.com](mailto:info@highgroundenterprise.com)

### (15) Voting through electronic means

(i) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 29th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL):

#### **The instructions for shareholders voting electronically are as under:**

In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

**PAN\*** Enter your 10 digit alpha-numeric \*PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.
- In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.

**DOB** Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

**Dividend Bank Details** Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

- Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are

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- eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
  - (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  - (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
  - (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
  - (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
    - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
    - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
    - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
    - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
    - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

### **In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins at 9.00 A.M. to 6.00 P.M. on September 23, 2014 and ends on the same day i.e. September 23, 2014. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date August 29, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

### **For members who wish to vote using ballot form:**

Pursuant to Clause 35B of the listing agreement, Members may fill in the ballot form enclosed with the Notice (a copy of the same is also part of the soft copy of the Notice) and submit the same in a sealed envelope to the Scrutinizer, Mr. Amit R. Dadheech 401A, Shreeji Chambers, Janmabhoomi Marg, Fort. Mumbai- 400001 so as to reach by 6.00 p.m. on September 23, 2014. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.

In the event, a member casts his votes through both the processes i.e. e-voting and ballot form, the votes in the electronic system would be considered and the ballot form would be ignored



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### **STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

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

#### **Item No. 5 to 7**

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. Vinod Rawal, Mr. Anupam Kumar and Mr. Paul Anthony Taylor, as Independent Directors of the Company at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of section 149 of the Act which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors, who are not liable to retire by rotation. Pursuant to clause 49 of the Listing Agreement as entered with the Stock Exchanges (to come into force w.e.f. October 1, 2014), an Independent Director cannot hold office for more than two consecutive terms of five years each and any tenure of an Independent Director on the commencement of the Companies Act, 2013 shall not be counted as a term.

Mr. Vinod Rawal, Mr. Anupam Kumar and Mr. Paul Anthony Taylor, Independent Directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, each of these Directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director.

Mr. Vinod Rawal, Mr. Anupam Kumar and Mr. Paul Anthony Taylor are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Mr. Vinod Rawal, Mr. Anupam Kumar and Mr. Paul Anthony Taylor for the office of Directors of the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

Brief resume and other details of the Independent Directors whose appointment is proposed are provided in the Annexure to the Notice.

Mr. Vinod Rawal, Mr. Anupam Kumar and Mr. Paul Anthony Taylor are deemed to be interested in the resolutions set out at Item no. 5 to 7 of the Notice with regard to their respective appointment.

The Board of Directors recommends the said resolution for your approval.

Save and except above, none of the other Directors or key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolutions.

#### **ITEM No. 8**

Mr. Sandeep R Arora (DIN 02587811), was appointed as Managing Director of the Company at the 27th Annual General Meeting of the Company to hold office for a period of 3 years with effect from April 28, 2012. Mr. Sandeep R Arora was appointed as a Managing Director, not liable to retire by rotation.

Clause (a) of sub-section of Section 152 of the Companies Act, 2013 provides that unless the articles provide for the retirement of all directors at every general meeting, not less than two thirds of the total number of directors of a public company shall be persons whose period of office is liable to determination by retirement of directors by rotation. The Explanation to sub-section (6) of Section 152 of the Companies Act, 2013 provides that total number of directors shall not include independent directors, whether appointed under the said Act or any other law for the time being in force, on the Board of a company. The Board of Directors of the Company presently consists of total 5 directors, out of which 3 directors are independent (as per Clause 49 of the listing agreement). Out of balance 2 directors not less than two-thirds i.e. 1 directors shall be directors whose period of office shall be liable to determination by retirement by rotation at every annual general meeting of the Company. Presently 2 directors are appointed as non retiring director. To fulfil the condition of 2 directors whose office is liable to determination by

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retirement by rotation, the Company proposes to change the office of Mr. Sandeep R Arora from non-retiring category to director whose office is liable to retire by rotation.

The Board recommends the resolution for the approval by the shareholders of the Company.

Mr. Sandeep R Arora are interested in the Resolution at Item No. 8 of the Notice. Save as aforesaid, none of the Directors of the Company and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in any way, in the said resolution.

### **ITEM No. 9**

The members at the Annual General Meeting of the Company held on September 29, 2012 appointed Mr. Chintan Kapadia as Whole Time Director for a period of 3 (three) years with effect from April 28, 2012.

Mr. Chintan Kapadia is associated with High Ground Enterprise Limited since 2010. Mr. Chintan Kapadia is a Commerce graduate from N M College of Commerce and Economics, Mumbai and is also a Chartered Accountant from Institute of Chartered Accountants of India.

He has contributed from grass roots to organization development with his rich experience and dedicated work with organization. He has a total experience of about 7 years. Your Board is of the opinion that considering the experience of Mr. Chintan Kapadia, his appointment as Whole Time Director will be beneficial to the Company. The terms and conditions including the remuneration to be paid in the event of loss or inadequacy of profit in any financial year during the tenure of his appointment are provided are stated below-

The Whole Time Director shall be entitled to a Monthly Salary in the range of Rs. 2,00,000/-to Rs. 4,00,000/- per month, Current Monthly Salary is Rs.1,00,000/-

The Monthly Salary includes Basic, DA, HRA, Conveyance, Leave Travel Allowance, Incentive and Medical Allowance

If at any time Mr. Chintan Kapadia ceases to be in the employment of the Company for any cause whatsoever, he shall be ceased to be a Director of the Company.

The Remuneration Committee/ Board of Director will determine the amount of increment payable every year depending on the performance of the Whole Time Director, profitability of the Company and other relevant factors.

Considering his versatile and diversified experience towards growing business activities and the responsibilities shouldered by him, the Board of Directors on the recommendation of Nomination and Remuneration Committee at its meeting held on September 1, 2014, re-appointed Mr. Chintan Kapadia as a Whole Time Director for a further period of 3 (three) years w.e.f. October 20, 2014 at a remuneration of Rs.48,00,000 Lakhs (Rupees Forty Eight Lakhs) per annum including salary, perks and other benefits with a liberty to the Board of Directors or Nomination and Remuneration Committee to revise the remuneration without approval of Shareholders within the prescribed ceiling limit of Schedule V and other applicable provisions of the Companies Act, 2013.

In the event of absence or inadequacy of profits of the Company in any financial year, Mr. Chintan Kapadia will be entitled to receive the remuneration, perquisites and benefits as aforesaid, subject to the compliance with the applicable provisions of Schedule V of the Companies Act, 2013

The Whole Time Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committee thereof.

The Board of Directors recommends the said resolution for your approval.

Mr. Chintan Kapadia including his relative/s is deemed to be interested in the said resolution as it relates to his appointment. None of the other Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

### **ITEM NO. 10**

The members of the Company vide resolution passed through postal ballot in 2011 had authorized Board of Directors to exercise borrowing powers the outstanding amount of which at any time shall not exceed in the Aggregate of Rs. 55,00,00,000/- (Fifty Five Crores)

Section 180(1)(c) of the Companies Act, 2013 which has replaced Section 293(1)(d) of the Companies Act, 1956 provides that the Board of Directors shall not borrow in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business,

## HIGH GROUND ENTERPRISE LIMITED



except with the consent of the Company accorded by way of a special resolution. Further, as per a clarification issued by the Ministry of Corporate Affairs, the ordinary resolution earlier passed under Section 293(1)(a) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013 i.e. upto September 11, 2014.

Accordingly, it is, therefore, necessary for the members to pass a special resolution under Section 180(1)(c) of the Companies Act, 2013, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company

Further, in view of expanding business operations of the Company, it is necessitated to enhance the borrowing limits by authorizing Board of the Directors or Committee thereof to borrow monies upto 50 Crores (Rupees Fifty Crores Only).

The Board of Directors recommends the said resolution for your approval.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

### **ITEM No. 11**

The Company has taken a office premises on rental / lease-hold basis to efficiently facilitate and administrate the growing business operations of the Company from Mr. Sandeep R. Arora, Chairman & Managing Director 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 continue to avail on rental basis, premises owned by Mr. Sandeep R. Arora, Managing Director of the Company at a reasonable monthly rent not exceeding Rs. 4,00,000/- Lakhs p.m. (Rupees Four Lakhs)

Since Mr. Sandeep R. Arora as Director has personal interest in the Company, it attracts the provision of Section 188 of the Companies Act, 2013 and the clause 35B of the listing agreement as entered into by the Company with the Stock Exchange where the securities are listed and hence the resolution is passed for the approval of the members.

The Board of Directors of the Company recommend passing of the resolution as set out at Item no. 11 of the Notice.

None of the Directors, KMP's of the Company, including their relatives, are concerned or interested in the said resolution, except Mr. Sandeep R. Arora, Managing Director, including his relatives.

**For and On Behalf of the Board of Directors**

**Sandeep R Arora  
Chairman and Managing Director  
(DIN NO- 02587811)**

Mumbai  
September 1, 2014

**29<sup>TH</sup> ANNUAL REPORT 2013-2014**



**ANNEXURE TO NOTICE**

**DETAILS OF DIRECTORS TO BE APPOINTED/SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GERERAL MEETING (Pursuant to clause 49 of the Listing Agreement)**

<b>Name of the Director</b>	Sandeep Ramkrishna Arora	Chintan Arvind Kapadia	Vinod Rawal
<b>Director Identification Number</b>	02587811	01639589	01488906
<b>Nationality</b>	Indian	Indian	Indian
<b>Date of appointment on the Board</b>	03/09/2009	02/08/2010	13/02/2012
<b>Relationship with other director</b>	None	None	None
<b>Qualifications</b>	B.Com	B.Com and C.A	B.Com and C.A
<b>Number of shares held in the Company</b>	204512	Nil	Nil
<b>List of Directorships held in other companies</b>	None	None	None
<b>Chairman/Member of the Committees of the Boards of other companies in which he is Director as on 31.03.2014</b>	None	None	None

**ANNEXURE TO NOTICE**

**DETAILS OF DIRECTORS TO BE APPOINTED/SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GERERAL MEETING (Pursuant to clause 49 of the Listing Agreement)**

<b>Name of the Director</b>	Anupam kumar	Paul Anthony Taylor
<b>Director Identification Number</b>	05276641	05330406
<b>Nationality</b>	Indian	Indian
<b>Date of appointment on the Board</b>	28/04/2012	28/04/2012
<b>Relationship with other director</b>	None	None
<b>Qualifications</b>	M.B.A & Mechanical Engineer	Fellow member of Royal Society of Arts in U.K.
<b>Number of shares held in the Company</b>	Nil	Nil
<b>List of Directorships held in other companies</b>	None	None
<b>Chairman/Member of the Committees of the Boards of other companies in which he is Director as on 31.03.2014</b>	None	None

§ Directorship does not include the Directorship in section 25 and Private Companies

## HIGH GROUND ENTERPRISE LIMITED



### DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the Twenty Ninth Annual Report of your Company together with the audited statement of accounts for the year ended 31st March, 2014.

#### FINANCIAL RESULTS:-

	Year Ended 31st March 2014 (₹ In Lakhs)	Year ended 31st march 2013 (₹ in lakhs)
Total Income	7715.38	2852.62
Total Expenditure	7119.79	2450.93
Profit/Loss before tax	595.59	401.69
Provision for tax - Current Taxes	190.85	135.43
Profit after tax	404.74	266.26
Profit Brought Forward from Previous year	340.46	106.36
Add : Transferred from Statement of Profit & Loss Account	20.00	6.70
Less : Appropriation		
Proposed Dividend	60.18	27.50
Dividend Distribution Tax	10.22	4.66
Transfer to General Reserves	20.00	6.70
Profit carried to Balance Sheet	674.80	340.46

#### DIVIDEND:

The Board of Directors have recommended a dividend of Rs 0.70/- Per Equity Shares (7% of the face value of equity share) for the financial year 2013-14

#### REVIEW OF OPERATIONS AND FUTURE PROSPECTS

During the year the Company has generated revenue of INR 4012 lacs from this business segment of Engineering, Procurement, and Construction Management (EPCM) related to infrastructure development and Engineering services the company has already executed work orders from reputed organizations in the private & public sector domain.

The order book of F.Y 2014-15 is already crossing ₹ 65 crores; the company is expecting to bag further ₹ 50-60 crores of work and is targeting for ₹ 125 crores plus topline for F.Y 2014-15 in EPCM division only.

The Company has built an enviable profile in EPC in a very short span of and is now eligible to bid and execute for government (Central as well as various State government) and PSU tenders of infrastructure development.

The Company now has a significant talented and experienced human resource pool from diversified sectors such as manufacturing, civil engineering, project management and consulting to support the growth.

The Company is already working in five states of India for infrastructural projects and nearly in all states for consulting jobs, signifying the capabilities to work PAN India.

The Company is also very aggressive in its existing business of Media, Consulting and allied services. During the year, the Company generated revenue of INR 2824 lacs.

Kya DilliKya Lahore" (leveraged on Fiji incentive) had the honorary support and was officially presented by Gulzarsaab, Dada Saheb Phalke award winner (2014) and was successfully released in partnership with Wave Cinemas-Ponty Chadha group on 2nd May 2014. The film got rave reviews from critics as well as the audience and attained the status of a rare heartfelt classic based on Indo-Pak relationship. The film is being recommended for National awards.

The Company made significant efforts this year and have developed some unique concepts, IPR properties and strategic associations to compliment its revenue streams in this segment.

## 29<sup>TH</sup> ANNUAL REPORT 2013-2014



The new property is bought on which a boutique technical facility is being constructed having latest machinery & equipments to cater to digital post production demands of domestic markets and also to service needs of our overseas clients for niche technical services. The facility will be fullfledgedly up and running by end of 2014.

HGEL is looking to develop its own Intellectual Properties in events, It has made strategic arrangements with Convergence Events and is negotiating a partnership to acquire and promote some unique Event concepts in India with few other established agencies as well.

This financial year company expects the Media, Consulting & Allied services segment to achive turnover of INR 6000 lacs plus.

### SHARE CAPITAL

The Chairman of the Company in their Meeting dated March 5, 2014 has approved the resolution to increase the Authorised share capital of the Company from Rs. 10,00,00,000/- to Rs. 11,00,00,000/- through postal ballot.

### DIRECTORS

- The Board of Directors has reappointed Mr. Chintan Kapdia as Whole Time Director for a tenure of 3 years w.e.f October 20, 2014.
- The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered into with Stock Exchanges, appointed Mr. Vinod Rawal, Mr. Anupam Kumar, Mr. Paul Taylor as Independent Directors of the Company. As per Section 149(4) of the Companies Act, 2013, which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors.

In accordance with the provisions of Section 149 of the Companies Act, 2013, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming Annual General Meeting of the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

Brief details of Directors proposed to be appointed/re-appointed as required under Clause 49 of the Listing Agreement are provided in the Notice of Annual General Meeting forming part of this Annual Report.

- Mr. Sandeep Arora (DIN 02587811) earlier appointed as Director not liable to retire by rotation, proposed to be appointed as a Director whose period of office is liable to determination by rotation.

### LISTING OF SECURITIES AND ALLOTMENT OF EQUITY SHARES

During the year under review, the Board of Directors of the Company at their meeting held on February 3, 2014 has approved the allotment of 31,21,262 Equity Shares of ₹ 10/- each at a premium of ₹ 80/- per share and 18,27,136 warrants to Promoters, Non - Promoters, Unsecured creditors and lenders of the company, by way of conversion of loans into equity shares on preferential basis.

The results of the Postal ballots were declared on March 5, 2014 by the Chairman of the Company. Further, upon approval of the resolution by the shareholders the Board of Directors of the Company had made In-Principal application with the BSE for allotment of shares and warrants and the same was received on April 9, 2014, upon receipt of In-Principal approval the Board of Directors at their meeting held on April 22, 2014 has allotted 31,01,262 Equity shares and 18,27,136 warrants convertible into equity shares to the proposed allottees and the listing application was made to the BSE, for which the approval was received on May 29, 2014. Further the Company has made Trading approval with the BSE after complying all the provisions of the law and the approval for the same was received on August 21, 2014. The status of Equity shares of the Company vis-a-vis listed on BSE Limited and Delhi Stock Exchange is as follows:

Equity Shares	Listed on
13,30,000	Delhi Stock Exchange
85,98,262	Bombay Stock Exchange Limited

## HIGH GROUND ENTERPRISE LIMITED



### **CORPORATE GOVERNANCE**

The Company has vigorously striven to follow the best corporate governance practices aimed at building trust among the key stakeholders, shareholders, employees, customers, suppliers and other stakeholders on four key elements of corporate governance - transparency, fairness, disclosure and accountability 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, 2014. There were no unclaimed or unpaid deposits as on March 31, 2014.

### **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   | : | Rs. 6,08,343 (Previous year : Rs. 9,96,25,528/-) |
| (c) Foreign Exchange Used   | : | Rs. Nil (Previous Year : Rs.Nil)                 |

### **DIRECTORS' 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, 2014 and of the Profits for the financial year from 1st April, 2013 to 31st March, 2014.
- (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.

### **STATUTORY DUES**

Undisputed Statutory liabilities have duly been discharge on account of Income Tax, Service Tax, Sales Tax & TDS. Certificate for such payments made have been obtained from the auditors.

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### 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, 2014. 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 & relevant section applicable under Companies Act, 2013.

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

### AUDITORS AND AUDITORS' REPORT

M/s. Jain Chowdhary & Co, Chartered Accountants, existing Auditors will retire at the conclusion of the ensuing Twenty Ninth Annual General Meeting. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014,

M/s. Jain Chowdhary & Co are proposed to be re-appointed as Auditors, to hold office up-to the conclusion of the Twenty Ninth Annual General Meeting.

Pursuant to the provisions of Companies (Audit and Auditors) Rules, 2014, M/s. Jain Chowdhary & Co has certified that the following:

- a. They are eligible for appointment and are not disqualified for appointment under the Companies Act, 2013, the Chartered Accountants Act, 1949 and rules/regulations made thereunder;
- b. The proposed appointment is as per the term provided under the Companies Act, 2013;
- c. The proposed appointment is within the limits laid down by or under the authority of the Companies Act, 2013;
- d. There are no proceedings against the audit firm or any partner of the audit firm pending with respect to professional matters of conduct.

The Board of Directors recommends to the shareholders for the appointment of M/s. Jain Chowdhary & Co, as Statutory Auditors of the Company.

The observations and comments given in the report of the Auditors read together with notes to accounts are self explanatory and hence do not call for any further information and explanation under Section 217(3) of the Companies Act, 1956.

### ACKNOWLEDGEMENTS

Your Board takes this opportunity to place on record its appreciation for the dedication and commitment of employees shown at all levels which have contributed to the success of your Company. Your Directors also express their gratitude for the valuable support and co-operation extended by various Governmental authorities, including Ministry of Information and Broadcasting, Department of Telecommunication, Ministry of Corporate Affairs, Stock Exchanges, Depositories and other stakeholders including banks, financial Institutions, viewers, vendors and service providers.

**By Order of the Board of Directors**

**Mr. Sandeep R Arora**  
**Chairman and Managing Director**  
**(DIN No-02587811)**

**Mr. Chintan Kapadia**  
**Whole Time Director**  
**(DIN No-01639589)**

Mumbai,  
1<sup>st</sup> September, 2014



## HIGH GROUND ENTERPRISE LIMITED



### 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, 2014 (financial year) that are required to be maintained under the Companies Act, 1956 & relevant section applicable under Companies Act, 2013 (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, 2013 was held on 30th September, 2013 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. No Extra Ordinary General Meeting was held during the financial year. However the Company has made preferential allotment of shares under section 81(1)(A) of the Companies Act, 1956 through postal ballot.
6. The Company has made necessary entries in the register maintained under Section 301 of the Act.
7. The Company has obtained necessary approvals from the Board of Directors, Members and the Central Government, if required, within the purview of Section 314 of the Companies Act, 1956 to pay monthly rent of Rs. 4,00,000/- to Mr. Sandeep Arora, Chairman Managing Director.
8. The Company has complied with the provisions under the Act and rules made there under regarding transfer and transmission of shares.
9. 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.
10. 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.
11. The Company has not bought back any shares during the year under report.
12. The Company has not invited / accepted any deposit falling within the purview of Section 58A of the Act. However the Company has borrowed and repaid unsecured loans as stated in the financial statement for the F.Y 2013-2014.
13. 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.
14. The loans and investments made and guarantee or securities provided to other bodies corporate by the Company are within the limits and legal parameters as stated in the Act.
15. The Company has complied with the provisions of the Act and Rules made under, where applicable.

For Amit R. Dadheech & Associates

Mumbai  
September 1, 2014

Amit R. Dadheech  
Company Secretary  
ACS:22889; CP:8952

## Management Discussion and Analysis

### Infrastructure and Support Services

A decade ago, the EPC (Engineering Procurement & Construction) industry comprised a handful of large, complex projects and multitude small packages and subcontracts. Today, there is no dearth of high value and complex projects being executed by government and private players. The increasing size and complexity of projects has, however, led to a growing reliance on contractors' capabilities and project management skills. Contracts have evolved from item rate packages to lumpsum fixed price binding contracts. Slowly but steadily, the onus of project management has shifted from the owner/developer to the contractor.

India's Planning Commission has announced infrastructure investments of INR 40.9 trillion during the Twelfth Five Year Plan period, and the EPC sector, with its estimated opportunity size of INR 17.1 trillion is expected to be the largest beneficiary of investments.

EPC today is highly dependent on the infrastructure sector in general and the PPP model in particular to overcome resource constraints. Furthermore, with government agencies gradually handing over asset ownership and development responsibilities to private parties, there is increasing reliance on the private sector for the growth of the EPC sector.

With the increasing need for accelerating infrastructure development to fuel India's economic growth, there can be no doubt that the EPC sector is in an advantageous position. Sectors including roads, oil and gas, and power have relatively higher construction opportunities since these segments have reached a relatively mature stage. On the other hand, sectors such as urban infrastructure, particularly water supply, waste management and urban transport system, are gradually gathering steam.

The Government is expected to continue awarding projects in the EPC and PPP formats. However, in the PPP model, project owners or developers ultimately award work as EPC or other forms of contracts to either their own contracting entities on an arms- length basis or third party contractors. An EPC contractor is expected to be benefitted through contracts awarded by government clients and private developers.

The fact that the sector has witnessed the recent entry of global construction giants, Indian business conglomerates and infrastructure developers, who are now competing with a host of EPC players, amply demonstrates the growth potential of the sector. Thus, a space that was earlier dominated by large EPC players and a few infrastructure developers, is now witnessing multiple participants, each set on carving out a piece of the EPC pie.

As a result, the market as a whole has become a mixed bag of opportunities in which a variety of players are participating. Some have transformed themselves in order to adapt to the ever changing needs of the market; others have chosen the inorganic route to tap its growth potential. However, with opportunity comes associated business risks, and it is the ability of players to identify such risks and challenges that will help to sustain this dynamic market.

To sum up, growth in EPC India is evident, "but driving growth efficiently" is the key to success. We believe that we are at an inflection point, the EPC sector has been victims of 'policy paralysis' & the onset of the new government will certainly resolve the issues and pave way smoother implementation of all infrastructure projects.

Your company is now poised to benefit and grow efficiently. With the performance of previous three years, better understanding of the market and the thrust on infrastructure sector by the new government, in F.Y 2015 the EPC division of the company is expected to generate revenues in excess on INR 100 Crs.

## HIGH GROUND ENTERPRISE LIMITED



### **Media, Consulting and Allied Services**

The Indian media and entertainment (M&E) industry is full of potential and has a tremendous impact on the country's economy. As per a FICCI-KPMG report, India's M&E industry reaches 161 million TV households; 94,067 newspapers; about 2000 multiplexes; and 214 million internet users, of which 130 million access the Internet on their mobile phones.

The industry grows with each passing day and plays a significant role in creating awareness on many issues that impact the masses. India's population is over 1.2 billion. These numbers give the M&E industry in India a tremendous opportunity for growth. A few years ago, the idea of reaching and engaging the country's population seemed improbable. That scenario has completely changed today and the current industry is armed with digital technologies, modern mobile devices, penetration of broadband internet and digital cinema, and considerable backing from the Central Government.

India's M&E industry registered a growth of 12 per cent in 2013 and touched Rs 91,800 crore (US\$ 15.27 billion). The industry has the potential to grow at 14.2 per cent to more than Rs 1.78 trillion (US\$ 29.61 billion) in the next four years, as per a report by FICCI-KPMG. The television industry in India, which was estimated at Rs 41,720 crore (US\$ 6.94 billion) in 2013, is projected to increase at a compound annual growth rate (CAGR) of 16.2 per cent over 2013-18, to reach Rs 88,500 crore (US\$ 14.72 billion) by 2018. With an estimated market size of US\$ 5 billion, India is the 14th biggest advertising market globally, as per the latest edition of the Gunn Report. Digital advertising is also expected to witness a CAGR of 27.7 per cent by 2018.

India's M&E industry will continue to bank on the digital area in future. With a growing internet user base of over 200 million, the industry's potential to generate revenue is vast. In 2013, telecom companies started focusing on data as a way to generating revenue. Also, advertising agencies competed with each other to acquire in the social media and digital domains. The future of India's media and entertainment landscape looks extremely promising with changes such as analogue cable sunset date by 2014, and players in the overall media value chain attempting to provide improved content to viewers through effective marketing and delivery strategies. Convergence between entertainment, information and telecommunication is increasingly impacting India's overall media and entertainment industry. Significant advancement in media devices over the last decade ensures that the same content can now be accessed on a variety of media platforms. This implies new business models and revenue streams not only for content providers, but for a variety of new players becoming a part of the new media ecosystem. These developments suggest a bright future for the M&E industry in the country.

As we diversify into new territories and make new conquests, we are confident our new growth drivers and new business model will start reaping the benefits during F.Y 2015. We thank our investors, business partners and viewers for seeing us through the initial years and we also seek their participation in the journey ahead. With a turnaround in digital content development and production business for internet, TV & Films and strong traction in overall entertainment business, we see our revenues scaling up going forward. We are extremely optimistic of the journey ahead and consider the daunting challenges as a necessary part of our growth. Your company is poised to grow and leverage the remarkable opportunities in the Media & Entertainment space.

### **Share Capital:**

The Chairman of the Company in their Meeting dated March 5, 2014 has approved the resolution to increase the Authorised share capital of the Company from Rs. 10,00,00,000/- to Rs. 11,00,00,000/- through postal ballot.

### **Analysis of Financial Conditions and Results of Operations:**

The Financial Statements have been prepared in accordance with the requirements of the Act, Indian Generally Accepted

Principles (Indian GAAP) and the Accounting Standards as prescribed by the Institute of Chartered Accountants of India.

The Management believes that it has been objective and prudent in making estimates and judgments relating to the Financial Statements and confirms that these Financial Statements are a true and fair representation of the Company's Operations for the period under review.

**Risk and Concerns:**

Due to stiff competitions in the media and infrastructure field where the company's activities are centered in, the overall margins are always under pressure, but maintainable with the constant effort and good services rendered by the company.

**Development on Human Resource Front:**

At High Ground Enterprise Limited our human resource are critical to our success and carrying forward our mission. With their sustained, determined and able work efforts we were able to cruise smoothly through the hard time of the economic volatility and rapidly changing market conditions.

The requirement of the markets given the economic scenario has made this even more challenging. Attracting newer talent with the drive, training and upgrading existing skill sets and getting all to move in an unified direction will definitely be task in the company.

Plans to execute the mandate on this count are already underway and we should see it impacting the results from the third quarter of the next financial year.

By creating conducive environment for career growth, company is trying to achieve the maximum utilization of employee's skills in the most possible way.

There is need and the company is focused on retaining and bringing in talent keeping in mind the ambitious plans despite the market and industry scenario.

The company also believes in recognizing and rewarding employees to boost their morale and enable to achieve their maximum potential. The need to have a change in the management style of the company is one of the key focus areas this year.

**Industrial Relations:**

Industrial Relations throughout the year continued to remain very cordial and satisfactory.

**For and On Behalf of the Board of Directors**

**Sandeep R Arora**  
**Chairman and Managing Director**  
**(DIN NO- 02587811)**

**Mumbai**  
**September 1, 2014**

# HIGH GROUND ENTERPRISE LIMITED



## Corporate Governance Report

Clause 49 of the listing agreement entered by the Company with the 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

Corporate Governance is about ensuring transparency, disclosure and reporting that confirms fully to the existing laws of the country and to promote ethical conduct of business throughout organization. At High Ground Enterprise Limited, governance standards are initiated by senior management which percolates down throughout the organization. The philosophy of the Company in relation to Corporate Governance is to ensure transparency in all its operations, make disclosures and enhance shareholder value without compromising on compliance of with the laws and regulations.

Sound corporate governance is critical to enhance and retain trust of stakeholders. The Board of Directors fully supports Corporate Governance practices in your Company with appropriate checks and balances at right places and at right intervals. The Company has complied with all the requirements of Corporate Governance under clause 49 of the listing agreement and listed below is the compliance status with regards to the same.

### 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 Enterprises 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 Director/ 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 Procedure:

##### a.) Composition of Board of Directors

The Board of Directors of the Company met 12 (Twelve) times during the financial year and the date of Board Meeting were April 14, 2013, April 20, 2013, May 4, 2013, May 30, 2013, July 20, 2013, August 13, 2013, September 2, 2013, November 13, 2013, February 1, 2014, February 8, 2014 and March 5, 2014, March 20, 2014. The criteria as stipulated under Cl. 49 of the Listing Agreement of maximum time gap between any two consecutive meetings shall not exceed four months has been followed by the Company

The information as required under Annexure IA to Clause 49 of the Listing Agreement is made available to the Board. The agenda and the papers for consideration at the Board Meeting are circulated to the Directors within the stipulated time limit. Adequate information is circulated as part of the Board Papers and is also available at the Board Meeting to enable the Board to take decisions. As required under Clause 49 of Listing Agreement, the Board periodically reviews compliances of various laws applicable to the Company.

The attendance of each Director at the Board Meetings and last Annual General Meeting held during the year under review are as under:

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Name of Director	Position	Attendance Particulars		No of Directorships in other domestic public limited companies		No of Committee Members* 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	12	Attended	Nil	Nil	Nil	Nil
Mr. Chintan Kapadia	Whole Time Director-Executive	12	Attended	Nil	Nil	Nil	Nil
Mr. Vinod Rawal	Independent	6	-	Nil	Nil	Nil	Nil
Mr Anupam Kumar	Independent	6	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, 2014. 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:

#### i. Terms of Reference

The Board of Directors has constituted and re-constituted the Audit Committee from time to time 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 includes 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.
- 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

## HIGH GROUND ENTERPRISE LIMITED



& 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.
- 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, 2013, August 13, 2013, November 13, 2013 and February 8, 2014. The attendance at the Audit Committee meetings was as under:

Attendance at Audit Committee meetings during the year 2013-14 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.

**Broad Terms of reference:**

The Terms of Reference of Audit Committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement as well as in Section 177 of the Companies Act, 2013. The power and role of Audit Committee is as prescribed under Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013.

**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, 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



## HIGH GROUND ENTERPRISE LIMITED



Mr. Swaminath Jaiswar Compliance Officer of the company assist the committee handling share holders complains.

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

Complaints	Numbers
Pending at the beginning of the Year	NIL
Received during the Year	04 (Four)
Disposed off during the Year	04 (Four)
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 April 14, 2013, August 13, 2013, November 13, 2013 and February 11, 2014. The attendances at the Shareholders / Investors Grievance Committee Meetings were as under:

Name of the member	Number of Meetings	Meeting Attended
Mr. Vinod Rawal	4	4
Mr. Anupam Kumar	4	4
Mr. Paul Taylor	Nil	Nil

### 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 Director	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:

There were no remuneration Committee meeting held during the financial year 2013-2014

### 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, 2013. 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, 2014 alongwith their relationships with each other is as under

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### Details of Remuneration in Rupees paid or payable to Directors for the year ended March 31, 2014

Name of Directors	Relationship with the Directors	Sitting & Fees Remuneration (Rs.) (p.m)	Total (Rs.) (p.m.)	No of Shares held
Sandeep R Arora	None	1,95,000	1,95,000	Nil
Chintan Kapadia	None	1,00,000	1,00,000	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, 2014.

#### 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	3	3	NIL
<b>Total</b>	<b>4</b>	<b>4</b>	<b>NIL</b>

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.

#### 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.

## HIGH GROUND ENTERPRISE LIMITED



### 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, 2014.

**FOR HIGH GROUND ENTERPRISE LIMITED**

1<sup>st</sup> September, 2014  
Mumbai

Sandeep R Arora  
Managing Director  
(DIN No-02587811)

#### 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

#### 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
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

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Financial Year	Date	Time	Venue	Special Resolution passed
2012-13	27.09.13	11.30a.m	Court Yard Space, 2 <sup>nd</sup> floor Om Heera Panna Mall, Oshiwara, Andheri (West) Mumbai-400053	" <b>Resolution</b> passed under Section 314 and other applicable provisions of the Companies Act, 1956, to pay a monthly rent upto Rs. 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."

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

Financial Year	Date	Time	Venue	Special Resolution passed
2010-11	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
2011-12	N.A	N.A	N.A	N.A
2012-13	27.03.13		Office No. 2, Om Heera Panna Mall, 2nd Floor, Oshiwara, Andheri (West) Mumbai- 400053	"Resolution passed under Section 17, 192A of the Companies Act, 1956 read with Companies (Passing of Resolution by Postal Ballot) Rules, 2011 to alter main object clause of the Company from the existing clause: The existing clause III.(A) be replaced by inserting the new clause III.(A)

### 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 2014

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, 2013 to 31st March, 2014

#### (c) Date of book closure

20th September, 2014 to 26th September, 2014 (both days inclusive)

## HIGH GROUND ENTERPRISE LIMITED



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

Particulars	Tentative dates
Unaudited results for the quarter ending	
30th June, 2014	By 14th August, 2014
30th September, 2014	By 14th November, 2014.
31st December, 2014	By 14th February, 2015
Audited annual results for the year ending 31st March, 2015	By 30th May, 2015

**(e) Listing on Stock Exchanges**

The total share capital of the Company are listed on Bombay Stock Exchange Limited, and 13,30,000 Equity Shares of the Company are listed Company on 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 2014-15.

**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 2013-14 is stated below :

Month	Share price on BSE	
	High	Low
Apr-13	25.70	15.95
May-13	31.10	26.95
Jun-13	43.55	32.65
Jul-13	70.65	45.70
*Aug-13	-	-
*Sep-13	-	-
*Oct-13	-	-
Nov-13	63.75	49.45
Dec-13	56.20	42.50
Jan-14	95.25	59.00
Feb-14	84.55	67.95
Mar-14	78.00	64.90

\* No market prices available on the BSE site as the shares of the company not traded.

**(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-25/1, First Floor, Okhala Industrial Estate,

Phase II, New Delhi 110020

Tel no- 011-26387320, 26387321, 26387323

Fax no- 011-26387322

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.

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### (i) Distribution of Shareholding as on 31st March, 2014

SHARE HOLDING OF NOMINAL VALUE OF			SHARE HOLDERS		SHARE AMOUNT	
Rs.	Rs		Number	% to Total	Number	Rs
(1)			(2)	(3)	(1)	(2)
Upto	- 5,000		1856	91.93	319249	3192490.00
5,001	- 10,000		99	4.90	82394	823940.00
10,001	- 20,000		22	1.09	32423	324230.00
20,001	- 30,000		11	0.54	27134	271340.00
30,001	- 40,000		6	0.30	23000	230000.00
40,001	- 50,000		2	0.10	9900	99000.00
50,001	- 1,00,000		11	0.54	89800	898000.00
1,00,001 and above			12	0.59	4913100	49131000.00
<b>TOTAL</b>			<b>2109</b>	<b>100.00</b>	<b>54,97,000</b>	<b>5,49,70,000.00</b>

### (j) Distribution of Shareholding Pattern as on 31st March, 2014.

Category	No. of shares held	Percentage of shareholding
Promoters	2,699,800	49.11
Mutual Funds and UTI	200	0.00
Banks, Financial Institutions.	-	-
Bodies Corporate	1208971	21.99
Indian Public	775003	14.11
NRI/OBC/Foreign Companies	812900	14.79
Other (Clearing)	126	0.00
<b>Total</b>	<b>5497000</b>	<b>100</b>

### (k) Dematerialization of shares:

As on 31st March 2014, 78.03% 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.

## HIGH GROUND ENTERPRISE LIMITED



### DECLARATION BY THE CEO UNDER CLAUSE 49 I (D) OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with Clause 49 sub-clause I (D) of the Listing Agreement with the Stock Exchange, I hereby confirm that, all the All the Directors and the Senior Management personnel of the Company have affirmed their compliance with the Codes of Conduct as applicable to them for Financial Year ended March 31, 2014

**Sandeep R Arora**  
**Managing Director**  
**(DIN No- 03077992)**

Mumbai  
1st September, 2014

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### 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, 2014: -

1. We have reviewed the financial statements and the cash flow statements for the Financial Year ended March 31, 2014 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 and Managing Director**  
**(DIN No-02587811)**

**Chintan Kapadia**  
**Whole Time Director**  
**(DIN No-01639589)**

1st September, 2014  
Mumbai

**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, 2014, 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 our opinion and to the best of our 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.

We 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**

**Mumbai**

**1<sup>st</sup> September, 2014**





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# FINANCIAL SECTION

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**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 2014, 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:
- a) In the case of the Balance Sheet, of the state of affairs of the company as on 31st March 2014
  - b) In the case of Statement of Profit & Loss, of the profit for the year ended on that date, and
  - c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## HIGH GROUND ENTERPRISE LIMITED



### 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.
  - 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.
  - 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.
  - On the basis of written representations received from the directors as on 31st March 2014, and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - 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. 113267W**

**Siddharth Jain**  
**Partner**  
**M. No. 104709**

Date: 30<sup>th</sup> May, 2014

Place: Mumbai

**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. (However, it is suggested to form & separate Internal Audit Committee and conduct Internal Audit at reasonable interval from qualified professionals to further strengthen the internal control system).

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.

## HIGH GROUND ENTERPRISE LIMITED



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 authorities. Undisputed statutory dues remaining unpaid as at 31.03.2014 for more than six months from the date they became payable, are reported as under:-

Particulars	Amount (Rs.Lacs)
Income Tax	104.02
TDS	66.36
Vat Payable	14.12
DDT Payable	4.67

- (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, 2014 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 not made any default in repayment of dues from facility taken from bank.
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 F R No. 113267W**

**CA. Siddharth Jain**  
**Partner**  
**M. No. 104709**

Date: 30<sup>th</sup> May, 2014

Place: Mumbai

29<sup>TH</sup> ANNUAL REPORT 2013-2014



Audited Balance Sheet as at 31.03.2014

Particulars	Note	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3a	54,970,000	54,970,000
(b) Share/ Warrant Application Money	3b	281,659,916	-
(c) Reserves and surplus	4	<u>74,520,266</u>	<u>34,045,882</u>
		411,150,182	89,015,882
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	5	2,641,985	29,046,750
(b) Deferred tax liabilities (net)		<u>58,215</u>	<u>3,603</u>
		2,700,200	29,050,353
<b>3 Current liabilities</b>			
(a) Trade payables	6	210,659,611	173,689,746
(b) Other current liabilities	7	26,273,090	8,717,822
(c) Bank Borrowing	8	88,486,983	-
(d) Short-term provisions	9	<u>20,616,979</u>	<u>16,259,231</u>
		346,036,662	198,666,799
	<b>TOTAL</b>	<b><u>759,887,044</u></b>	<b><u>316,733,034</u></b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Net Fixed Assets	10	21,628,118	417,617
(b) Non-current investments	11	<u>35,907,950</u>	<u>35,907,950</u>
		57,536,068	36,325,567
<b>2 Current assets</b>			
(a) Inventories / Projects in progress		117,976,306	20,974,070
(b) Trade receivables	12	354,876,752	240,125,835
(c) Cash and Bank balances	13	6,692,341	1,268,746
(d) Other current assets	14	93,110,721	16,848,396
(e) Loans & Advances	15	<u>129,694,857</u>	<u>1,190,420</u>
		702,350,977	280,407,467
	<b>TOTAL</b>	<b><u>759,887,044</u></b>	<b><u>316,733,034</u></b>
Notes Forming part of the Financial statements	1-24		

In terms of our report attached.

For **M/s Jain Chowdhary & Co.**  
Chartered Accountants  
FR. No. 113267 W

**Siddharth Jain**  
Partner  
M. No. 104709

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

Sandeep R Arora  
Managing Director  
(DIN No-02587811)

Chintan Kapadia  
Whole Time Director  
(DIN No-01639589)

Place: Mumbai

Date: 30.05.2014

## HIGH GROUND ENTERPRISE LIMITED



### AUDITED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Note	For the year ended 31st March, 2014 (₹)	For the year ended 31st March, 2013 (₹)
<b>1</b> <u>Net Sales/Income from Operations</u>	16		
Engineering Procurement Construction Management		481,190,967	125,040,767
Media, Consulting and allied services		282,371,519	150,042,955
<b>2</b> Other income (Foreign Exchange Gain/Loss)	17	7,975,645	3,753,319
<b>3 Total revenue (1+2)</b>		<b>771,538,131</b>	<b>278,837,041</b>
<b>4 Expenses</b>			
(a) Cost of Productions/ Services	18	670,249,926	226,465,658
(b) Employee benefits expenses	19	16,092,705	5,228,207
(c) Finance costs	20	8,756,871	3,560,186
(d) Depreciation and amortisation expense	-	133,584	65,796
(f) Other expenses	21	16,746,048	9,772,782
<b>Total expenses</b>		<b>711,979,135</b>	<b>245,092,629</b>
<b>5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		59,558,996	33,744,412
<b>6</b> Extraordinary items	22	-	6,425,000
<b>7 Profit / (Loss) before tax (5+6)</b>		59,558,996	40,169,412
<b>8 Tax expense:</b>			
(a) Current tax expense		19,030,000	13,540,276
(b) Deferred tax		54,612	3,603
		19,084,612	13,543,879
<b>9 Profit / (Loss) for the year (7-8)</b>		<b>40,474,384</b>	<b>26,625,533</b>
Earnings per equity share of face value of Rs. 10 each	23f		
Basic & Diluted EPS before extra ordinary items		7.36	3.70
Basic & Diluted EPS after extra ordinary item		7.36	4.87
Notes forming parts of the financial statements	1-24		

In terms of our report attached.

For **M/s Jain Chowdhary & Co.**  
Chartered Accountants  
FR. No. 113267 W

**Siddharth Jain**  
Partner  
M. No. 104709

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

Sandeep R Arora  
Managing Director  
(DIN No-02587811)

Chintan Kapadia  
Whole Time Director  
(DIN No-01639589)

Place: Mumbai

Date: 30.05.2014

29<sup>TH</sup> ANNUAL REPORT 2013-2014



STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	For the year ended 31st March, 2014 (₹)	For the year ended 31st March, 2013 (₹)
<b>Cash Flow from Operating Activities</b>		
<b>Net Profit before Tax</b>	59,558,996	40,169,412
<b>Adjustments for</b>		
Add :Depreciation/ Amortization	133,584	65,796
Interest expense	8,756,871	3,466,350
Interest income	(307,451)	(34,960)
Exchange adjustments (net)	(7,644,477)	(1,075,258)
<b>Operating Profit before working capital changes</b>	<b>60,497,523</b>	<b>42,591,340</b>
Adjustments for :		
(Increase)/decrease in Trade and other receivables	(114,750,917)	(187,777,082)
(Increase)/ Decrease in Inventories	(97,002,236)	(12,007,411)
(Increase)/ Decrease in other assets	(75,286,167)	(5,895,735)
(Increase)/ Decrease in Loans & Advances	(128,743,318)	494,580
Increase/ (Decrease) in Current Liabilities	17,891,898	4,684,332
Increase/(decrease) in Trade and other payables	36,969,865	155,609,639
Increase/(decrease) in Provisions including Deferred Tax Liabilities	4,021,118	4,956,704
<b>Cash generated from/(used in) Operations</b>	<b>(296,402,234)</b>	<b>2,656,367</b>
Direct taxes paid	(19,030,000)	(4,000,000)
<b>Net Cash Flow from / (used in) Operating Activities (A)</b>	<b>(315,432,234)</b>	<b>(1,343,633)</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(21,344,085)	(242,022)
Disposal of investments	-	1,813,444
Interest received	307,451	34,960
<b>Net Cash Flow used in investing Activities (B)</b>	<b>(21,036,634)</b>	<b>1,606,382</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from issue of shares/warrants	-	1,020,000
Proceeds from long term borrowings	88,486,983	18,946,754
Proceeds from unsecured loans		
Repayment of long term borrowings	(26,404,765)	-
Share &Warrant Application Money	281,659,916	(7,030,000)
Foreign Exchange Gain	7,644,477	
Proposed Dividend	-	(3,215,608)
FDs with Banks	(6,239,503)	
Interest paid/ bank charges paid	(8,756,871)	(3,466,350)
<b>Net Cash Flow from Financing Activities (C)</b>	<b>336,390,237</b>	<b>6,254,796</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>(78,631)</b>	<b>6,517,545</b>
Opening Cash and Cash Equivalents	6,770,972	253,427
<b>Closing Cash and Cash Equivalents</b>	<b>6,692,341</b>	<b>6,770,972</b>

(\*\* Closing Cash & Cash Equivalents for F. Y. 2012-13 includes FD with Bank of Rs.5,502,226/-)

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: 30.05.2014

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

Sandeep R Arora  
Managing Director  
(DIN No-02587811)

Chintan Kapadia  
Whole Time Director  
(DIN No-01639589)



# HIGH GROUND ENTERPRISE LIMITED



## Notes forming part of the financial statements

### 1. CORPORATE INFORMATION

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 Engineering, Procurement, Construction Management (EPCM). Its second division is Media, Consulting and Allied services.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of Preparation

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).

#### 2.2 Use of Estimates

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.

#### 2.3 Tangible fixed assets

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.

#### 2.4 Intangible assets

Intangible assets acquired are measured on initial recognition at cost. Intangible assets are carried at cost less accumulated amortisation and impairment loss, if any.

#### 2.5 Borrowing Costs

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.

#### 2.6 Impairment of Tangible and Intangible assets

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.

#### 2.7 Depreciation / Amortisation on tangible and intangible assets

- (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.
- (b) Intangible assets are amortised on a straight line basis over the economic useful life estimated by the management.

#### 2.8 Investments

- (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 are classified as long-term investments.

- (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.

**2.9 Transactions in foreign currencies**

- (a) Foreign currency transactions are accounted at the exchange rates prevailing on the date of such transactions.
- (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.
- (c) Non-monetary items denominated in foreign currency are carried at cost.

**2.10 Revenue Recognition**

- a) Engineering Procurement Construction Management Division

**(i) Construction contract revenues:**

Revenue from construction contracts is recognised on the basis of 'percentage completion method'. The percentage of work completed is determined either by the expenditure incurred on the job till date to the total expected expenditure of the contract or as certified by technical experts.

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.

**(ii) Engineering Services**

- (i) Income from Consultancy/Contract Services is recognized based on Proportionate Completion Method.
- (ii) Income from supply/erection of equipment/systems and civil works is recognized based on dispatches to customer/ work done at project site/certification done by client.

**b) Media, Consulting and Allied Services Division**

- (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.
- (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.
- (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.
- c) **Dividend income** is recognized when the company's right to receive dividend is established.
- d) **Interest income** is recognized on a time proportion basis taking into account outstanding and the applicable interest rate.
- e) **Revenue from other services** is recognised as and when such services are completed / performed.

**2.11 Inventories**

**a) Engineering Procurement Construction Management Division**

- (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.
- (ii) Stores, spares and material at construction site are valued and stated at lower of cost or net realisable value. The Weighted Average Method of inventory valuation is used to determine the cost.
- (iii) Work-in-Progress on construction contracts reflects value of material inputs and expenses incurred on contracts including estimated profits in evaluated jobs.
- (iv) Finished Goods are valued at cost or net realizable value, whichever is lower. Costs are determined on Weighted Average Method.

## HIGH GROUND ENTERPRISE LIMITED



### **b) Media, Consulting and Allied Services Division**

Inventories are stated at the lower of cost and net realisable value. Cost is computed as follows:

- (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.
- (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.
- (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.

### **2.12 Accounting for taxes on income**

- (a) Income tax comprises current and deferred tax. Income tax is recognized in the statement of income except to the extent that it relates to items recognized directly with in equity or in other comprehensive income. Current Tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.
- (b) Deferred tax assets and liabilities are recognized, using the balance sheet method, for the expected tax consequences of temporary differences between the carrying amounts of assets and liabilities and the amounts use for taxation purposes. Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

### **2.13 Leases**

#### **(a) Finance lease**

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.

#### **(b) Operating lease**

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.

### **2.14 Earnings per Share**

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.

### **2.15 Provisions, Contingent Liabilities and Contingent Assets**

- (a) 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. Provisions are recognized if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expenses.

(b) Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

**2.16 Cash and cash equivalents**

Cash and cash equivalents include all cash balances and short-term highly liquid investments with an original maturity of three months or less that are readily convertible into known amounts of cash.

**2.17 Employee Benefit Accounting**

The company recognized a liability and an expense for bonuses and profit sharing, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation and the obligation can be measured reliably.

**2.18 Segments**

Operating segments are components of the company's business activities about which separate financial information is available that is evaluated regularly by the board of management of company. The board of management decides how to allocate resources and assesses performance. reportable segments comprises the operating sectors Engineering Procurement Construction Management (EPCM) and Media , Consulting & Allied services Segment reporting comparatives are reclassified for profit or loss purposes.

**2.19 Cash Flow statement**

Cash flow statements are prepared using the indirect method.

**2.20 Financial guarantees**

The company recognizes a liability at the fair value of the obligation at the inception of a financial guarantee contract. The guarantee is subsequently measured at the higher of the best estimate of the obligation or the amount initially recognized.

**2.21 Accounting changes**

In the Absence of explicit transition requirements for new accounting pronouncements, the company accounts for any change in accounting principle retrospectively.

**2.22 Reclassifications**

Certain items previously reported under specific financial statement captions have been reclassified to conform to the current year presentation.

# HIGH GROUND ENTERPRISE LIMITED



## Notes forming part of the financial statements

### 3a. SHARE CAPITAL

(Amount in ₹)

Particulars	FY 2013-14	FY 2012-13
<b>Authorised</b>		
11,000,000 (10,000,000) Equity Shares of Rs 10 each	110,000,000	100,000,000
<b>Issued, subscribed and paid up</b>		
5,497,000 Equity Shares of Rs 10 each fully paid up	54,970,000	54,970,000
<b>TOTAL</b>	<b>54,970,000</b>	<b>54,970,000</b>

#### Reconciliation of number of Equity Shares and Share Capital

Particulars	FY 2013-14		FY 2012-13	
	Number of equity share	Amount in ₹	Number of equity share	Amount in ₹
At the beginning of the year	5,497,000	54,970,000	5,395,000	53,950,000
Add: Conversion of Warrants into equity Share	-	-	102,000	10,20,000
Closing Balance	5,497,000	54,970,000	5,497,000	54,970,000

### 3 b. SHARES/WARRANT APPLICATION

#### Reconciliation of number of Shares & Warrant Application Money

Particulars	FY 2013-14 Amount in ₹	FY 2012-13 Amount in ₹
At the beginning of the year	-	-
<b><u>Reconciliation of number of Shares &amp; Warrant Application Money</u></b>		
Add: Money received ( Share Application )	61,36,650	-
Add: Conversion of O/s loans/creditors	27,29,76,930	-
Add: Excess Application Money received	50,836	-
<b>3101262 shares were allotted against them on 22/04/2014</b>		
<b><u>Money Received ( Warrant Application )</u></b>		
Add: Conversion of O/s loans/creditors	24,95,500	
** (Warrants to be allotted within 18 months w.e.f. 22/04/2014)		
	<b>28,16,59,916</b>	

## 29<sup>TH</sup> ANNUAL REPORT 2013-2014



### 4. RESERVES AND SURPLUS

(Amount in ₹)

Particulars	FY 2013-14	FY 2012-13
<b>(a) General Reserve</b>		
As per last Balance Sheet	1,048,500	378,500
Add : Transferred from Statement of Profit & Loss Account	20,00,000	670,000
Closing Balance	<b>3,048,500</b>	<b>1,048,500</b>
<b>(b) Surplus in Profit &amp; Loss Account</b>		
As per last Balance Sheet	32,997,382	10,257,457
Add : Profit for the year	40,474,384	26,625,533
Total	<b>73,471,766</b>	<b>36,882,990</b>
Less : Appropriations		-
Proposed Dividend	-	3,215,608
Transfer to General Reserves	20,00,000	670,000
Closing Balance	<b>71,471,766</b>	<b>32,997,382</b>
<b>Total</b>	<b>74,520,266</b>	<b>34,045,882</b>

### 5. LONG TERM BORROWINGS

(Amount in ₹)

Particulars	FY 2013-14	FY 2012-13
<b>Unsecured Loans</b>		
Sandeep R. Arora	-	12,443,415
Arvind Kapadia (HUF)	-	2,018,937
Picture Thoughts Pvt. Ltd.	-	2,733,800
Picture Thoughts Productions Pvt. Ltd.	482,796	11,850,598
Shrushti Contech	2,159,189	
<b>Total</b>	<b>2,641,985</b>	<b>29,046,750</b>

### 6. TRADE PAYABLES

(Amount in ₹)

Particulars	FY 2013-14	FY 2012-13
Engineering Procurement Construction Management	53,795,295	110,339,774
Media Consulting & Allied Services	156,864,316	63,349,972
<b>Total</b>	<b>210,659,611</b>	<b>173689746</b>

## HIGH GROUND ENTERPRISE LIMITED



### Notes forming part of the financial statements

#### 7. OTHER CURRENT LIABILITIES

(Amount in ₹)

Particulars	FY 2013-14	FY 2012-13
a) Profession Tax Payable	1,875	13,650
b) TDS Payable	13,104,132	5,206,546
c) Vat Payable	1,864,088	-
d) Provident Fund	9,189	-
e) Tax on Dividend (F.Y.2012-13)	467,108	-
f) Proposed Dividend	-	3,215,608
g) Unclaimed Dividend	155,125	-
h) Others	10,671,573	282,018
<b>Total</b>	<b>26,273,090</b>	<b>8,717,822</b>

#### 8. BANK BARROWING

(Amount in ₹)

Particulars	FY 2013-14	FY 2012-13
Cash Credit - Bank of Baroda	88,486,983	-
<b>Total</b>	<b>88,486,983</b>	<b>-</b>

#### 9. SHORT TERM PROVISIONS

(Amount in ₹)

Particulars	FY 2013-14	FY 2012-13
Provision for Tax	19,030,000	14,480,251
Provision - Media	473,388	995,577
Provision - EPCM	1,113,591	783,403
<b>Total</b>	<b>20,616,979</b>	<b>16,259,231</b>

#### 11. NON CURRENT INVESTMENTS

(Amount in ₹)

Particulars	FY 2013-14	FY 2012-13
Investments (At Cost):		
Joint Venture - Rain Ltd. UK	35,907,950	35,907,950
<b>Total</b>	<b>35,907,950</b>	<b>35,907,950</b>

## 29<sup>TH</sup> ANNUAL REPORT 2013-2014



### Notes forming part of the financial statements

#### 12. TRADE RECEIVABLES

(Amount in ₹)

Particulars	FY 2013-14	FY 2012-13
Unsecured considered good unless otherwise stated		
(a) Debts outstanding for a period exceeding six months considered good	56,063,512	45,813,830
(b) Other Debts	298,813,240	194,312,005
<b>Total</b>	<b>354,876,752</b>	<b>240,125,835</b>

#### 13. CASH AND BANK BALANCES

(Amount in ₹)

Particulars	FY 2013-14	FY 2012-13
(a) Cash on Hand	2,860,629	960,863
(b) Balances with Banks		
In current accounts	3,831,712	307,883
<b>Total</b>	<b>6,692,341</b>	<b>1,268,746</b>

#### 14. OTHER CURRENT ASSETS

(Amount in ₹)

Particulars	FY 2013-14	FY 2012-13
(a) Security Deposits	6,676,720	4,998,475
(b) Loans and advances to employees	923,803	-
(c) Work Contract Tax	66,227	-
(d) Service Tax credit receivable	5,360,191	3,524,731
(e) VAT receivable	-	181,866
(f) TDS receivable	13,354,036	2,641,098
(g) Cheques in hand	60,251,360	-
(h) FD with Banks (under lien)	6,239,503	5,502,226
(i) Accrued Interest on FD	238,881	-
<b>Total</b>	<b>93,110,721</b>	<b>16,848,396</b>



## HIGH GROUND ENTERPRISE LIMITED



### Notes forming part of the financial statements

#### 15. LOANS AND ADVANCES

(Amount in ₹)

Particulars	FY 2013-14	FY 2012-13
Stance Synergies Pvt. Ltd	-	750,000
Beautiful Print Pvt. Ltd	41,882,500	-
Blue Waves Infra Developers Pvt. Ltd	22,711,400	-
Choudhary Offset Pvt. Ltd	15,00,000	
Intergal Entertainment Pvt. Ltd	62,610,497	
Other Advances	990,460	440,420
<b>Total</b>	<b>129,694,857</b>	<b>1,190,420</b>

#### 16. REVENUE FROM OPERATIONS

(Amount in ₹)

Particulars	FY 2013-14	FY 2012-13
<b>Net Sales / Income from Operation</b>		
Engineering Procurement Construction Management	481,190,967	125,040,767
Media, Consulting and Allied services	282,371,519	150,042,955
<b>Total</b>	<b>763,562,486</b>	<b>275,083,722</b>

#### 17. OTHER INCOME

(Amount in ₹)

Particulars	FY 2013-14	FY 2012-13
Foreign Exchange Gain	7,644,477	1,075,258
Gain on Sale of Shares	-	2,543,101
Interest	307,451	34,960
Others	23,717	1,00,000
<b>Total</b>	<b>7,975,645</b>	<b>3,753,319</b>

#### 17. OPERATIONAL COST

(Amount in ₹)

Particulars	FY 2013-14	FY 2012-13
Cost of Productions / Services		
Engineering Procurement Construction Management (a)		
Opening Work in Progress/Stock	-	-
Add: Costs / services incurred during the year	437,849,150	111,794,230
Less: Closing work in Progress/ Stock	15,89,0500	-
Total Costs/Services for the year (a)	421,958,650	111,794,230
Media, Consulting and allied services (b)		
Opening Projects in Progress	20,974,070	8,966,659
Add: Costs / services incurred during the year	329,403,012	126,678,839
Less: Closing projects in Progress	102,085,806	20,974,070
Total Costs/Services for the year (b)	248,291,276	114,671,428
<b>Total (a)+(b)</b>	<b>670,249,926</b>	<b>226,465,658</b>

## 29<sup>TH</sup> ANNUAL REPORT 2013-2014



### Notes forming part of the financial statements

#### 19. EMPLOYEE BENEFIT EXPENSES

(Amount in ₹)

Particulars	FY 2013-14	FY 2012-13
Salaries and Wages	15,084,609	4,801,912
Staff Welfare expenses	1,008,096	426,295
<b>Total</b>	<b>16,092,705</b>	<b>5,228,207</b>

#### 20. FINANCE COST

(Amount in ₹)

Particulars	FY 2013-14	FY 2012-13
Interest Expenses on :		
(i) Unsecured Loans	8,044,030	3,046,186
(ii) Others	128,057	420,164
Bank Charges	584,784	93,836
<b>Total</b>	<b>8,756,871</b>	<b>3,560,186</b>

#### 21. OTHER EXPENSES

(Amount in ₹)

Particulars	FY 2013-14	FY 2012-13
Power and Fuel	290,527	260,582
Rent Including lease rentals	3,909,300	3,775,990
Repairs and maintenance	567,493	470,263
Insurance	80,063	4,055
Rates and Taxes	191,089	90,519
Freight Charges	616,553	-
Communication Expenses	393,220	476,330
Travelling and Conveyance	11,71,080	1,059,317
Printing and Stationery	289,680	135,137
Business Promotion	1,134,656	763,585
Donations and Contributions	24,000	-
Legal & Professional Fees	21,82,956	1,370,584
Audit fees	120,000	50,000
Advertising expenses	298,551	66,114
Postage and Courier Charges	123,045	82,897
Listing /Demat Connectivity Charges	34,750	178,596
Vehicle Expenses	425,036	208,818
Bad Debts ( written off)	1,649,387	-
Foreign Currency Exchange Loss	50,000	-
Office and Other Expenses	3,194,663	779,994
<b>Total</b>	<b>16,746,048</b>	<b>9,772,782</b>

## HIGH GROUND ENTERPRISE LIMITED



### Notes forming part of the financial statements

#### 22. EXTRA ORDINARY ITEM

(Amount in ₹)

Particulars	FY 2013-14	FY 2012-13
Forfeiture of application money received against warrants	-	6,425,000
<b>Total</b>	<b>-</b>	<b>6,425,000</b>

**Note:** During the F.Y. 2012-13 the company forfeited warrants application money of Rs 64,25,000 on non-receipt of balance warrants money within stipulated time period.

#### 23. 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 2013-14	FY 2012-13
Salaries and allowances	3,365,000	3,230,000

##### b- Payment to Auditors

(Amount in ₹)

Particulars	FY 2013-14	FY 2012-13
Audit & Tax Audit Fees	1,20,000	50,000
Certification & tax representation	5,000	32,000
Other matters	1,20,000	120,000

##### c. Foreign Exchange

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

(Amount in ₹)

Particulars	FY 2013-14	FY 2012-13
Foreign Currency Trade receivables	6,11,16,933	83,651,963

##### 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 2013-14	FY 2012-13
<b>Unsecured loans</b>		
Sandeep R. Arora	-	12,443,415
Picture Thoughts Private Limited	-	2,733,800
Arvind Kapadia (HUF)	-	2,018,937

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

## 29<sup>TH</sup> ANNUAL REPORT 2013-2014



### Notes forming part of the financial statements

**e. Earnings in Foreign Exchange:**

(Amount in ₹)

Particulars	FY 2013-14	FY 2012-13
FOB Value of Exports	6,08,343	99,626,528

**f. Earnings per Share**

(Amount in ₹)

Particulars	FY 2013-14	FY 2012-13
Profit after Tax	40,474,384	26,625,533
Basic & Diluted EPS before extra ordinary items	7.36	3.70
Basic & Diluted EPS after extra ordinary item	7.36	4.87

**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 ₹)

	F.Y. 2013-14			F.Y. 2012-13		
	Engineering, Procurement, Construction, Management	Media, Consulting & Allied services	Total	Engineering, Procurement, Construction, Management	Media, Consulting & Allied services	Total
<b>Segment Revenue</b>						
External sales	48,11,90,967	28,23,71,519	76,35,62,486	12,50,40,767	15,0042,955	27,50,83,722
Other income	307451	7668194	7975645	-	37,18,359	37,18,359
<b>Total revenue</b>	<b>481498418</b>	<b>290039713</b>	<b>771538131</b>	<b>12,50,40,767</b>	<b>15,37,61,314</b>	<b>27,88,02,081</b>
<b>Segment Result</b>						
Segment result	49833416	18175000	68008416	1,17,19,000	2,55,50,638	3,72,69,638
<b>Operating profit</b>	49833416	18175000	68008416	1,17,19,000	2,55,50,638	3,72,69,638
Interest expense	5305342	3451529	8756871	-	-	35,60,186
Interest income	-	-	307451	-	-	34,960
<b>Exceptional Items:</b> Gain on Forfeiture of application money against warrants	-	-	-	-	-	64,25,000
Tax expense	-	-	19084612	-	-	1,35,43,879
<b>Profit after Tax</b>	-	-	<b>40474384</b>	-	-	<b>2,66,25,533</b>

# HIGH GROUND ENTERPRISE LIMITED



## Notes forming part of the financial statements

(Amount in ₹)

Other Information	F.Y. 2013-14				F.Y. 2012-13			
	Engineering, Procurement, Construction, Management	Media, Consulting & Allied services	Un allocated	Total	Engineering, Procurement, Construction, Management	Media, Consulting & Allied services	Un allocated Total	Total
Segment assets	535086040	224801005	-	759887045	142554412	174178622	-	316733034
Segment liabilities	246464890	102271973	-	348736863	111123436	116593716	-	227717152
Depreciation/ amortization	-	133584	-	-	-	65796	-	65796

### Secondary segment information

(Amount in ₹)

	F.Y. 2013-14			F.Y. 2012-13		
	India	Outside India	Total	India	Outside India	Total
Revenue	770929788	608343	771538131	17,54,57,194	9,96,26,528	27,50,83,722
Carrying amount of assets	21628118	-	21628118	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.

### h. General Reserve

During the F.Y. 2013-14, an adhoc amount of Rs.20 lacs (being 5% of profit after tax approx.) has been transferred to General Reserve which is to be may utilized either for dividend or any other purpose as deemed appropriate.

24. During the quarter ended Mar'2014 the company has approved the allotment of Equity shares and warrants by way of

- (i) Conversion of loan from unsecured lenders & creditors and
- (ii) By way of fresh issue of shares. The Company has complied with all the regulatory and statutory compliances for the same. However, the allotment of shares as at 31/03/2014 was pending due to non receipt of "In-Principle approval" from the BSE which the company eventually received on April 9, 2014. Pursuant to the receipt of such "IPA" the Company had subsequently allotted 31,01,262 Equity Shares of Rs. 90 each (including premium of Rs. 80 per share) on April 22, 2014.

Further, permission has been received for issue of 18,27,136 warrants (face value of Rs.10/- per warrant) with in next 18 months w.e.f. 22/04/2014.

# HIGH GROUND ENTERPRISE LIMITED

**Registered Office:** Office No. 2, Om Heera Panna Mall, 2nd Floor, Oshiwara, Andheri (West), Mumbai- 400053

**CIN:** L74999MH1986PLC222681,

Web: <http://www.highgroundenterprise.com> email id: [info@highgroundenterprise.com](mailto:info@highgroundenterprise.com)

**Form No. MGT-11**

## PROXY FORM

**[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Management and Administration) Rules, 2014]**

CIN : L74999MH1986PLC222681  
Name of the Company : HIGH GROUND ENTERPRISE LIMITED  
Registered Office : Office No. 2, Om Heera Panna Mall, 2nd Floor, Oshiwara, Andheri (West), Mumbai- 400053  
Name of the member(s) : .....  
Registered Address : .....  
Email ID : .....  
Folio No./Client ID/DP ID : .....

I/We, being the member(s) of ..... shares of the above named Company, hereby appoint:

- 1) Name : ..... Address : .....  
Email ID: ..... Signature : .....or failing him
- 2) Name : ..... Address: .....  
Email ID: ..... Signature: .....or failing him
- 3) Name: ..... Address: .....  
Email ID: ..... Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on **Saturday, September 27, 2014 at 11.30 a.m.** at Court Yard Space, 2nd floor Om Heera Panna Mall, Oshiwara, Andheri (West) Mumbai-400053 and at any adjournment thereof in respect of such resolutions as are indicated below:

<b>Ordinary business</b>
1. Adoption of financial statements for the financial year ended March 31, 2014 and Reports of Directors' and Auditors' thereon.
2. Appointment of auditors and fixing their remuneration.
3. Declaration of final dividend for the financial year March 31, 2014.
4. Appointment of Director in place of Mr. Chintan Kapadia, who retires by rotation and does not offer himself for re-appointment.

<b>Special Business</b>
(5) Appointment of Mr. Vinod Rawal (DIN 01488906), as an Independent Director.
(6) Appointment of Mr. Anupam Kumar (DIN: 05276641), as an Independent Director
(7) Appointment of Mr. Paul Anthony Taylor (DIN: 05330406), as an Independent Director
(8) Revision in terms of appointment of Mr. Sandeep Arora
(9) Re-appointment of Mr. Chintan Kapadia as Whole Time Director w.e.f October 20, 2014
(10) Approval for borrowing limits u/s 180(1)(c) of the Companies Act, 2013
(11) Approval u/s 188 of the Companies Act, 2013 to pay rent of Rs.4,00,000/- to Mr. Sandeep Arora, Chairman Managing Director

Signed this ..... day of ..... 2014.

Affix 1 Rupee Revenue Stamp
--------------------------------------

.....  
Signature of shareholder

.....  
Signature of Proxy holder(s)

**Notes:**

- This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.**
- Notwithstanding the above the Proxies can vote on such other items which may be tabled at the meeting by the shareholders present.**

..... Cut here .....

**HIGH GROUND ENTERPRISE LIMITED**  
**29<sup>th</sup> Annual General Meeting**

**ATTENDANCE SLIP**

FOLIO NO. (Shares in physical mode)	
DP ID	
CLIENT ID	
NO. OF SHARES HELD	

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company. I hereby record my presence at the Annual General meeting of the Company to be held on Saturday, September 27, 2014 at \_\_\_\_\_ a.m. at \_\_\_\_\_ and at any adjournment thereof.

\_\_\_\_\_  
Signature of Member/Proxy

(THIS ATTENDANCE SLIP DULY FILLED TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)

Date:

**Book - Post / Courier**

**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