

Twenty Seventh Annual Report 2011-2012



HIGH GROUND ENTERPRISE LIMITED

HIGH GROUND ENTERPRISE LIMITED

BOARD OF DIRECTORS

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

COMMITTEES OF BOARD

AUDIT COMMITTEE :

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

SHAREHOLDER GRIEVANCE COMMITTEE :

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

REMUNERATION COMMITTEE :

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

REGISTERED OFFICE

2, 2nd Floor, Om Heera Panna Mall, Oshiwara,
Andheri West, Mumbai 400053.

AUDITORS

M/s. Jain Chowdhary & Co.

Chartered Accountants

104, Model Residency, B.J. Marg, Jacob Circle,
Mahalaxmi, Mumbai - 400 011.

REGISTRAR & SHARE TRANSFER AGENT

RCMC Share Registry Pvt. Ltd.

B-106, Sector 2, Noida 201301, National Capital
Region of Delhi, Uttar Pradesh, India

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HIGH GROUND ENTERPRISE LIMITED



CHAIRMAN'S STATEMENT

Dear Members,

Hearty welcome to you all. On behalf of the Board of Directors of High Ground Enterprise Limited and on my behalf it is a privilege and honor to extend a very warm welcome to 27th Annual General Meeting. At the outset, I am thankful to all the shareholders of the Company for their whole-hearted support and co-operation in furthering the overall growth and progress of the Company.

During the year, the Company completed production of two films *KYA DILLI KYA LAHORE* and *CHARLIE KE CHAKKAR MEIN*, which are scheduled to release end of 2012 & early 2013 respectively. Currently one more film *CHAI SHAI AUR BUISCUITS* (tentatively titled) is on the floor and two more slated to go on floor early next year and is expected to be released thereafter in 2013.

Being in the same sector we are expanding our activities in content acquisition and trading as well. We are also diversifying further in co-production structuring by leveraging on the global film production incentives. Your Company is looking out for great opportunities ahead in the coming time in the field of media and entertainment.

The future growth of the Company will call for additional investments in human resources, marketing and also for developing of new relationship to widen our product range. Nurturing and training talent to build up a strong team of professionals since human resources is one of the major assets of the Company is very important.

I look forward for the continued support and encouragement as always from our investors, stakeholders and employees. I especially thank the share holders of the company for showing trust and giving support in the interest of the Company.

Sincerely,

Sandeep Arora
Chairman and Managing Director

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NOTICE

NOTICE is hereby given that the 27th Annual General Meeting of the Members of HIGH GROUND ENTERPRISE LIMITED will be held on Saturday, September 29, 2012 at 11.00 a.m. at R.K. Studio & Rehearsal Hall 53, link plaza, above Shreejee Restaurant, Link Road, Andheri (west), Mumbai-400102 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, 2012, 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, who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT pursuant to the provision of sections 224, 224A and other applicable provisions, if any, of the Companies Act, 1956, M/s. Jain Chowdhary & Co., Chartered Accountants, Mumbai, having Registration No. 113267W, issued by the Institute of Chartered Accountants of India be and hereby appointed as statutory auditors of the Company to hold office until the conclusion of the next Annual General Meeting at a remuneration to be decided by the Board of Directors of the Company, based on the recommendation of the Audit Committee, in addition to reimbursement of all out of pocket expenses in connection with the audit of the accounts of the Company for the year ending March 31, 2013."

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force), Mr. Vinod Rawal, who pursuant to Article 92, of the Articles of Association of the Company was appointed as an Additional Director of the Company on February 13, 2012 and who under Section 260 of the Companies Act, 1956, holds office only up to the date of this Annual General Meeting and being eligible offers himself for appointment and in respect of whom the Company has received a notice in writing from a member, signifying his intention to propose the candidature of Mr. Vinod Rawal for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force), Mr. Anupam Kumar, who pursuant to Article 92, of the Articles of Association of the Company was appointed as an Additional Director of the Company on 28th April, 2012 and who under Section 260 of the Companies Act, 1956, holds office only up to the date of this Annual General Meeting and being eligible offers himself for appointment and in respect of whom the Company has received a notice in writing from a member, signifying his intention to propose the candidature of Mr. Anupam Kumar for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force), Mr. Paul Taylor, who pursuant to Article 92, of the Articles of Association of the Company was appointed as an Additional Director of the Company on 28th April, 2012 and who under Section 260 of the Companies Act, 1956, holds office only up to the date of this Annual General Meeting and being eligible offers himself for appointment and in respect of whom the Company has received a notice in writing from a member, signifying his intention to propose the candidature of Mr. Paul Taylor for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT, pursuant to the provision of section 198, 269, 309, 310 and other applicable provisions if any, of the Companies Act, 1956 ("the Act") read with Schedule XIII of the Act, and subject to the approval of Central Government, if required, approval of the Company be and is hereby accorded for the 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 issued by the Company to Mr. Chintan Kapadia, which is placed before the meeting, with liberty to the Directors/ Remuneration committee to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Directors and Mr. Chintan Kapadia, 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

RESOLVED FURTHER THAT, the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as may be necessary or expedient to give effect to the above resolution."

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

"RESOLVED THAT, pursuant to the provision of section 198, 269, 309, 310 and other applicable provisions if any, of the Companies Act, 1956 ("the Act") read with Schedule XIII of the Act, and subject to the approval of Central Government, if required, approval of the Company be and is hereby accorded for the appointment of Mr. Sandeep 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 to be issued by the Company to Mr. Sandeep Arora, which is placed before the meeting, with liberty to the Directors/Remuneration committee to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Directors and Mr. Sandeep Arora, 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.

RESOLVED FURTHER THAT, the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as may be necessary or expedient to give effect to the above resolution."

Place: Mumbai

For and on Behalf of the Board of Directors

Dated: September 1, 2012

Sandeep Arora
Chairman and Managing Director

NOTE:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxy in order to be effective must be received by the Company not less than 48 hours before the meeting.**
2. The details of the directors seeking appointment/re-appointment at the forthcoming Annual general meeting as stipulated under clause 49 of the Listing Agreement with the Bombay Stock Exchange are also annexed.
3. The relative explanatory statement pursuant to Section 173(2) is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September, 2012 to 29th September, 2012 (both days inclusive).
5. Please bring your attendance slip, duly completed at the meeting.
6. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company
7. Members who hold shares in physical form in multiple folios in identical names are requested to send the share certificates to RCMC Share Registry Private Ltd. immediately to enable consolidation of their holding into one folio.
8. Shareholders are requested to promptly notify any change in their addresses.
9. Members are requested to bring their copy of the Annual Report at the time of attending the Annual General Meeting.

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

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEM NO. 4 TO 8:

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

ITEM NO. 4

Mr. Vinod Rawal was appointed as Additional Director with effect from 13th February, 2012. Pursuant to provisions of Section 260 of the Companies Act, 1956, Mr. Vinod Rawal would hold office as a Director only up to the date of this 27th Annual General Meeting.

The Company has received a notice alongwith deposit of Rs. 500/-, pursuant to and in accordance with section 257 of the Companies Act, 1956 from a member signifying his intention to propose the appointment of Mr. Vinod Rawal to the office of the Director of the Company. Mr. Vinod Rawal has consented to continue as Director of the Company, if appointed. The Board of Director considers that it would be in the interest of the Company to continue to avail the services of Mr. Vinod Rawal as Director and hence recommends his appointment.

Mr. Vinod Rawal does not hold any shares in the Company.

Mr. Vinod Rawal is interested in the resolution at item no. 4 of the Notice.

Save as aforesaid, none of the Directors of the Company are, in any way, concerned or interested in the said resolution.

The Board of Directors of the Company recommend passing of the resolution.

ITEM NO. 5

Mr. Anupam Kumar was appointed as Additional Director with effect from 28th April, 2012. Pursuant to provisions of Section 260 of the Companies Act, 1956, Mr. Anupam Kumar would hold office as a Director only up to the date of this 27th Annual General Meeting.

The Company has received a notice alongwith deposit of Rs. 500/-, pursuant to and in accordance with section 257 of the Companies Act, 1956 from a member signifying his intention to propose the appointment of Mr. Anupam Kumar to the office of the Director of the Company. Mr. Anupam Kumar has consented to continue as Director of the Company, if appointed. The Board of Director considers that it would be in the interest of the Company to continue to avail the services of Mr. Anupam Kumar as Director and hence recommends his appointment.

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Mr. Anupam Kumar does not hold any shares in the Company.

Mr. Anupam Kumar is interested in the resolution at item no. 5 of the Notice.

Save as aforesaid, none of the Directors of the Company are, in any way, concerned or interested in the said resolution.

The Board of Directors of the Company recommend passing of the resolution.

ITEM NO. 6

Mr. Paul Taylor was appointed as Additional Director with effect from 28th April, 2012. Pursuant to provisions of Section 260 of the Companies Act, 1956, Mr. Paul Taylor would hold office as a Director only up to the date of this 27th Annual General Meeting.

The Company has received a notice alongwith deposit of Rs. 500/-, pursuant to and in accordance with section 257 of the Companies Act, 1956 from a member signifying his intention to propose the appointment of Mr. Paul Taylor to the office of the Director of the Company. Mr. Paul Taylor has consented to continue as Director of the Company, if appointed. The Board of Director considers that it would be in the interest of the Company to continue to avail the services of Mr. Paul Taylor as Director and hence recommends his appointment.

Mr. Paul Taylor does not hold any shares in the Company.

Mr. Paul Taylor is interested in the resolution at item no. 6 of the Notice.

Save as aforesaid, none of the Directors of the Company are, in any way, concerned or interested in the said resolution.

The Board of Directors of the Company recommend passing of the resolution.

ITEM NO. 7

Mr. Chintan Kapadia has been on the Board of the Company from August, 2010 and has been rendering valuable services to the Company. Considering the requirements of the Company, the Board of Directors of the Company has appointed Mr. Chintan Kapadia as a Whole Time Director of the Company, liable to retire by rotation, for a period of three years from October 20, 2011 to October 19, 2014, subject to the approval of the shareholders and Central Government, if required.

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 possesses 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 is mentioned in the draft letter of appointment placed before the meeting approved by the Board of Directors/Remuneration Committee at their meeting held on September 1, 2012.

Salary: The Whole Time Director shall be entitled to a Monthly Salary in the range of Rs. 75,000/- to Rs. 2,00,000/- per month, Current Monthly Salary is Rs.75,000/-.

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 cease to be a Director of the Company.

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

ITEM NO. 8

Mr. Sandeep Arora has been on the Board of the Company from September, 2009 and has been rendering valuable services to the Company. Considering the requirement of the Company, the Board of Directors of the Company has decided to appoint Mr. Sandeep Arora as a Managing Director for a period of three years from April 28, 2012 to April 27, 2015, subject to the approval of the shareholders and Central Government, if required.

Mr. Sandeep Arora has done his Bachelor of Commerce from Delhi University.

He possesses a total experience of about 11 years. Your Board is of the opinion that considering the experience of Mr. Sandeep Arora, his appointment as Managing 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 is mentioned in the draft letter of appointment placed before the meeting approved by the Board of Directors/Remuneration Committee at their meeting held on September 1, 2012.

Salary: The Managing Director shall be entitled to a Monthly Salary in the range of Rs. 75,000/- to Rs. 2, 00,000/- per month, Current Monthly Salary is Rs.75,000/-.

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

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

The Office of Mr. Sandeep Arora as Managing Director shall not be liable to retirement by rotation in terms of Section 255 of the Companies Act, 1956.

The notice read with explanatory statement shall be considered as an abstract of the terms of appointment and payment of remuneration to the Whole Time Director and Managing Director and a memorandum as to the nature of the concern or interest of the Directors as required to be given to every member under the provisions of section 302 of the Companies Act, 1956.

The Board of Directors of the Company recommend passing of the resolution as set out at Item no.7 & 8 of the Notice.

None of the Directors of the Company are concerned or interested in the resolution. Mr. Chintan Kapadia and Mr. Sandeep Arora are interested only in the resolution for their appointment.

The draft letters of appointment are open for inspection at the registered office of the Company during the working hours till the date of Annual General Meeting.

I. Information required under clause IV of proviso to paragraph 1(B) of section II of part II of schedule XIII of the Companies Act, 1956:

Sr. No.	Particulars	General Information		
1.	Nature of Industry	<p>The Company is engaged in the business of movies and media entertainment.</p> <p>The primary business activity spans from Independent Film production, Co production alliances & acquisitions, Consulting & bridge funding (global production incentives) to Post production facilities.</p>		
2.	Date or expected date of commencement of commercial production	Not Applicable		
3.	In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable		
4.	Financial Performance based on given indicators	Particulars	Year ended 31st march 2012 (Rs. Lakhs)	Year ended 31st march 2011 (Rs. Lakhs)
		Total Income	1222.10	21.00
		Total Expenditure	910.19	39.42
		Profit/Loss before tax	311.91	(18.42)
		Provision for tax - Current Taxes	49.40	NIL
		Profit after tax	262.51	NIL
		Profit / (Loss) Brought Forward from Previous year	(159.92)	(141.50)
		Tax Adjustments of prior years	Nil	NIL
		Profit / (Loss) carried to Balance Sheet	102.59	(159.92)
5.	Export Performance and Net Foreign Exchange Collaborations	Particulars	Current Year	Previous Year
		Foreign Exchange Earnings	8,48,97,250	21,00,000
		Foreign Exchange Outgo	26,00,000	NIL
6.	Foreign Investments and Collaborations	The Company has made Foreign Investments in Pictures Partners International Ltd & Rain Ltd. during the last year. There is no foreign collaboration.		

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II. Information About the Appointees:

Sr. No.	Particulars	General Information
1.	Background Details	
	Mr. Sandeep Arora	Mr. Sandeep Arora has done his Bachelor of Commerce from Delhi University and he is a business prodigy whose expertise and vision in media & entertainment domain spreads across UK and Indian markets. Straddling from advertising, film production to post production facilities; his professional and entrepreneurial business graph now stretches to high end and niche Consultancy services in structuring overseas co-productions & Incentive based partnerships. His professional foray into global marketplace honed his skills and knowledge base, initially in the role of Director of Photography, Production Designer and Creative Director. After moving to London in 2001 he got an opportunity to dabble in the broadcasting/TV business with Reminiscent Television (UK). In 2004 he ventured to set-up a Post Production facility, alongside he also successfully played an active role in developing the hitherto unorganized niche film consultancy vertical in the UK and South Pacific; engaging in collaborative projects with film production houses from India, UK & Europe.
	Mr. Chintan Kapadia	Mr. Chintan A. Kapadia has a very wide range of experience in the area of Films, Production, Taxation and Accounting and is well versed with Global Film Production Incentives. For past 7 years Mr. Kapadia has worked in UK & India as Global Tax Consultant with various Hollywood and Bollywood producers and has developed an excellent relation with both top film making executives and tax professionals. He played a significant role in developing and structuring Fiji Island's Film incentive scheme suitable for Bollywood producers. He headed first production in Fiji (Border Order) and successfully achieved the Fiji Island's most lucrative film production rebate of 47% and was the first ever Bollywood production to do so. He has been consultant to various Hollywood and Bollywood projects in UK like Hum Tum Aur Ghost, London Dreams, Jhootha Hi Sahi, Dil Diya Hai, Aashiq banaya Aapne, Bombil & Beatrice, Red Mercury, It Could be you, Living in the Home of Dead, Act of God, etc. He has been strategic advisor starting from budgeting, processing application, liaising, to successfully claiming the incentives/tax credits from relevant authorities of UK. With over 15 successful films in UK under his belt, he is expanding his vision to various other countries like Australia, Puerto Rico and Alaska.
2.	Past remuneration drawn by Mr. Sandeep Arora, Mr. Chintan Kapadia,	Mr. Sandeep Arora - NIL Mr. Chintan Kapadia - NIL
3.	Recognition and Awards	No external recognition and rewards.
4.	Job profile & Suitability	Mr. Sandeep Arora has managerial skills and wide experience and will be overall responsible for the functioning of the business & corporate affairs. Mr. Sandeep Arora, has been closely associated with the Company in various capacities for last 11 years whereas, Mr. Chintan Kapadia has immense knowledge in the field of Finance, Accounts and Taxation and will be in charge of Finance administration, under the supervision and control of the Board.

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5.	Remuneration proposed	Salary proposed to Mr. Sandeep Arora and Mr.Chintan Kapadia is Rs. 75,000/- up to Rs. 2,00,000 including perquisites and other variable allowances.
6.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Taking into consideration the size of the Company, the profile, knowledge, skills, and responsibilities rendered by Mr. Sandeep Arora and Mr. Chintan Kapadia, the remuneration proposed to be paid is commensurate with the remuneration packages paid to their counterparts in other companies.
7.	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel	Besides the Remuneration proposed to be paid to Mr. Sandeep Arora and Mr. Chintan Kapadia, they do not have any other pecuniary relationship with the Company or relationships with any other managerial personnel and Directors.

III. Other Information:

Sr. No.	Particulars	General Information
1.	Reasons of loss or inadequate profits	Not Applicable
2.	Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms	Not Applicable

IV. Disclosures:

The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the Annual Report in the Corporate Governance Report under the heading 'Remuneration in Rupees paid or payable to Directors for the year ended March 31, 2012.

For and On Behalf of the Board of Directors

Sandeep Arora
Chairman and Managing Director

Place: Mumbai

Dated: September 1, 2012

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ADDITIONAL INFORMATION

Pursuant to clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd., following information is furnished in respect of Directors proposed to be appointed.

Name of the Director	Mr. Sandeep Arora	Mr. Chintan Kapadia	Mr. Anupam Kumar	Mr. Vinod Rawal	Mr. Paul Taylor
Age	40	32	37	46	56
Nationality	Indian	Indian	Indian	Indian	United Kingdom
Date of Appointment on Board	September 3, 2009	August 2, 2010	April 28, 2012	February 13, 2012	April 28, 2012
Shareholding in the Company	NIL	NIL	NIL	NIL	NIL
Qualification	B.Com	B.Com and C.A	M.B.A & Mechanical Engineer	B.Com and C.A	Fellow member of Royal Society of Arts in U.K.
Expertise in specific functional area	Business Development and Creative Production Set-up	Business Management and Financial Advisor	Business Administrator & business initiations and business development processes	Accountancy, Auditing and Consultancy on Direct Taxes including International Taxation in India and abroad	Strategic Business Consulting to Film Production, Television Broadcast and Post Production companies in Europe and Asia.
Directorship held in other public companies \$	Nil	Nil	Nil	Nil	Nil
Chairmanships/ memberships of committees in other companies	Nil	Nil	Nil	Nil	Nil

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

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DIRECTORS' REPORT

Dear Shareholders

Your Directors are pleased to present the Twenty Seventh Annual Report of your Company together with the audited statement of accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS :

	YEAR ENDED 31ST MARCH 2012 (RS. LAKHS)	YEAR ENDED 31ST MARCH 2011 (RS. LAKHS)
Total Income	1222.10	21.00
Total Expenditure	910.19	39.42
Profit/Loss before tax	311.91	(18.42)
Provision for tax - Current Taxes	49.40	NIL
Profit after tax	262.51	NIL
Profit / (Loss) Brought Forward from Previous year	(159.92)	(141.50)
Tax Adjustments of prior years	Nil	NIL
Profit / (Loss) carried to Balance Sheet	102.59	(159.92)

DIVIDEND

In order to conserve the financial resources of the Company, your Directors do not recommend any dividend.

REVIEW OF OPERATIONS AND FUTURE PROSPECTS

During the year the Company has completed production of two films. Currently one more film is on the production floor and two more are slated and expected to be released thereafter in 2013.

DIRECTORS

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

The following Directors were appointed as Additional Directors to hold office until the next Annual General Meeting Mr. Vinod Rawal, Mr. Anupam Kumar and Mr. Paul Taylor.

Mr. Siddharth Chugh, Director of the Company has resigned from the Board w.e.f November 24, 2011.

APPOINTMENT OF MANAGING DIRECTOR

During the year, the Board has appointed Mr. Sandeep Arora as Managing Director at its Meeting held on 28th April, 2012 with immediate effect for a period of 3 (three) years, subject to the approval of Shareholders and the Central Government, if required. The appointment and remuneration was ratified by the remuneration committee.

The Resolution for approval of Shareholders forms a part of the Notice of the Annual General Meeting.

APPOINTMENT OF WHOLE TIME DIRECTOR

During the year, the Board had appointed Mr. Chintan Kapadia as Whole Time Director at its Board Meeting held on 20th October, 2011 with immediate effect for a period of 3 (three) years, subject to the approval of Shareholders and Central Government, if required. The appointment and remuneration was ratified by the remuneration committee.

The Resolution for approval of Shareholders forms a part of the Notice of the Annual General Meeting.

CONVERSION OF WARRANTS INTO EQUITY AND FORFEITURE OF WARRANTS

During the period the Company has allotted 26,24,525 Equity Shares on October 20, 2011 and 1,02,000 Equity Shares on 24th July, 2012 of Rs.10/- each on conversion of warrants and forfeited 21,70,000 warrants due to non-receipt of pending money from respective warrant holders.

LISTING OF SECURITIES

The Company's shares are listed on the Bombay Stock Exchange. The annual listing fees have been paid by the Company. The Company's shares prior to the preferential allotment are also listed with the Delhi Stock Exchange; however the additional shares have not been listed.

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APPROVAL OF CHANGE OF NAME BY BOMBAY STOCK EXCHANGE

In accordance with the Listing agreement, during the year, the Company applied for change of name from Woo Yang Electronics (India) Limited to High Ground Enterprises Limited with the Bombay Stock Exchange which was approved by the Exchange.

CORPORATE GOVERNANCE

The First Report on Corporate Governance in compliance with clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited and the Auditors' Certificate form part of this Report. However, Clause 49 of the listing agreement was applicable from 20th October, 2011.

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, 2012. There were no unclaimed or unpaid deposits as on March 31, 2012.

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

Your company has no activity relating to conservation of energy and technology absorption.-Therefore information under section 217(1)(e)-Not Applicable

Details of Foreign Exchange Earning and Outgo are given below:-

Foreign Exchange Earnings	-	Rs. 8,48,97,250.00 (Previous Year : Rs. 21,00,000.00)
Foreign Exchange Outgo	-	Rs. 26, 00,000 (Previous Year : Rs. Nil)

DIRECTORS' REPONSIBILITY 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, 2012 and of the Profit for the period from 1st April, 2011 to 31st March, 2012.
- (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.

AUDITORS

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

ACKNOWLEDGEMENTS

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

By Order of the Board of Directors

Mr. Sandeep Arora
Chairman and Managing Director

Mr. Chintan Kapadia
Whole Time Director

Mumbai, Dated September 1, 2012

REPORT ON CORPORATE GOVERNANCE

1. PHILOSOPHY ON CORPORATE GOVERNANCE AT HIGH GROUND ENTERPRISE LIMITED

The philosophy of Corporate at High Ground Enterprise Limited is:

- (a) To ensure highest levels of integrity and quality.
- (b) To ensure observance of highest standards & levels of transparency, accuracy, accountability and reliability on the organisation.
- (c) To ensure protection of wealth and other resources of the Company for maximizing the benefits to the stakeholders of the Company

2. BOARD OF DIRECTORS

- (i) Composition and category of the Board of Directors

The Board of Directors of High Ground Enterprise Limited consists of six Directors with a fair representation of executive, non-executive and independent Directors. The Chairman being an Executive Director and from Promoter group, as per the listing Agreement, the Company has three independent Directors on the Board being 50% of the Board as independent.

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 / she is a Director.

Sr.No	Name of the Director/ Managing Director	Executive/ Non- Executive	Independent/ Non-Independent
1.	Mr. Sandeep Arora	Executive	Chairman & Managing Director
2.	Mr. Chintan Kapadia	Executive	Whole Time Director
3.	Mr. Manish Mehrotra	Executive	Director
4.	Mr. Vinod Rawal* Appointed w.e.f 13th Feb, 2012	Non-Executive	Independent
5.	Mr. Anupam Kumar* Appointed w.e.f 28th April, 2012	Non-Executive	Independent
6.	Mr. Paul Anthony Taylor* Appointed w.e.f 28th April, 2012	Non-Executive	Independent

- (ii) Board Meetings held and attendance

Sixteen (16) Board Meetings were held during the financial year, i.e. April 13, 2011, May 2, 2011, May 27, 2011, June 6, 2011, June 24, 2011, July 20, 2011, August 12, 2012, August 19, 2011, September 12, 2011, September 21, 2011, October 20, 2011, November 14, 2011, December 5, 2011, February 2, 2012, February 13, 2012 and March 7, 2012. The gap between any two Board Meetings did not exceed four months. Notice and Agenda papers were circulated to the Directors well in advance to enable the Board to take informed decisions. All the relevant statements and information necessary for considering various matters in the light of Corporate Governance practices as prescribed in Clause 49 of the Listing Agreement were placed before the Board.

HIGH GROUND ENTERPRISE LIMITED



Attendance of Directors at Board Meetings during the year 2011-12 and at the last Annual General Meeting as also the number of other companies in which they hold Directorship and Membership or Chairmanship of Committees is given below:

Name of Director	Position	Attendance Particulars		No of Directorships in other domestic public limited companies		No of Committee Memberships* in other domestic public limited companies	
		Board Meeting	Last AGM	As Chairman	As Director	As Chairman	As Member
Mr. Sandeep Arora	Chairman & Managing Director-Executive	6	Attended	Nil	Nil	Nil	Nil
Mr. Chintan Kapadia	Whole Time Director-Executive	10	Attended	Nil	Nil	Nil	Nil
Mr. Manish Mehrotra	Director-Executive	6	Attended	Nil	Nil	Nil	Nil
Mr. Vinod Rawal*	Independent	2	-	Nil	Nil	Nil	Nil
Mr Anupam Kumar#	Independent	-	-	Nil	Nil	Nil	Nil
Mr. Paul Anthony Taylor#	Independent	-	-	Nil	Nil	Nil	Nil
Mr. Siddharth Chugh\$	Director	10	Attended	Nil	Nil	Nil	Nil

*Mr. Vinod Rawal was appointed as Additional Director w.e.f. February 13, 2012.

#Mr. Anupam Kumar and Mr. Paul Taylor was appointed as Additional Director w.e.f. April 28, 2012.

\$On 24th November, 2011, Mr. Siddharth Chugh has resigned as Director of the Company.

3. AUDIT COMMITTEE:

1. Audit Committee

(a) Terms of Reference

The terms of reference of the Audit Committee are in conformity with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

(b) Audit Committee Members

The Audit Committee was constituted and comprised of 3 members Mr. Vinod Rawal, Independent Director, Mr. Anupam Kumar, Independent Director and Mr. Sandeep Arora were appointed as members of Audit Committee. Mr. Vinod Rawal, Independent Director is the Chairman of the Audit Committee.

(c) Meetings held and attendance

Clause 49 of the Listing Agreement was applicable to the Company only from October 20, 2011 and the Audit Committee was constituted in the month of April, 2012. Consequently there was no meeting held during the financial year ending March, 2012. However two Audit Committee meetings were held on 28th April, 2012 and 11th August, 2012.

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Attendance at Audit Committee meetings during the year 2011-12 was as follows:

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

Mr. Vinod Rawal was appointed on 13th Feb, 2012 and Mr. Anupam Kumar was appointed on 28th April, 2012.

4. Remuneration Committee

The Remuneration Committee was constituted and comprised of 3 members Mr. Vinod Rawal, Mr. Anupam Kumar and Mr. Paul Taylor were appointed as members of Remuneration Committee. Mr. Vinod Rawal, Independent Director is the Chairman of Remuneration Committee.

Meetings held and attendance during financial year ended March 31, 2012

Name of the Directors	No. of Meetings held
Mr. Vinod Rawal	Nil
Mr. Anupam Kumar	Nil
Mr. Paul Taylor	Nil

Details of Remuneration in Rupees paid or payable to Directors for the year ended March 31, 2012

Name of Director	Relationship with the Directors	Sitting Fees	Remuneration\$	Total	No of Shares held
Sandeep Arora	None	1,20,000	Nil	1,20,000	Nil
Chintan Kapadia	None	2,00,000	4,45,000	6,45,000	Nil
Manish Mehrotra	None	Nil	Nil	Nil	Nil
Vinod Rawal	None	Nil	Nil	Nil	Nil
Anupam Kumar	None	Nil	Nil	Nil	Nil
Paul Taylor	None	Nil	Nil	Nil	Nil
Siddharth Chugh *	None	2,00,000	3,25,000	5,25,000	Nil

Figures are rounded off wherever required

\$ Inclusive of Basic, DA, HRA, Conveyance, Leave Travel Allowance, Incentive and Medical Allowance.

*Mr. Siddharth Chugh has resigned as Director of the Company w.e.f 24th November, 2011.

5. Shareholders/ Investors Grievances Committee

The Shareholders/ Investors Grievances Committee comprised of an Independent Non Executive Directors as the Chairman and two Independent Non Executive Directors as members. The committee apart from the ensuring timely share transfers also looks into any investors complaints. The committee has designated Compliance Officer as the officer in-charge of all investor complaints. The matters unresolved for more than 15 days are reported to the committee. Clause 49 of the Listing Agreement was applicable to the Company only from October 20, 2011 and the Committee was constituted in the month of April, 2012. Consequently there was no meeting held during the financial year ending March, 2012.

HIGH GROUND ENTERPRISE LIMITED



Name of the Member	No. of meetings attended
Mr. Vinod Rawal	Nil
Mr. Anupam Kumar	Nil
Mr. Sandeep Arora (Chairman)	Nil

6. INVESTORS COMPLAINTS

The Company received the following 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
Total	1	1	Nil

Mr. Swaminath Jaiswar is the Compliance Officer of the Company.

7. 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.

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, 2012.

FOR HIGH GROUND ENTERPRISE LIMITED

Date: **September 1, 2012**

Place: Mumbai

Sandeep Arora

Chairman & Managing Director

8. 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. 30 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 shares of the company are not traded in any stock exchange. The Company has paid the requisite listing fees to the Bombay Stock Exchange.

9. 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.

10. Annual General Meetings (AGM)

The details of last three Annual General Meetings are as under:

Year Venue Day/Date Time

Year	Venue	Day/Date	Time
2010-2011	Svenksa (Design Hotels), F-73/74, Oberoi Complex, Off Link Road, Andheri (W), Mumbai-400053	30th September, 2011	10.00 am
2009-2010	Hotel Star Rocks, C-5/30, Safdarjung Development Area, Opposite IIT Main Gate, Hauz Khas, New Delhi, Delhi- 110016	25th September, 2010	4.00 pm
2008-2009	Kshitij Corporate Inn, S-27 Greater Kailash Part-I, New Delhi-110048	13th November, 2009	11.30 am

Ordinary/Special Resolution passed through postal Ballot

- Section 293(1) (A) of the Companies Act, 1956, for Creation of Charge.
- Section 293(1)(d) of the Companies Act, 1956, for Borrowings
- Section 372A (1) of the Companies Act, 1956, for giving loans, extending guarantee or providing security.

11. 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.

12. General Shareholders Information

(a) Annual General Meeting

Date : 29th September 2012

Time : 11.00 a. m.

Venue : R.K. Studio & rehearsal hall 53, Link Plaza, above Shreejee Restaurant, Link Road, Andheri (west), Mumbai-400102

(b) Financial Year

1st April, 2011 to 31st March, 2012

(c) Date of book closure

23rd September, 2012 to 29th September, 2012 (both days inclusive)

HIGH GROUND ENTERPRISE LIMITED



(d) Listing on Stock Exchanges

The Company's shares are listed on Bombay Stock Exchange Limited, Mumbai. 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 2011-12.

Stock Code & ISIN: INE361M01013

Stock Code 517080

(e) Market Price Data:

The securities of the Company are not traded in any of the exchange where the securities are listed, therefore the Monthly high and low quotations as well as the volume of shares traded during 2011-12 are not available.

(f) Registrar and Share Transfer Agents

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

RCMC Share Registry Pvt. Ltd.

B-106, Sector 2, Noida 201301,

National Capital Region of Delhi,

Uttar Pradesh, India

Tel no- 0120-4015880

Fax no-0120-2444346

e-mail id- shares@rcmcdelhi.com

(g) 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.

(h) Distribution of Shareholding as on 31st March, 2012

SHARE OR DEBENTURE HOLDING OF NOMINAL VALUE OF		SHARE/DEBENTURE HOLDERS		SHARE/DEBENTURE AMOUNT	
Rs.	Rs	Number	% to Total	Rs.	Number
(1)		(2)	(3)	(1)	(2)
Upto -	5,000	1932	92.22	3322000.00	6.16
5,001 -	10,000	102	4.87	841000.00	1.56
10,001 -	20,000	21	1.00	315000.00	0.58
20,001 -	30,000	12	0.57	289000.00	0.54
30,001 -	40,000	6	0.29	217000.00	0.40
40,001 -	50,000	3	0.14	140000.00	0.26
50,001 -	1,00,000	7	0.33	606000.00	1.12
	1,00,001 and above	12	0.58	48220000.00	89.38
TOTAL		2095	100.00	53950000.00	100.00

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(i) Distribution of Shareholding Pattern as on 31st March, 2012.

Category	No. of shares held	Percentage of shareholding
Promoters	24,25,800	44.96
Mutual Funds and UTI	200	-
Banks, Financial Institutions.	-	-
Bodies Corporate	14,73,400	27.31
Indian Public	6,82,700	12.66
NRI/OBC/Foreign Companies	8,12,900	15.07
Other (Clearing)	-	-
Total	53,95,000	100

(j) **Dematerialization of shares:**

As on 31st March 2012, 12.26% of the Company's paid up share capital was held in dematerialized form.

(k) **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.

2. CEO / CFO certification

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

3. 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



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

To,
The Board of Directors
High Ground Enterprise Limited

We, Sandeep Arora, Managing Director and Chintan Kapadia, Whole Time Director, hereby certify that in respect of the Financial Year ended March 31, 2012: -

1. We have reviewed the financial statements and the cash flow statements for the Financial Year ended March 31, 2012 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 Arora
Chairman and Managing Director

Chintan Kapadia
Whole Time Director

Date: September 1, 2012

Place: 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, 2012, 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

Place: Mumbai

Date: September 1, 2012

HIGH GROUND ENTERPRISE LIMITED



MANAGEMENT DISCUSSION AND ANALYSIS

INDIAN FILM INDUSTRY & MARKET

Indian film industry is going global in a big way.

The FICCI Report 2011 states that the amount of media spends in India as a percentage of GDP is 0.41%. This ratio is almost half of the world's average of 0.80% and is much lesser compared to developed countries like USA and Japan. This indicates the potential for growth in spends as the industry in India matures and the potential of the untapped market is explored.

Film music dominates the music industry: Film music, including Bollywood and regional film music, accounts for 67% of music sales in India. Film producers typically create an album for a film and license the exploitation rights to a music company.

In recent years, the Government has relaxed entry regulations and restrictions governing foreign companies in India. Presently, Foreign Direct Investment up to 100% is allowed in the film and advertising industry, 100% in TV broadcasting (except news) and 26% in publishing newspaper and periodicals dealing in news and current affairs.

The Media & Entertainment industry is expected to grow steadily over the next 5 years period. The industry is looking at tapping newer target segments, geographies and mediums, while tapping the potential of the existing ones.

According to a FICCI report, the industry reported a reduction in talent costs of 20%-40% in year 2009 as compared to fiscal year 2007-2008. In 2010 as well, talent costs decreased by ~20%. A Good News for Film Producers.

Demands for in film advertising, merchandising and co-branding opportunities has been increased.

Many multiplex owners have announced aggressive growth plans in regional markets. This is expected to translate into higher revenues due to higher ticket prices and improved occupancy rates for regional films (source: FICCI Report 2010).

The intense competition among the current 10-12 general entertainment channels has led to a fight for differentiated content and for access to the latest blockbuster films.

The cable & satellite and ancillary rights are estimated to be the fastest growing segments with 2011-15 CAGR of 15%p.a. This growth has been fuelled by emerging new media technologies in ancillary rights involving mobile and internet.

THE MAIN REVENUE STREAMS OF THE INDIAN FILM INDUSTRY

Domestic Theatrical - Box office collections from theatres within India.

Overseas Theatrical - Box office collections from theatres outside India.

Home Videos - Proceeds from the sale of DVDs or CDs.

Cable & Satellite Rights - License fees obtained from exhibition of films by television networks and satellite network operator.

Ancillary Revenue Streams -Proceeds from sale of remake rights, fees from product placement in films and sale of merchandise based on characters, themes and concepts in films.

Various State Governments in India and Governments of Foreign countries offer **grants / cash subsidies** for making significant shootings in their respective states / foreign countries.

SWOT analysis

STRENGTHS

- Promoters have prior experiences in film industry and experienced in creating avenues in the foreign countries.
- The company has 2 partner companies based in London which is not only a niche market for Hindi movies but also a talent hub of main stream American and European cinema.
- The company has well qualified professional people working on full time basis.
- The office is situated in the talent hub of the Hindi film industry.
- The Directors are expert in availing government Incentives/subsidies for film production by shooting overseas.

WEAKNESSES

- The company has only two years' operational experiences in India. Although promoters have prior experiences in movie productions, the company as a brand for movie production is yet to take off.

OPPORTUNITIES

- The concept of crossover movies, such as Bend It Like Beckham and Namesake has helped open up new doors to the crossover audience and offers immense potential for development.
- The increasing interest of the global investors in the sector.
- The media penetration is poor among the poorer sections of the society, offering opportunities for expansion in the area.
- The nascent stage of the new distribution channels offers an opportunity for development.
- Rapid de-regulation in the Industry.
- Rise in the viewership.
- Technological innovations like animations, multiplexes, etc and new distribution channels like mobiles and Internet have opened up the doors of new opportunities in the sector.
- Digital prints also help in reducing piracy since each print is individually tracked.
- HGEL's are the first ever Bollywood production house to received 47% of film production rebate from Fiji Government.
- Low budget films provide a way for crew members to advance their skill set by working at higher responsibility than they would else where.

THREATS

- Piracy, violation of intellectual property rights poses a major threat to the Media And Entertainment companies.
- Lack of quality content has emerged as a major concern because of the 'Quick- buck' route being followed in the industry.
- With technological innovations taking place so rapidly, the media sector is facing considerable uncertainty about success in the marketplace.
- The industry has dealt with a lack of supply of trained professionals in the sector for a long time.
- Furthermore, identifying and retaining high potential staff by media players will also be key to performing well in the industry for media players.

Internal control systems

High Ground Enterprise Limited has adequate internal control systems in place for safeguarding the assets, for ensuring that all transactions are in accordance with the policies of the Company, are duly authorised, recorded and reported. The objective is to prevent possibilities of frauds or other irregularities. The Company is working to further strengthen the systems for internal audit and risk assessment and mitigation.

HIGH GROUND ENTERPRISE LIMITED



Human Resources

The growth and sustained leadership of the Company is largely a function of the competence and quality of its human resource. The Company has always aimed to create a workplace where every person can achieve his optimum potential. The Company has a performance-rewarding culture throughout, enabling it to create leaders out of its own employees. The Company has also undertaken various training and development initiatives to hone the skills and expertise of its people.

Risk Management

The Company is exposed to normal industry risk factors of competition, project delay, adverse box office response, human resource, cost escalation and uncertainties in the domestic markets. Your Company manages these risks, by maintaining a conservative financial profile and by following prudent business and risk management practices..

Statutory Compliance

Compliance of SEBI regulations and the provisions of the Listing Agreement are ensured by the Board of Directors.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable securities laws and regulations. These are based on certain assumptions and expectations of future events. The Company does not guarantee that these assumptions and expectations are accurate or will be realized. The actual results or performance could differ materially from those expressed or implied. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.

(Mr. Sandeep Arora)
Chairman & Managing Director

Date: September 1, 2012

Place: Mumbai

AUDITOR'S REPORT

The Members of
High Ground Enterprise Limited
 (Formerly known as "Woo Yang Electronics India Limited")
 Mumbai

We have audited the attached Balance Sheet of **High Ground Enterprise Limited** as at 31st March 2012 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on the accounts maintained and produced for our audit.

We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and also includes assessing the accounting principles used, significant estimates made by the management as well as evaluating the overall presentation of financial statement. We believe that our audit provide a reasonable basis for our opinion.

The Provision of the Companies Auditors Report (Amendment) Order, 2004 are not applicable to the company being a private limited company with a paid up capital and reserves not more than rupees fifty lakh and which does not have loan outstanding exceeding rupees twenty five lakh from any bank or financial institution and does not have a turnover exceeding rupees five crore at any point of time during the financial year.

Further we report that:

- (i) 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;
 - (ii) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts.
 - (iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the Directors as on 31st March 2012 and taken on record by the Board of Director's we report that none of the Directors is disqualified as on 31st March 2012 from being appointed as a Director in terms of clause (a) to (g) of sub-section (1) of Section 274 of Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said give the information required by the Companies Act, 1956 in the manner so required and give a true & fair view in conformity and in accordance with accounting principles generally accepted in India:
- (a) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March 2012; and
 - (b) In the case of the Profit & Loss Accounts of the Profit of the Company for the year ended on that date.

FOR JAIN CHOWDHARY & CO.
 CHARTERED ACCOUNTANTS
 FR. No. 113267 W

Date : 30.05.2012
Place : Mumbai

SIDDHARTH JAIN
 PARTNER
 M.No. 104709

HIGH GROUND ENTERPRISE LIMITED



BALANCE SHEET AS AT 31.03.2012

	Note No.	As at 31.03.2012 (₹)	As at 31.03.2011 (₹)
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	53,950,000.00	27,704,750.00
(b) Reserves and surplus	4	10,635,957.11	-15,614,289.95
(c) Money received against share warrants	29.1	7,030,000.00	23,062,750.00
		<u>71,615,957.11</u>	<u>35,153,210.05</u>
2 Share application money pending allotment	29.2	-	15,000.00
3 Non-current liabilities			
(a) Long-term borrowings	5	10,099,996.00	2,644,000.00
(b) Deferred tax liabilities (net)	30.10	-	-
(c) Other long-term liabilities	6	-	-
(d) Long-term provisions	7	-	-
		<u>10,099,996.00</u>	<u>2,644,000.00</u>
4 Current liabilities			
(a) Short-term borrowings	8	-	-
(b) Trade payables	9	18,052,017.00	691,362.00
(c) Other current liabilities	10	5,443,345.27	440,264.00
(d) Short-term provisions	11	-	-
		<u>23,495,362.27</u>	<u>1,131,626.00</u>
TOTAL		<u>105,211,315.38</u>	<u>38,943,836.05</u>
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12.A	241,391.00	26,475.00
(ii) Intangible assets	12.B	-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(v) Fixed assets held for sale	29.9	-	-
		<u>241,391.00</u>	<u>26,475.00</u>
(b) Non-current investments	13	37,721,394.62	3,109,504.00
(c) Deferred tax assets (net)	30.10	-	-
(d) Long-term loans and advances	14	-	-
(e) Other non-current assets	15	1,650,000.00	2,500,000.00
		<u>39,371,394.62</u>	<u>5,609,504.00</u>
2 Current assets			
(a) Current investments	16	-	-
(b) Inventories/ Project Expenses	17	8,966,659.00	25,510,500.00
(c) Trade receivables	18	51,273,495.16	-
(d) Cash and cash equivalents	19	253,426.60	6,995,919.05
(e) Short-term loans and advances	20	5,100,544.00	76,798.00
(f) Other current assets	21	4,405.00	724,640.00
		<u>65,598,529.76</u>	<u>33,307,857.05</u>
TOTAL		<u>105,211,315.38</u>	<u>38,943,836.05</u>
See accompanying notes forming part of the financial statements			

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

For and on behalf of the board
HIGH GROUND ENTERPRISE LTD

Siddharth Jain
Partner
M. No. 104709

Sandeep Arora
Managing Director

Chintan Kapadia
Whole Time Director

Place: Mumbai
Date: 30.05.2012

27TH ANNUAL REPORT 2011-2012



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

	Note No.	For the year ended 31 March, 2012 (₹)	For the year ended 31 March, 2011 (₹)
A CONTINUING OPERATIONS			
1 Revenue from operations (gross)	22	122,210,170.80	2,100,277.00
Less: Excise duty	22	-	-
Revenue from operations (net)		122,210,170.80	2,100,277.00
2 Other income	23	-	-
3 Total revenue (1+2)		122,210,170.80	2,100,277.00
4 Expenses			
(a) Cost of materials consumed	24.a	-	-
(b) Purchases of stock-in-trade/Project Expenses	24.b	64,519,091.01	25,510,500.00
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade/ Project Expenses	24.c	16,543,841.00	-25,510,500.00
(d) Employee benefits expense	25	3,970,309.00	656,970.00
(e) Finance costs	26	41,323.88	34,444.14
(f) Depreciation and amortisation expense	12.C	42,109.00	1,025.00
(g) Other expenses	27	5,903,274.85	3,249,660.87
Total expenses		91,019,948.74	3,942,100.01
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		31,190,222.06	-1,841,823.01
6 Exceptional items	28.a	-	-
7 Profit / (Loss) before extraordinary items and tax (5 + 6)		31,190,222.06	-1,841,823.01
8 Extraordinary items	28.b	-	-
9 Profit / (Loss) before tax (7 + 8)		31,190,222.06	-1,841,823.01
10 Tax expense:			
(a) Current tax expense for current year		4,939,975.00	-
(b) (Less): MAT credit (where applicable)			
(c) Current tax expense relating to prior years			
(d) Net current tax expense			
(e) Deferred tax		4,939,975.00	-
11 Profit / (Loss) from continuing operations (9 + 10)		26,250,247.06	-1,841,823.01

HIGH GROUND ENTERPRISE LIMITED



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

	Note No.	For the year ended 31 March, 2012 (₹)	For the year ended 31 March, 2011 (₹)
B DISCONTINUING OPERATIONS			
12.i Profit / (Loss) from discontinuing operations (before tax)	30.11	-	-
12.ii Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations	30.11	-	-
12.iii Add / (Less): Tax expense of discontinuing operations	30.11	-	-
(a) on ordinary activities attributable to the discontinuing operations		-	-
(b) on gain / (loss) on disposal of assets / settlement of liabilities		-	-
13 Profit / (Loss) from discontinuing operations (12.i + 12.ii + 12.iii)	30.11	-	-
C TOTAL OPERATIONS			
14 Profit / (Loss) for the year (11 + 13)		26,250,247.06	-1,841,823.01
15.i Earnings per share (of ₹ 10/- each):			
(a) Basic			
(i) Continuing operations	30.9.a	6.43	-0.66
(ii) Total operations	30.9.b	6.43	-0.66
(b) Diluted			
(i) Continuing operations	30.9.e	5.49	-0.66
(ii) Total operations	30.9.f	5.49	-0.66
15.ii Earnings per share (excluding extraordinary items) (of ₹ 10/- each):			
(a) Basic			
(i) Continuing operations	30.9.c	6.43	-0.66
(ii) Total operations	30.9.d	6.43	-0.66
(b) Diluted			
(i) Continuing operations	30.9.g	5.49	-0.66
(ii) Total operations	30.9.h	5.49	-0.66
See accompanying notes forming part of the financial statements			

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

For and on behalf of the board
HIGH GROUND ENTERPRISE LTD

Siddharth Jain
Partner
M. No. 104709

Sandeep Arora
Managing Director

Chintan Kapadia
Whole Time Director

Place: Mumbai
Date: 30.05.2012

27TH ANNUAL REPORT 2011-2012



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2012

PARTICULARS	For the year ended 31 March, 2012 (₹)		For the year ended 31 March, 2011 (₹)	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax	0	3,11,90,222	0	-1,841,419
<u>Adjustments for:</u>				
Depreciation and amortisation	42,109		1,025	
Provision for impairment of fixed assets and intangibles				
Amortisation of share issue expenses and discount on shares				
(Profit) / loss on sale / write off of assets				
Expense on employee stock option scheme				
Finance costs				
Interest income				
Dividend income				
Net (gain) / loss on sale of investments				
Rental income from investment properties				
Rental income from operating leases				
Share of profit from partnership firms				
Share of profit from AOPs				
Share of profit from LLPs				
Liabilities / provisions no longer required written back				
Adjustments to the carrying amount of investments				
Provision for losses of subsidiary companies				
Provision for doubtful trade and other receivables, loans and advances				
Provision for estimated loss on derivatives				
Provision for warranty				
Provision for estimated losses on onerous contracts				
Provision for contingencies				
Other non-cash charges (specify)				
Net unrealised exchange (gain) / loss	42,109	42,109	1,025	1,025
Operating profit / (loss) before working capital changes		3,11,48,113		-18,40,394
<u>Changes in working capital:</u>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	1,65,43,841		-2,55,10,500	
Trade receivables	-5,12,73,495		0	
Short-term loans and advances	50,23,746			
Long-term loans and advances				
Other current assets	7,20,235		1,76,448	
Other non-current assets	8,50,000			
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	1,73,60,655			
Other current liabilities	50,03,081		5,80,909	
Other long-term liabilities				
Short-term provisions			-8,974	
Long-term provisions				
	<u>-57,71,937</u>	<u>-57,71,937</u>	<u>-2,47,62,117</u>	<u>-2,47,62,117</u>
		<u>25,376,176</u>		<u>-2,66,02,511</u>
Cash flow from extraordinary items				
Cash generated from operations		2,53,76,176		-2,66,02,511
Net income tax (paid) / refunds		0		-404
Net cash flow from / (used in) operating activities (A)		<u>2,53,76,176</u>		<u>-2,66,02,915</u>

HIGH GROUND ENTERPRISE LIMITED



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2012

PARTICULARS	For the year ended 31 March, 2012 (₹)	For the year ended 31 March, 2011 (₹)
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	-2,84,525	-27,500
Proceeds from sale of fixed assets		
Inter-corporate deposits (net)		
Bank balances not considered as Cash and cash equivalents		
- Placed		
- Matured		
Current investments not considered as Cash and cash equivalents		
- Purchased		
- Proceeds from sale		
Purchase of long-term investments		
- Subsidiaries		
- Associates		
- Joint ventures	-3,77,21,395	
- Business units		
- Others		-56,09,504
Proceeds from sale of long-term investments		
- Subsidiaries		
- Associates		
- Joint ventures	31,09,504	
- Business units		
- Others		
Loans given		
- Subsidiaries		
- Associates		
- Joint ventures		
- Others		
Loans realised		
- Subsidiaries		
- Associates		
- Joint ventures		
- Others		
Interest received		
- Subsidiaries		
- Associates		
- Joint ventures		
- Others		
Dividend received		
- Subsidiaries		
- Associates		
- Joint ventures		
- Others		
Rental income from investment properties		
Rental income from operating leases		
Amounts received from partnership firms		
Amounts received from AOPs		
Amounts received from LLPs		
	-3,48,96,416	-56,37,004
Cash flow from extraordinary items		
	-3,48,96,416	-56,37,004
Net income tax (paid) / refunds		0
Net cash flow from / (used in) investing activities (B)	-3,48,96,416	-56,37,004

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2012

PARTICULARS	For the year ended 31 March, 2012 (₹)	For the year ended 31 March, 2011 (₹)
C. Cash flow from financing activities		
Proceeds from issue of equity shares		1,44,04,750
Proceeds from issue of preference shares		
Redemption / buy back of preference / equity shares		
Proceeds from issue of share warrants	2,20,80,000	2,30,62,750
Share application money received / (refunded)	-15,000	15,000
Proceeds from long-term borrowings	1,07,00,000	
Repayment of long-term borrowings	46,89,602	
Net increase / (decrease) in working capital borrowings		
Proceeds from other short-term borrowings	0	17,36,457
Repayment of other short-term borrowings	-3,46,76,855	
Finance cost		
Dividends paid		
Tax on dividend		
	<u>27,77,747</u>	<u>3,74,82,500</u>
Cash flow from extraordinary items		3,74,82,500
Net cash flow from / (used in) financing activities (C)	<u>27,77,747</u>	<u>3,92,18,957</u>
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	<u>-67,42,492</u>	<u>69,79,038</u>
Cash and cash equivalents at the beginning of the year	69,95,919	
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	0	
Cash and cash equivalents at the end of the year	<u>2,53,427</u>	<u>16,881</u>
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 19)	2,53,427	
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements (give details)		
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 19	<u>2,53,427</u>	<u>0</u>
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) (Refer Note (ii) to Note 16 Current investments)		
Cash and cash equivalents at the end of the year *	<u>2,53,427</u>	<u>69,95,919</u>
* Comprises:		
(a) Cash on hand	1,62,530	
(b) Cheques, drafts on hand	90,897	
(c) Balances with banks		
(i) In current accounts		
(ii) In EEFC accounts		
(iii) In deposit accounts with original maturity of less than 3 months		
(iv) In earmarked accounts (give details) (Refer Note (ii) below)		
(d) Others (specify nature)		
(e) Current investments considered as part of Cash and cash equivalents (Refer Note (ii) to Note 16 Current investments)		
	<u>2,53,427</u>	

Notes:

- (i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

See accompanying notes forming part of the financial statements

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

For and on behalf of the board
HIGH GROUND ENTERPRISE LTD

Siddharth Jain
Partner
M. No. 104709

Sandeep Arora
Managing Director

Chintan Kapadia
Whole Time Director

Place: Mumbai
Date: 30.05.2012

HIGH GROUND ENTERPRISE LIMITED



Notes forming part of the financial statements

Note	Particulars
1	<p>Corporate information</p> <p>The primary business activity spans from Independent Film production, Co production alliances & acquisitions, Consulting & bridge funding (global production incentives) to Post production facilities.</p>
2.1	<p>Basis of accounting and preparation of financial statements</p> <p>The financial statements have been prepared to comply in all material respects with mandatory Accounting Standards as specified in the Companies (Accounting Standards) Rules 2006. The accounts are prepared under historical cost conversion and on the going concern basis, with revenue recognized, express accounted on their accrual and in accordance with Generally Accepted Accounting Principles in India. The accounting policies have been consistently applied by the company.</p>
2.2	<p>Use of estimates</p> <p>The preparation of financial statements requires and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.</p>
2.3	<p>Inventories</p> <p>Inventories are valued at the lower of cost (on FIFO / weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.</p>
2.4	<p>Cash and cash equivalents (for purposes of Cash Flow Statement)</p> <p>Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.</p>
2.5	<p>Cash flow statement</p> <p>Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.</p>
2.6	<p>Depreciation and amortisation</p> <p>Depreciation has been provided on the Written Down Value as per the rates prescribed in Schedule XIV to the Companies Act, 1956.</p>
2.7	<p>Revenue recognition</p> <p><u>Sale of goods</u></p> <p>Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.</p> <p><u>Income from services</u></p> <p>Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.</p>

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Note	Particulars
2.8	<p>Tangible fixed assets</p> <p>Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project.</p> <p><u>Capital work-in-progress:</u></p> <p>Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.</p>
2.9	<p>Foreign currency transactions and translations</p> <p>Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.</p>
2.10	<p>Investments</p> <p>"Investments that are readily realizable and intended to be held for not more than a year are classified as 'Current Investments'. All other investments are classified as 'Non Current Investments' and carried at cost of acquisition.""</p>
2.11	<p>Earnings per share</p> <p>Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.</p>
2.12	<p>Taxes on income</p> <p>"Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.""</p>
2.13	<p>Joint venture operations</p> <p>The accounts of the Company reflect its share of the Assets, Liabilities, Income and Expenditure of the Joint Venture Operations which are accounted on the basis of the audited accounts of the Joint Ventures on line-by-line basis with similar items in the Company's accounts to the extent of the participating interest of the Company as per the Joint Venture Agreements.</p>
2.14	<p>Managerial Remuneration</p> <p>(Included under the head" Salary & Wages")</p>
1	<p>Remuneration/ Sitting Fees Rs.12,95,033/-</p>

HIGH GROUND ENTERPRISE LIMITED



Notes forming part of the financial statements

Note 3 Share capital

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
Equity shares of ₹ 10 each with voting rights	10,000,000.00	100,000,000.00	10,000,000.00	100,000,000.00
(b) Issued				
Equity shares of ₹ 10 each with voting rights	5,395,000.00	53,950,000.00	2,770,475.00	27,704,750.00
Total		53,950,000.00		27,704,750.00

Note 3 Share capital (contd.)

Particulars

Notes:

- (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Bonus	ESOP	Conversion	Buy back	Other changes (give details)	Closing Balance
Equity shares with voting rights								
Year ended 31 March, 2012								
- Number of shares	2,770,475				2,624,525			5,395,000.00
- Amount (₹)	27,704,750				26,245,250			53,950,000
Year ended 31 March, 2011								
- Number of shares								
- Amount (₹)								

Note 4 Reserves and surplus

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
(a) Capital reserve		
Opening balance	378,500.00	378,500.00
Add: Additions during the year (give details)		
Less: Utilised / transferred during the year (give details)		
Closing balance	378,500.00	378,500.00
Opening balance	(15,992,789.95)	(14,150,966.94)
Add: Profit / (Loss) for the year	26,250,247.06	(1,841,823.01)
Closing balance	10,257,457.11	(15,992,789.95)
Total	10,635,957.11	(15,614,289.95)

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Notes forming part of the financial statements

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
Note 5 Long-term borrowings		
(a) Bonds / debentures (Refer Note (i) below)		
Secured	-	-
Unsecured	-	-
(b) Term loans		
From banks		
Secured	-	-
Unsecured	-	-
From other parties		
Secured	-	-
Unsecured	-	-
(c) Deferred payment liabilities		
Secured	-	-
Unsecured	-	-
(d) Deposits		
Secured	-	-
Unsecured	-	-
(e) Loans and advances from related parties @ (Refer Note 30.7)		
Secured	-	-
Unsecured	-	-
(f) Long-term maturities of finance lease obligations (Refer Note 30.8.c)		
Secured	-	-
Unsecured	-	-
(g) Other loans and advances (specify nature)		
Secured	-	-
Unsecured	10,099,996.00	2,644,000.00
Total	<u>10,099,996.00</u>	<u>2,644,000.00</u>

Note 6 Other long-term liabilities

(a) Trade Payables: *		
(i) Acceptances	-	-
(ii) Other than Acceptances		
(b) Others:		
(i) Payables on purchase of fixed assets	-	-
(ii) Contractually reimbursable expenses	-	-
(iii) Interest accrued but not due on borrowings	-	-
(iv) Interest accrued on trade payables	-	-
(v) Interest accrued on others	-	-
(vi) Trade / security deposits received	-	-
(vii) Advances from customers	-	-
(viii) Income received in advance (Unearned revenue)	-	-
(ix) Others (specify nature)	-	-
Total	<u>-</u>	<u>-</u>

HIGH GROUND ENTERPRISE LIMITED



Notes forming part of the financial statements

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
Note 7 Long-term provisions		
(a) Provision for employee benefits:		
(i) Provision for compensated absences	-	-
(ii) Provision for gratuity (net) (Refer Note 30.4.b)	-	-
(iii) Provision for post-employment medical benefits (Refer Note 30.4.b)	-	-
(iv) Provision for other defined benefit plans (net) (give details) (Refer Note 30.4.b)	-	-
(v) Provision for other employee benefits (give details)	-	-
(b) Provision - Others:		
(i) Provision for premium payable on redemption of bonds (Refer Note 5 Long-term borrowings)	-	-
(ii) Provision for estimated loss on derivatives	-	-
(iii) Provision for warranty (Refer Note 30.14)	-	-
(iv) Provision for estimated losses on onerous contracts (Refer Note 30.14)	-	-
(v) Provision for other contingencies (Refer Note 30.14)	-	-
(vi) Provision - others (give details)	-	-
Total	<u>-</u>	<u>-</u>
Note 8 Short-term borrowings		
(a) Loans repayable on demand		
From banks		
Secured	0	0
Unsecured	0	0
From other parties		
Secured	0	0
Unsecured	0	0
(b) Loans and advances from related parties		
Secured	0	0
Unsecured	0	0
(c) Deposits		
Secured	0	0
Unsecured	0	0
(d) Other loans and advances (specify nature)		
Secured	0	0
Unsecured	0	0
Total	<u>-</u>	<u>-</u>

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Notes forming part of the financial statements

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
Note 9 Trade payables		
Trade payables:		
Acceptances		
Other than Acceptances	18,052,017.00	691,362.00
Total	18,052,017.00	691,362.00
Note 10 Other current liabilities		
(a) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	155,377.27	38,383.00
(ii) Payables on purchase of fixed assets		
(iii) Contractually reimbursable expenses		
(iv) Interest accrued on trade payables		
(v) Interest accrued on others		
(vi) Trade / security deposits received		
(vii) Advances from customers		
(viii) Others (specify nature)	5,287,968.00	401,881.00
Total	5,443,345.27	440,264.00
Note 11 Short-term provisions		
(a) Provision for employee benefits:		
(i) Provision for bonus	-	-
(ii) Provision for compensated absences	-	-
(iii) Provision for gratuity (net) (Refer Note 30.4.b)	-	-
(iv) Provision for post-employment medical benefits (Refer Note 30.4.b)	-	-
(v) Provision for other defined benefit plans (net) (give details) (Refer Note 30.4.b)	-	-
(vi) Provision for other employee benefits (give details)	-	-
(b) Provision - Others:		
(i) Provision for tax (net of advance tax ₹ Nil) (As at 31 March, 2011 ₹ Nil)	-	-
(ii) Provision for premium payable on redemption of bonds (Refer Note 5 Long-term borrowings)	-	-
(iii) Provision for estimated loss on derivatives	-	-
(iv) Provision for warranty (Refer Note 30.14)	-	-
(v) Provision for estimated losses on onerous contracts (Refer Note 30.14)	-	-
(vi) Provision for other contingencies (Refer Note 30.14)	-	-
(vii) Provision for proposed equity dividend	-	-
(viii) Provision for proposed preference dividend	-	-
(ix) Provision for tax on proposed dividends	-	-
(x) Provision - others (give details)	-	-
Total	-	-

HIGH GROUND ENTERPRISE LIMITED



Note 12 Fixed assets									
A	Tangible assets	Gross block							
		Balance as at 1 April, 2011	Additions	Disposals	Acquisitions through business combinations	Reclassified as held for sale	Revaluation increase	Effect of foreign currency exchange differences	Borrowing cost capitalised
		₹	₹	₹	₹	₹	₹	₹	₹
	(a) Land Freehold Leasehold								
	(b) Buildings Own use								
	Given under operating lease								
	(c) Plant and Equipment Owned	0	114250						114250
	Taken under finance lease								
	Given under operating lease								
	(d) Furniture and Fixtures Owned	0	49325						49325
	Taken under finance lease								
	Given under operating lease								
	(e) Vehicles Owned								
	Taken under finance lease								
	Given under operating lease								
	(f) Office equipment Owned	27500	93450						120950
	Taken under finance lease								
	Given under operating lease								
	(g) Leasehold improvements Owned								
	Taken under finance lease								
	Given under operating lease								
	(h) Others (specify nature), e.g. Railway sidings, etc. Owned								
	Taken under finance lease								
	Given under operating lease								
	Total	27,500.00	257,025.00						284,525.00
	Previous year	-	27,500.00						27,500.00

Note 12 Fixed assets										
A. Tangible assets	Accumulated depreciation and impairment						Net block			
	Balance as at 1 April, 2011	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Eliminated on reclassification on as held for sale	Impairment losses recognised in statement of profit and loss	Reversal of impairment losses recognised in statement of profit and loss	Other adjustments	Balance as at 31 March, 2012	Other as at 31 March, 2012	Balance as at 31 March, 2011
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
(a) Land Freehold Leasehold								0	0	-
(b) Buildings Own use								0	0	-
(c) Plant and Equipment Given under operating lease								0	0	-
Owned		10006						10006	20012	-
Taken under finance lease								0	0	-
Given under operating lease								0	0	-
(d) Furniture and Fixtures Owned		6207						6207	12414	-
Taken under finance lease								0	0	-
Given under operating lease								0	0	-
(e) Vehicles Owned								0	0	-
Taken under finance lease								0	0	-
Given under operating lease								0	0	-
(f) Office equipment Owned	1025	25896						0	0	-
Taken under finance lease								26921	53842	26,475.00
Given under operating lease								0	0	-
(g) Leasehold improvements Owned								0	0	-
Taken under finance lease								0	0	-
Given under operating lease								0	0	-
(h) Others (specify nature), e.g. Railway sidings, etc. Owned								0	0	-
Taken under finance lease								0	0	-
Given under operating lease								0	0	-
Total	1,025.00	42,109.00						43,134.00	241,391.00	26,475.00
Previous year	-	1,025.00						1,025.00	26,475.00	-

HIGH GROUND ENTERPRISE LIMITED



Notes forming part of the financial statements

Particulars	For the year ended 31 March, 2012 ₹	For the year ended 31 March, 2011 ₹
Note 12 Fixed assets (contd.)		
C. Depreciation and amortisation relating to continuing operations:		
Depreciation and amortisation for the year on tangible assets as per Note 12 A	42,109.00	1,025.00
Depreciation and amortisation for the year on intangible assets as per Note 12 B		
Less: Utilised from revaluation reserve		
Depreciation and amortisation relating to discontinuing operations (Refer Note 30.11)		
Depreciation and amortisation relating to continuing operations	42,109.00	1,025.00
Note 13 Non-current investments		
Particulars	As at 31 March, 2012	As at 31 March, 2011
	Quoted ₹	Unquoted ₹
Investments (At cost):		
A. <u>Trade</u>		
(a) Investment in equity instruments (give details separately for fully / partly paid up instruments)		
(i) of joint venture companies	37,721,394.62	3,109,504.00
Total - Trade (A)	- 37,721,394.62	- 3,109,504.00
Note 14 Long-term loans and advances		
Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Capital advances *		
Secured, considered good	0	0
Unsecured, considered good	0	0
Doubtful	0	0
Less: Provision for doubtful advances		
(b) Security deposits		
Secured, considered good	0	0
Unsecured, considered good	0	0
Doubtful	0	0
Less: Provision for doubtful deposits		
(c) Loans and advances to related parties (give details @) (Refer Note 30.7)		
Secured, considered good	0	0
Unsecured, considered good	0	0
Doubtful	0	0
Less: Provision for doubtful loans and advances		

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Notes forming part of the financial statements

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
Note 14 Long-term loans and advances (Contd..)		
(d) Loans and advances to employees		
Secured, considered good	0	0
Unsecured, considered good	0	0
Doubtful	0	0
Less: Provision for doubtful loans and advances		
(e) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)	-	-
(f) Advance income tax # (net of provisions ₹ Nil (As at 31 March, 2011 ₹ Nil) - Unsecured, considered good	-	-
(g) MAT credit entitlement # - Unsecured, considered good		
(h) Balances with government authorities Unsecured, considered good		
(i) CENVAT credit receivable		
(ii) VAT credit receivable		
(iii) Service Tax credit receivable		
(i) Other loans and advances (specify nature)		
Secured, considered good		
Unsecured, considered good		
Doubtful		
Less: Provision for other doubtful loans and advances		
Total	<u> -</u>	<u> -</u>
Note 15 Other non-current assets		
(a) Long-term trade receivables # (including trade receivables on deferred credit terms) (Refer Note below)		
Secured, considered good	0	0
Unsecured, considered good	1,650,000	2,500,000
Doubtful	<u> 0</u>	<u> 0</u>
Less: Provision for doubtful trade receivables		
	<u> 1,650,000.00</u>	<u> 2,500,000.00</u>
(b) Unamortised expenses		
(i) Ancillary borrowing costs	-	-
(ii) Share issue expenses (where applicable)	-	-
(iii) Discount on shares (where applicable)	-	-
(c) Accruals		
(i) Interest accrued on deposits	-	-
(ii) Interest accrued on investments	-	-
(iii) Interest accrued on trade receivables	-	-
(d) Others		
(i) Insurance claims	-	-
(ii) Receivables on sale of fixed assets	-	-
(iii) Contractually reimbursable expenses	-	-
(iv) Others (specify nature)	<u> -</u>	<u> -</u>
Total	<u> 1,650,000.00</u>	<u> 2,500,000.00</u>

HIGH GROUND ENTERPRISE LIMITED



Note 16 Current Investments						
Particulars	As at 31 March, 2012			As at 31 March, 2011		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
	₹	₹	₹	₹	₹	₹
A. Current portion of long-term investments (At cost)						
(a) Investment in preference shares (give details separately for fully / partly paid up shares)	-	-	-	-	-	-
(b) Investment in government or trust securities (give details)	-	-	-	-	-	-
(c) Investment in debentures or bonds (give details separately for fully / partly paid up debentures / bonds)	-	-	-	-	-	-
(d) Investment in mutual funds (give details)	-	-	-	-	-	-
(e) Other investments (specify nature)	-	-	-	-	-	-
Less: Provision for diminution in value of current portion of long-term investments						
Total - Current portion of long-term investments (A)						
B. Other current investments (At lower of cost and fair value, unless otherwise stated)						
(a) Investment in equity instruments (give details separately for fully / partly paid up instruments)						
(i) of subsidiaries	-	-	-	-	-	-
(ii) of associates	-	-	-	-	-	-
(iii) of joint venture companies	-	-	-	-	-	-
(iv) of controlled special purpose entities	-	-	-	-	-	-
(v) of other entities (give details)	-	-	-	-	-	-
(b) Investment in preference shares (give details separately for fully / partly paid up shares)						
(i) of subsidiaries	-	-	-	-	-	-
(ii) of associates	-	-	-	-	-	-
(iii) of joint venture companies	-	-	-	-	-	-
(iv) of controlled special purpose entities	-	-	-	-	-	-
(v) of other entities (give details)	-	-	-	-	-	-
(c) Investment in government or trust securities						
(i) government securities	-	-	-	-	-	-
(ii) trust securities	-	-	-	-	-	-
(d) Investment in debentures or bonds (give details separately for fully / partly paid up debentures / bonds)						
(i) of subsidiaries	-	-	-	-	-	-
(ii) of associates	-	-	-	-	-	-
(iii) of joint venture companies	-	-	-	-	-	-
(iv) of controlled special purpose entities	-	-	-	-	-	-
(v) of other entities (give details)	-	-	-	-	-	-
(e) Investment in mutual funds (give details)	-	-	-	-	-	-
(f) Investment in partnership firms (Refer Note (i) below)	-	-	-	-	-	-
(g) Other investments (specify nature)	-	-	-	-	-	-
Total - Other current investments (B)						
Total - Current investments (A+B)						
Aggregate amount of quoted investments						
Aggregate market value of listed and quoted investments						
Aggregate value of listed but not quoted investments						
Aggregate amount of unquoted investments						
Aggregate provision for diminution (write down) in the value of other current investments						

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Notes forming part of the financial statements

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
Note 17 Inventories		
(At lower of cost and net realisable value)		
(a) Raw materials	-	-
Goods-in-transit	-	-
(b) Work-in-progress @ (Refer Note below)	8,966,659.00	25,510,500.00
Goods-in-transit		
(c) Finished goods	-	-
Goods-in-transit	-	-
(d) Stock-in-trade (acquired for trading)	-	-
Goods-in-transit	-	-
(e) Stores and spares	-	-
Goods-in-transit	-	-
(f) Loose tools	-	-
Goods-in-transit	-	-
(g) Others (Specify nature)	-	-
Goods-in-transit	-	-
Total	<u>8,966,659.00</u>	<u>25,510,500.00</u>
Note: Details of inventory of work-in-progress		
Project Guns & Heros	4,500,000.00	4,500,000.00
Project - Bhindi Baazaar Inc.	-	21,010,500.00
Project - Kya Dilli Kya Lahore	4,466,659.00	
	<u>8,966,659.00</u>	<u>25,510,500.00</u>
Note 18 Trade receivables		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment #		
Secured, considered good		
Unsecured, considered good	51,273,495	0
Doubtful	<u>51,273,495</u>	<u>0</u>
Less: Provision for doubtful trade receivables	<u>51,273,495.16</u>	<u>-</u>
Other Trade receivables		
Secured, considered good		
Unsecured, considered good		
Doubtful		
Less: Provision for doubtful trade receivables		
Total	<u>51,273,495.16</u>	<u>-</u>

HIGH GROUND ENTERPRISE LIMITED



Notes forming part of the financial statements

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
Note 19 Cash and cash equivalents		
(a) Cash on hand	162,530.00	82,057.00
(b) Cheques, drafts on hand	-	-
(c) Balances with banks		
(i) In current accounts	90,896.60	6,913,862.05
(ii) In EEFC accounts	-	-
(iii) In deposit accounts	-	-
(iv) In earmarked accounts	-	-
- Unpaid dividend accounts	-	-
- Unpaid matured deposits	-	-
- Unpaid matured debentures	-	-
- Share application money received for allotment of securities and due for refund	-	-
- Balances held as margin money or security against borrowings, guarantees and other commitments (Refer Note (i) below)	-	-
- Other earmarked accounts (specify) (Refer Note (ii) below)	-	-
(d) Others (specify nature)	-	-
Total	253,426.60	6,995,919.05
Note 20 Short-term loans and advances		
(a) Loans and advances to related parties (give details @) (Refer Note 30.7)		
Secured, considered good		
Unsecured, considered good		
Doubtful		
Less: Provision for doubtful loans and advances		
(b) Security deposits		
Secured, considered good		
Unsecured, considered good	4,989,675.00	30,000.00
Doubtful		
Less: Provision for doubtful deposits		
	4,989,675.00	30,000.00
(c) Loans and advances to employees		
Secured, considered good		
Unsecured, considered good	71,814.00	46,798.00
Doubtful		
Less: Provision for doubtful loans and advances		
	71,814.00	46,798.00
(d) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)	4,055.00	-
(e) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable		
(ii) VAT credit receivable		
(iii) Service Tax credit receivable		
(f) Inter-corporate deposits		
Secured, considered good		
Unsecured, considered good		
Doubtful		
Less: Provision for doubtful inter-corporate deposits		
(g) Others (specify nature)		
Secured, considered good		
Unsecured, considered good	35,000.00	-
Doubtful		
Less: Provision for other doubtful loans and advances		
	35,000.00	-
Total	5,100,544.00	76,798.00

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Notes forming part of the financial statements

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
Note 21 Other current assets		
(a) Unbilled revenue		
(b) Unamortised expenses		
(i) Ancillary borrowing costs	-	-
(ii) Share issue expenses (where applicable)	-	-
(iii) Discount on shares (where applicable)	-	-
(c) Accruals		
(i) Interest accrued on deposits	-	-
(ii) Interest accrued on investments	-	-
(iii) Interest accrued on trade receivables	-	-
(d) Others		
(i) Insurance claims	-	-
(ii) Receivables on sale of fixed assets	-	-
(iii) Contractually reimbursable expenses	-	-
(iv) Others (specify nature)	4,405	724,640
Total	<u>4,405.00</u>	<u>724,640.00</u>

Note 22 Revenue from operations

Particulars	For the year ended 31 March, 2012 ₹	For the year ended 31 March, 2011 ₹
(a) Sale of products @ (Refer Note (i) below)	92,497,250.00	-
(b) Sale of services @ (Refer Note (ii) below)	9,899,933.00	2,100,000.00
(c) Other operating revenues # (Refer Note (iii) below)	19,812,987.80	277.00
	<u>122,210,170.80</u>	<u>2,100,277.00</u>
Less:		
(d) Excise duty	0	0
Total	<u>122,210,170.80</u>	<u>2,100,277.00</u>

Note

(i) Traded goods		
Project - Bhindi Baazar Inc.	32,239,750.00	-
Project - Border Order	35,000,000.00	-
Project - Charlie ke Chakkar mein	17,500,000.00	-
Other Project	7,757,500.00	-
Total - Sale of traded goods	<u>92,497,250.00</u>	<u>-</u>
(ii) Sale of services comprises @:		
Sale of Co-Producer rights -Bhindi Baazar Inc	9,099,933.00	-
Supply of Man Power	800,000.00	-
Pre Production & Consultancy Services	-	2,100,000.00
Total - Sale of services	<u>9,899,933.00</u>	<u>2,100,000.00</u>
(iii) Other operating revenues # comprise:		
Distribution Income	4,812,987.80	277.00
Non Performance Compensation	15,000,000.00	-
Total - Other operating revenues	<u>122,210,170.80</u>	<u>2,100,277.00</u>

HIGH GROUND ENTERPRISE LIMITED



Notes forming part of the financial statements

Particulars	For the year ended 31 March, 2012 ₹	For the year ended 31 March, 2011 ₹
Note 23 Other income		
(a) Interest income	-	-
(b) Dividend income:		
from current investments	-	-
subsidiaries	-	-
joint ventures	-	-
associates	-	-
others	-	-
from long-term investments	-	-
subsidiaries	-	-
joint ventures	-	-
associates	-	-
others	-	-
(c) Net gain on sale of:		
current investments	-	-
long-term investments	-	-
(d) Adjustments to the carrying amount of investments		
- reversal of reduction in the carrying amount of:		
current investments	-	-
long-term investments	-	-
(e) Net gain on foreign currency transactions and translation (other than considered as finance cost)	-	-
(f) Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	-	-
Total	-	-
Note		
(i) Interest income comprises:		
Interest from banks on:		
deposits	-	-
other balances	-	-
Interest on loans and advances	-	-
Interest on overdue trade receivables	-	-
Interest income from current investments	-	-
subsidiaries	-	-
joint ventures	-	-
associates	-	-
others	-	-
Interest income from long term investments	-	-
subsidiaries	-	-
joint ventures	-	-
associates	-	-
others	-	-
Interest on income tax refund	-	-
Other interest	-	-
Total - Interest income	<u>-</u>	<u>-</u>

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Notes forming part of the financial statements

Particulars	For the year ended 31 March, 2012 ₹	For the year ended 31 March, 2011 ₹
(ii) Other non-operating income comprises:	-	-
Rental income from investment properties	-	-
Rental income from operating leases	-	-
Profit on sale of fixed assets [net of expenses directly attributable ₹ Nil (Year ended 31 March, 2011 ₹ Nil)]	-	-
Share of profit from partnership firms #	-	-
Share of profit from AOPs #	-	-
Share of profit from LLPs *	-	-
Liabilities / provisions no longer required written back	-	-
Prior period items (net) (Refer Note (iii) below)	-	-
Miscellaneous income [net of expenses directly attributable ₹ Nil (Year ended 31 March, 2011 ₹ Nil)]	-	-
Total - Other non-operating income		
(iii) Details of Prior period items (net)		
Prior period income (give details)	-	-
Prior period expenses (give details)	-	-
Total		

Note 24.a Cost of materials consumed

Opening stock		-
Add: Purchases		
Less: Closing stock		
Cost of material consumed	-	
Material consumed comprises:		
Raw material 1		
Raw material 2		
Raw material 3		
Other items		
Total	-	-

Note 24.b Purchase of traded goods @

Charlie Ke Chakkar Mein	15,000,000.00	
Bhindi Bazaar.Inc	15,396,467.01	
Project - Border Order	4,466,659.00	
Other Projects	29,655,965.00	25,510,500.00
Total	64,519,091.01	25,510,500.00

Note 24.c Changes in inventories of finished goods, work-in-progress and stock-in-trade

Inventories at the end of the year:

Finished goods		
Work-in-progress		
Stock-in-trade	8,966,659.00	25,510,500.00
	8,966,659.00	25,510,500.00

Inventories at the beginning of the year:

Finished goods		
Work-in-progress		
Stock-in-trade	25,510,500.00	0
	25,510,500.00	-
Net (increase) / decrease	16,543,841.00	(25,510,500.00)

HIGH GROUND ENTERPRISE LIMITED



Notes forming part of the financial statements

Particulars	For the year ended 31 March, 2012 ₹	For the year ended 31 March, 2011 ₹
Note 25 Employee benefits expense		
Salaries and wages	3,541,772	624,300
Staff welfare expenses	428,537	32,670
Total	3,970,309	656,970
Note 26 Finance costs		
(a) Interest expense on:		
(i) Borrowings	9,412.00	2,186.00
(ii) Trade payables		
(iii) Others		
- Interest on delayed / deferred payment of income tax		
- Others (give details)		
(b) Other borrowing costs	31911.88	32258.14
(c) Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)		
Total	41,323.88	34,444.14
Note 27 Other expenses		
Power and fuel	338966	96690
Rent including lease rentals (Refer Note 30.8.d)	433400	0
Repairs and maintenance - Machinery	487057	3660
Repairs and maintenance - Others		30277
Insurance	811	0
Rates and taxes	63782	404
Communication	608429	82503
Travelling and conveyance	875795	166306
Printing and stationery	227852.36	25271
Business promotion	438477	145112
Donations and contributions	36000	0
Legal and professional	1023221	1210824
Payments to auditors (Refer Note (i) below)	25000	22060
Bad trade and other receivables, loans and advances written off	19402.9	143865.87
Net loss on foreign currency transactions and translation (other than considered as finance cost)	510781	0
Miscellaneous expenses	814300.59	1322688
Total	5903274.85	3249660.87
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	25000	22060
For taxation matters		
For company law matters		
For management services		
For other services		
Reimbursement of expenses		
Total	25000	22060
(ii) Details of Prior period items (net)		
Prior period expenses (give details)		
Prior period income (give details)		
Total	<u>0</u>	<u>0</u>

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Notes forming part of the financial statements

Particulars	For the year ended 31 March, 2012 ₹	For the year ended 31 March, 2011 ₹
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Note 28.a Exceptional items

	-	-
Total	-	-

Note 28.b Extraordinary items

Government grants that have become refundable

	-	-
Total	-	-

Note 29 Additional information to the financial statements

Note Particulars

29.1 Monies received against share warrants

The Board of Directors of the Company at their meeting held on 1st November 2010 and as approved at its Extra Ordinary General Meeting held on 27th November 2010 have resolved to allot up to 7338000 warrants, convertible into same no of equity shares of ₹ 10/- each on a preferential allotment basis, pursuant to Section 81(1A) of the Companies Act, 1956, at a conversion price of ₹ 10/- per equity share of the Company, arrived at in accordance with the SEBI Guidelines in this regard and subsequently these warrants were allotted on 25.01.2011 to the promoters and non promoters the 25% application money amounting to ₹ 1,38,00,000/- was received from them. The warrants may be converted into equivalent number of shares on payment of the balance amount at any time on or before 25 July, 2012. In the event the warrants are not converted into shares within the said period, the Company is eligible to forfeit the amounts received towards the warrants. During the year the company has converted 2624525 warrants into same no of Equity Shares on 20th October 2011.

29.2 Share application money pending allotment

As at 31 March 2012, the Company has received an amount of ₹Nil towards share application money towards Nil equity / preference shares of the Company (As at 31 March, 2011 ₹ 15000).

29.9 Details of fixed assets held for sale

As at 31 March, 2012

As at 31 March, 2011

	₹	₹
Building	-	-
Plant and machinery	-	-
Office equipment	-	-
Vehicles	-	-
Others (give details)	-	-
Total	-	-

30.7 Related Party Transactions

Sr. No	Name of Party	Relationship	Nature of Transaction		Amount (₹)
1	Sandeep Arora	Director	Loan	Cr.	9559500
2	Picture Thoughts Pvt. Ltd.	Sandeep Arora (Director) - KMP	Loan	Cr.	540496
3	Stance Synergies Pvt Ltd.	Manish Mehrotra Director	Advance to Party	Dr.	1650000

HIGH GROUND ENTERPRISE LIMITED



Notes forming part of the financial statements

Particulars	For the year ended 31 March, 2012 ₹	For the year ended 31 March, 2011 ₹
Note 30 Disclosures under Accounting Standards		
30.9 Earnings per share		
Basic		
30.9.a <u>Continuing operations</u>		
Net profit / (loss) for the year from continuing operations	26,250,247.06	(1,841,823.01)
Less: Preference dividend and tax thereon		
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	26,250,247.06	(1,841,823.01)
Weighted average number of equity shares	4082738	2770475
Par value per share	10	10
Earnings per share from continuing operations - Basic	6.43	(0.66)
30.9.b <u>Total operations</u>		
Net profit / (loss) for the year	26,250,247.06	(1,841,823.01)
Less: Preference dividend and tax thereon		
Net profit / (loss) for the year attributable to the equity shareholders	26,250,247.06	(1,841,823.01)
Weighted average number of equity shares	4082738	2770475
Par value per share	10	10
Earnings per share - Basic	6.43	(0.66)
<u>Basic (excluding extraordinary items)</u>		
30.9.c <u>Continuing operations</u>		
Net profit / (loss) for the year from continuing operations	26,250,247.06	(1,841,823.01)
(Add) / Less: Extraordinary items (net of tax) relating to continuing operations		
Less: Preference dividend and tax thereon		
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders, excluding extraordinary items	26,250,247.06	(1,841,823.01)
Weighted average number of equity shares	4082738	2770475
Par value per share	10	10
Earnings per share from continuing operations, excluding extraordinary items - Basic	6.43	(0.66)
30.9.d <u>Total operations</u>		
Net profit / (loss) for the year	26,250,247.06	(1,841,823.01)
(Add) / Less: Extraordinary items (net of tax)		
Less: Preference dividend and tax thereon		
Net profit / (loss) for the year attributable to the equity shareholders, excluding extraordinary items	26,250,247.06	(1,841,823.01)
Weighted average number of equity shares	4082738	2770475
Par value per share	10	10
Earnings per share, excluding extraordinary items - Basic	6.43	(0.66)
<u>Diluted</u>		
The diluted earnings per share has been computed by dividing the Net Profit After Tax available for Equity Shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Warrants, Stock Options and Convertible bonds for the respective periods. Since, the effect of the conversion of Preference shares was anti-dilutive, it has been ignored.		
Note 30 Disclosures under Accounting Standards (contd.)		
30.9.e <u>Continuing operations</u>		
Net profit / (loss) for the year from continuing operations	26,250,247.06	(1,841,823.01)
Less: Preference dividend and tax thereon		
Net profit / (loss) for the year attributable to the equity shareholders from continuing operations	26,250,247.06	(1,841,823.01)
Add: Interest expense and exchange fluctuation on convertible bonds (net)	0	0
Profit / (loss) attributable to equity shareholders from continuing operations (on dilution)	26,250,247.06	(1,841,823.01)
Weighted average number of equity shares for Basic EPS	4082738	2770475
Add: Effect of warrants, ESOPs and Convertible bonds which are dilutive	703000	0
Weighted average number of equity shares - for diluted EPS	4785738	2770475

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Notes forming part of the financial statements

Particulars	For the year ended 31 March, 2012 ₹	For the year ended 31 March, 2011 ₹
Par value per share	10	10
Earnings per share, from continuing operations - Diluted	5.49	(0.66)
30.9.f Total operations		
Net profit / (loss) for the year	26,250,247.06	(1,841,823.01)
Less: Preference dividend and tax thereon		
Net profit / (loss) for the year attributable to the equity shareholders	26,250,247.06	(1,841,823.01)
Add: Interest expense and exchange fluctuation on convertible bonds (net)	0	0
Profit / (loss) attributable to equity shareholders (on dilution)	26,250,247.06	(1,841,823.01)
Weighted average number of equity shares for Basic EPS	4082738	2770475
Add: Effect of Warrants, ESOPs and Convertible bonds which are dilutive	703000	0
Weighted average number of equity shares - for diluted EPS	4785738	2770475
Par value per share	10	10
Earnings per share - Diluted	5.49	(0.66)
<u>Diluted (excluding extraordinary items)</u>		
30.9.g Continuing operations		
Net profit / (loss) for the year from continuing operations	26,250,247.06	(1,841,823.01)
(Add) / Less: Extraordinary items (net of tax)		
Less: Preference dividend and tax thereon		
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders, excluding extraordinary items	26,250,247.06	(1,841,823.01)
Add: Interest expense and exchange fluctuation on convertible bonds (net)	0	0
Profit / (loss) from continuing operations attributable to equity shareholders (on dilution)	26,250,247.06	(1,841,823.01)
Weighted average number of equity shares for Basic EPS	4082738	2770475
Add: Effect of Warrants, ESOPs and Convertible bonds which are dilutive	703000	0
Weighted average number of equity shares - for diluted EPS	4785738	2770475
Par value per share	10	10
Earnings per share, from continuing operations, excluding extraordinary items - Diluted	5.49	(0.66)
30.9.h Total operations		
Net profit / (loss) for the year	26,250,247.06	(1,841,823.01)
(Add) / Less: Extraordinary items (net of tax)	-	-
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year attributable to the equity shareholders, excluding extraordinary items	26,250,247.06	(1,841,823.01)
Add: Interest expense and exchange fluctuation on convertible bonds (net)	-	0
Profit / (loss) attributable to equity shareholders (on dilution)	26,250,247.06	(1,841,823.01)
Weighted average number of equity shares for Basic EPS	4,082,738.00	2770475
Add: Effect of Warrants, ESOPs and Convertible bonds which are dilutive	703,000.00	0
Weighted average number of equity shares - for diluted EPS	4,785,738.00	2770475
Par value per share	10.00	10
Earnings per share, excluding extraordinary items - Diluted	5.49	(0.66)

Note 32 Previous year's figures

32 The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

HIGH GROUND ENTERPRISE LIMITED

PROXY FORM

27th Annual General Meeting

Folio No.....

Client ID :

D.P. ID.....

I/We.....of
..... in the district of being a member/
members of the High Ground Enterprise Limited hereby appoint.....
..... of in the district of.....
.....or failing him
.....of.....in the district of..... as my / our proxy
to vote for me/ us in my / our behalf at the ANNUAL GENERAL MEETING of the Company to be held on
29th September, 2012 and at any adjournment thereof.

Signed this.....day of.....2012

Signature.....

Affix
1 Rupee
Revenue
Stamp

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

ATTENDANCE SLIP

27th Annual General Meeting

Folio No.....

Client ID:

D.P. ID.....

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

I hereby record my presence at the 27th Annual General Meeting of the Company on Saturday,
29th September, 2012 at 11.00 am at R.K. Studio & Rehearsal Hall 53, link plaza, above Shreejee Restaurant,
Link Road, Andheri (west), Mumbai-400102

Member's/Proxy's name in block letter

Member's/Proxy's Signature

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

Book - Post

To,

If undelivered please return to :



HIGH GROUND ENTERPRISE LIMITED

Registered Office:

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